REPORT FOR: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting:	18 March 2014
Subject:	Review of Climate Change and Delivering Warmer Homes strategies
Responsible Officer:	Caroline Bruce – Corporate Director, Environment and Enterprise
Scrutiny Lead Member area:	Cllr Yogesh Teli, Policy Lead Member Environment and Enterprise Cllr Philip O'Dell, Performance Lead Member Environment and Enterprise
Exempt:	No
Enclosures:	Appendix A – KPIs

Section 1 – Summary and Recommendations

This report reviews the progress of the existing climate change strategy and sets out proposals to improve delivery.

Recommendations:

1. Note the current performance on delivering the current Climate Change Action Plan;
2. Review the proposals for the Delivering Warmer Homes strategy set out in Option c) in Para 2.3.1
3. Review the proposal for future consideration of an Affordable Warmth budget set out in option b) in Para 2.3.2
4. Review the proposals to reduce carbon emissions set out in Option c in Para 2.3.3.
5. Note the potential projects to reduce emissions set out in Para 2.3.4.
6. Consider the above recommendations andcomments for submission to Cabinet.
7. Note the change to reporting arrangements set out in Para 2.3.5.

Reason: (For recommendation)

To ensure continued progress in deliveryofthe council's climate change strategy and the target to reduce carbon emissions.

Section 2 – Report

2.1 Introductory paragraph

The revised climate change strategy Action Plan was adopted in March 2013.
This report looks at the progress that has been made in the seven key policy areas and identifies the issues that still remain.

Addressing Climate Change issues is a long term policy issue. To a large extent economic issues and the austerity agenda have dominated national and local politics during this period but the underlying issues have not gone away. The recent report by the IPCC to the UN is clear that this issue remains and, if not addressed, represents a major threat to humankind.

2.2 Review of the existing Strategy and Action Plan

The climate change strategy addresses seven policy areas. In each area the headline position is set out below.

Appendix A sets out progress made on the Action Plan since April 2013 in greater detail.

2.2.1 Delivering Warmer Homes

The council submitted its Delivering Warmer Homes (HECA) report to the Secretary of State for Energy and Climate Change in March 2013. A progress report will be submitted in March 2015.

The HECA report sets out the council's ambitions and targets for reducing energy consumption in homes across all tenures. The following schemes are being/have been installed during 2013/14

Name	Description	Tenure	No of homes
Stiven Crescent	External wall insulation Loft insulation	3 council 2 RSL 1 private	6
Francis Road	External wall insulation Loft insulation	64 council 14 leaseholder	78

The Affordable Warmth programme, which will provide insulation and replacement boilers etc to vulnerable households in the borough, has moved a step nearer. Willmott Dixon Energy Services estimate that they will bring £130k of ECO funding to the scheme which will bolster the original £90k budget. Work has now started and should be completed by the end of March 2014.. Approx. 100 homes will benefit

We have also reached agreement with Warm Zones CIC to provide approx. 80 homes with boilers and insulation. This work is being fully funded by HHCRO (Household Heating Cost Reduction Obligation – part of ECO) and Warm Zones. Total investment will be in the region of £240k. Residents also receive a benefits check as part of this process

We are also working with Public Health on the delivering of this year's Harrow Housewarmers project. Total funding is £80k. In 2013/14 we will be able to use some of the

affordable warmth capital programme (from 2012/13) to support energy efficiency schemes. For 2014/15 there is currently no council budget to provide targeted help to people who live in cold homes who will be identified by this project.

2.2.2 The Council's Footprint

a) Carbon Reduction Commitment – Energy Efficiency Scheme (CRC) and Greenhouse Gas (GHG)

The CRC scheme is a statutory carbon trading scheme designed to reduce carbon emissions from organisations that emit significant amounts of carbon as part of their operations. The council's energy use means that the scheme has applied to the council since April 2011. Participating organisations have to purchase allowances for the amount of carbon they emit.

In 2012/13 our carbon footprint increased by 13% compared to 2011/12. This compares to a reduction of 12.5% in 2011/12 compared to 2010/11. The winter of 2012/13 was particularly cold which probably accounts for much of the increase. Performance varied across the estate as shown in Table 1 below:

Table 1 – CRC carbon footprint by estate 2012/13 compared to 2011/12

	2011/12 Tonnes of carbon	**2012/13 Tonnes of carbon**	**% Change**
Corporate buildings	5956	5981	+0.4%
Schools	7289	8465	+16.1%
Academies	4267	5338	+25.1%
Total	17512	19784	+13%

The above figures have not been corrected to take into account increases/decreases in gas consumption which are very sensitive to variations in the weather. The cold winter in 2012/13 effectively cancelled out the reduced emissions reported in 2011/12 (a relatively mild winter). The important trend to note is that schools' and academies' emissions have grown significantly compared to the corporate estate.

The council also has to report its GHG emissions to DEFRA. This is a wider measure of carbon emissions than CRC and includes emissions from transport operation and other third party emissions such as those from council leisure centres, which do not count towards CRC (as they are operated by contractors who report the emissions directly).

Table 2 : GHG changes per the different sources measured.

Type of emission	Base year 2009/10	2011/12	2012/13	Percent change over 3 years 2012/13 cf 2009/10	Percent change over the last year 2012/13 Cf 2011/12
GAS	10717	10066	12930	20.6	28.5
GAS weather corrected	9724	9134	9597	-1.3	5.1
TRANSPORT	2065	1899	1860	-9.9	-2.1
ELECTRICITY	14108	15032	15297	8.4	1.8
ALL EMISSIONS Weather corrected	25897	26065	26754	3.3	2.6

Correcting for weather variation and looking over a three year period we see a small reduction in gas emissions, a large reduction in transport emissions. However, of particular concern is the upward trend in electricity consumption which has increased by 8.4% since 2009/10 (the base year).

Over the three year period the target reduction should have been 12% - so a 3.3% increase (after correcting for weather) is very disappointing.

Further details of our performance for CRC and GHG are shown in **Appendix A**

b) RE:FIT

The council has a contract with MITIE plc under the RE:FIT programme to retrofit energy efficiency measures in the council's corporate and school building stock. The programme is partially financed by the Carbon Reduction budget, the Capital Maintenance budget and additional borrowing from schools.

The programme to refurbish the Civic Centre has provided the opportunity to install improved lighting and better lighting controls. Where possible this work has been coordinated with the RE:FIT programme.

c) Street lighting

A review of the council's street lighting policy was carried out during 2011/12 and a revised policy adopted in April 2012. All new street lighting schemes use LED technology and lighting is dimmed during the early hours of the morning to reduce energy use. In addition, illuminated street furniture is being replaced with non-illuminated furniture where permissible.

2.2.3 Waste

a) The percentage of waste recycled and/or composted in has been reducing over the last two years. i.e: -

2010/11 50.0%
2011/12 48.2%
2012/13 44.7%
2013/14 47% (estimated)

b) However the trend in the total amount of household waste has shown a clear downward trend over the last five years (apart from 2011/12) when the current waste management strategy was adopted.

2008/9	95,610 tonnes
2009/10	91,710
2010/11	88,326
2011/12	90,461
2012/13	87,404
2013/14	84,730 (estimated)

c) Taken together these figures reflect the following circumstances: -
   (i) The weak state of the general economy
   (ii) Light-weighting of packaging waste
   (iii) Technological change. i.e. the growth of eReaders which have replaced papers and magazines

Of these two statistics, the reduction in the amount of waste is the most significant as this has been achieved during a period when the population and number of households have both increased significantly.

Early figures for 2013/14 indicate that the recycling rate is recovering and the downward trend for total household waste is continuing.

2.2.4 Transport

a) Number of schools with an accredited travel plan 12/13 was 46 and in 13/14 is 26.

   The number of schools with travel plans actively encouraging sustainable transport and working towards reducing car journeys (which has a positive impact on local air quality).

b) We have engaged with higher education sites in 13/14 and had events promoting sustainable transport including cycling, which has been well received and started regular events at the colleges. This helps increase awareness of sustainable transport, air quality and climate change issues as well as encouraging greener modes of travel to college.

c) We have promoted electric vehicles and charging points via social media and at events. We have also seen our own Source London charging point have increased usage. The number of charging points in the borough has also increased from 3 in 2012/13 to 38 in 13/14. Harrow's promotional effort towards charging points which educates on how to use a point rather than put them in ourselves has attracted the installation of points by outside parties and TfL.

d) Freight – A Local Freight Movement Operational Strategy has been developed and agreed. The aim of this strategy is to successfully balance the ease and efficiency with which goods vehicles can access their destinations with the environmental and social impacts imposed on the local area. It identifies key HGV destinations and routes within the borough that are appropriate and also sets out ways of restricting the inappropriate use of local roads by freight traffic. The main objectives are to:
   1) Minimise the environmental impact of freight movement in the borough;
   2) Identify an appropriate route network for freight traffic across the borough; and
   3) Enable regulations controlling the movement of lorries in the borough to be appropriately enforced

e) Harrow has put in a major bid for cycling which includes cycle training and infrastructure improvements, committing to enhance the attractiveness of cycling in Harrow as well as encourage cycle commuting.

f) We have undertaken active work with faith sites in conjunction with WestTrans to encourage the uptake and implementation of travel plans. These have helped extend our sustainable transport promotional activities as well as secure commitment from faith sites towards reducing the impact of their visitors on the environment.

2.2.5 Planning and Development

Harrow's new Development Management Policies Local Plan document was adopted in July 2013. It contains a number of policies aimed at helping improve Harrow's open spaces and reduce the impact of new buildings on the environment. Notably these include policies to:

- Require sustainable design and layout for all new buildings including measures to incorporate passive solar design, high performance energy retention materials, natural ventilation and other sustainable design solutions such as green roofs.
- Protect all open spaces and garden land, to ensure Harrow does not lose open space to development. This is important not only for recreation and enjoyment purposes, but because Harrow's open spaces also help mitigate against flooding through natural water storage, and help improve the Borough's air quality.
- The policies in the plan also support and promote developments that would include renewable energy provision as part of their design and support for decentralised energy networks. They also support the aims of Waste Management objectives by requiring space for recycling bins to be incorporated into new developments.

The London Plan (2011), which forms part of Harrow's Development Plan requires developments to meet certain sustainable design standards, known as the Code for Sustainable Homes, with the ultimate aim of all new buildings being Carbon neutral. In October 2013 this Code requirement was ramped up and is now at level 5, which is a 56% increase on level 4's energy efficiency requirements, and one step below carbon neutral.

2.2.6 Water and Flooding

Harrow's Drainage Department continue to work with Harrow Planning Services to help reduce the risk of flooding in the Borough. Much of the Borough's urban areas are now covered by Critical Drainage areas which enable conditions to be put on new development to secure design measures such as sustainable urban drainage schemes to ensure there is no additional risk of surface water flooding as a result of new development.

New adopted Planning policies further strengthen Harrow's position with regards to managing flood risk, by directing new development to areas of lower flood risk, and requiring any development in areas of flood risk to provide appropriate mitigation and protection measures. The new policies include detailed criteria for on site water management and surface water attenuation to help reduce households' and businesses' use of water, and to improve drainage.

2.2.7 Biodiversity and the Natural Environment

Harrow's planning policies support the protection and enhancement of biodiversity and the natural environment through newly adopted Local Plan documents in July 2013. These include policies which:

- Seek to prevent any net loss of open space across the Borough through robust planning policies including policies to protect and secure beneficial uses in the Green belt and Metropolitan Open Land, and qualitative improvements to other open space.
- Require new developments to have regard to biodiversity and resist the loss of any important nature sites, whilst encouraging the provision of biodiversity habitats in new developments such as providing bat boxes or other measures in line with Harrow's Biodiversity Action Plan
- Require the provision of new open spaces to support new development and the planting of new trees alongside the protection of existing trees of value.

In addition Harrow's Green Grid projects aim to link up existing open spaces and improve biodiversity and the value of Harrow's Open Spaces Borough wide.
A large extension to Stanmore Country Park has just opened at Wood Farm, enabling through walks across much of the north western Green Belt in Harrow, as a result of planning obligations relating to a new development site on the existing Wood Farm site.

2.2.8 Reorganisation

The Climate Change functions are now managed within the Commissioning Services Division in Environment and Enterprise . Delivering Warmer Homes (HECA) programme has been transferred to Aids and Adaptations section which has now been transferred to CH&W. The responsibility for the Delivering Warmer Homes programme was previously split between CH&W and E&E. As the major benefits of the programme are social (i.e. improved warmth, reduced negative health impacts, local employment and training opportunities) with carbon reduction being a welcome environmental benefit,it therefore seems sensible to establish the workload within CH&W which would be responsible for the DWH programme and for submission of HECA reports to DECC.

These changes will be closely managed and monitored to prevent any adverse impact on the delivery of the strategy.

2.3 Options for the Future

Note: This section deals mainly with the reduction of emissions from homes and the council's own buildings as these are the two major strands of the climate change strategy in terms of reducing carbon emissions.

2.3.1 Delivering Warmer Homes strategy

Until April 2013, energy efficiency in housing has been largely delivered by schemes which provided free or subsidised loft and cavity wall insulation. These schemes have now been replaced by the Green Deal, which involves the repayment of up-front costs via energy bills, and the Energy Company Obligation (ECO), which provides subsidies to the fuel poor and for high cost measures. We are at an early stage in the development/implementation of these programmes. The market in solid wall insulation is relatively immature in London.

Local authorities and industry are urgently trying to develop energy saving programmes based on ECO and the Green Deal.

In December the government changed the rules for ECO scheme – increasing the target by one third but extending the completion deadline to March 2017. Other changes have also meant that cavity wall insulation and loft insulation are also eligible for the scheme. This change has introduced a major uncertainty into the scheme- with energy companies being reluctant to commit to new schemes until they fully understand the new scheme. The government consultation will be published early in the new year - with the changes confirmed in October but backdated to April 2013.

DECC have also recently published new data on fuel poverty in England, using a new Low Income, High Cost metric (LIHC). In London, Harrow has the highest percentage of homes which suffer from fuel poverty (12.7%) - closely followed by Barnet and Brent.

Rising fuel prices will mean that more families fall into fuel poverty and the health impacts of living in cold homes will also increase

Options: -

a) Do nothing. This is not recommended as it does not address the problem.

b) React to/support individual offers from energy saving companies. This is the minimum option but is likely to be insufficient to prevent the current position from becoming worse. Programmes are likely to be limited to replacement boilers and loft and cavity wall insulation only.

c) Partner with a major company to deliver a targeted programme. This would bring in major investment that will deal with the measures identified in b), but will also install solid wall insulation. 58% of homes in Harrow are of solid wall construction and need insulation if their thermal efficiency is to be improved.

Over the summer/autumn of 2013 we negotiated with British Gas to deliver an ECO-funded project for council homes in the borough. It did not prove possible to reach a satisfactory conclusion. Following the changes to ECO, it is proposed to procure a partner for the period June 2014 to March 2017. Final details on the number of homes to be helped and the amount of funding required will be reported to Cabinet once this process has been completed. The proposed project is expected to deliver energy efficiency improvements to council and non-council homes on a block by block, street by street basis. Where available ECO funding, for the private sector, is less than the cost of the works, residents will be encouraged to fund the improvements through savings, borrowing or the Green Deal.

d) In November 2013 we submitted a bid to DECC for funding under the Green Deal Communities fund scheme, which would complement the above, proposed, project. Following the revisions to ECO we have submitted a revised bid in December 2013. Feedback is awaited from DECC. The revised bid to DECC is for £1,025k. It is anticipated that the scheme would attract ECO funding of £1,207k, Green Deal cash-back payments of £416k, and resident contributions of £683k (which could also be funded by the Green Deal). The total investment would be £3,331k. If successful the bid aims to help approx. 800 homes. A final decision, by DECC, is expected in late February/early March.

The Green Deal Communities project would be delivered during 2014/15.

Options c) and d) are recommended as they would deliver significant progress in delivering/exceeding the targets set out in our HECA report to DECC, and enable the report of progress (due in March 2015) to be positive.

2.3.2 Affordable Warmth budget.

For many years the council has provided a £150k capital budget to support vulnerable people who have no heating, are not eligible for government schemes and who cannot pay for repairs or replacements. It was recognised that a capital programme was not appropriate as it does not meet government rules for capital and the programme was discontinued from April 2013. A growth bid for a revenue based programme was unsuccessful. There is therefore a gap in council provision. We are contacted by an average of 2 households per week who have no heating and/or hot water and who cannot afford to repair/replace their boilers / heating system. Some of the people are highly vulnerable but not eligible for government funded or ECO funded help as they are not on income related benefits. Options: -

a) Do nothing. Not recommended as this would not address the problem. Vulnerable people would be exposed to the health impacts of living in cold homes. This would generate additional costs for the NHS and CH&W

b) Provide an affordable warmth budget. It is recommended that a minimum growth bid of £75k is supported. (With match funding from ECO this would be equivalent to £150k). Note: this funding could be sourced from the Public Health budget and the decision sits within the remit of CH&W

Option b) is recommended for future consideration as it will enable the council to provide assistance to vulnerable people who live in cold homes.

2.3.3 Carbon Reduction programme

With the demise of the CRC scheme the council's performance will continue to be measured by the GHG scheme. This is a wider measure of the council's footprint, which includes emissions from outsourced services.

To date, the investment in carbon reduction has had a minimal impact on our carbon footprint because it has not been of sufficient scale to affect the overall picture. The options going forward are:

a) Do nothing. Not recommended as we would not deliver our targets. This would leave the council exposed to energy price rises and risk damaging the council's reputation (because of non-delivery of the climate change strategy)

b) Continue the current programme. Not recommended as the scale of investment is not sufficient to enable us to meet our targets

c) Increase the level of investment and visibility of carbon in decision making.

Bids have been submitted and approved for the Capital programme 2014/15 to 2017/18 to continue the Carbon Reduction programme which provides opportunities for spend-to-save works to reduce energy consumption: -

c1 Corporate buildings - £300k per annum (£1.2m over the 4 years capital programme)

The carbon reduction budget provides opportunities for spend to save works to reduce energy consumption in corporate buildings. Most of this money will be invested via the GLA's RE:FIT programme. From April 2014, we will be part of the WLA joint RE:FIT procurement which will appoint a single provider across six WLA authorities. It is anticipated that this will bring reduced costs by increasing the value of the joint contract.

With the outsourcing of the leisure services contract and the library service, we will seek to provide capital support to reduce energy use and carbon footprints, using the carbon reduction budget. This will be dependent on arrangements within the contracts to reduce the contract costs in line with the reduced energy costs.

Similarly, the development of Headstone Manor offers opportunities to contribute to the carbon reduction target and where possible this will be supported by the carbon reduction budget.

c2 Schools - £1m per annum (£4m over the 4 years capital programme)

In schools, the carbon reduction programme will be delivered by the RE:FIT programme. This will either be via RE:FIT Schools (which has been procured by the GLA and is available for any school in London) or via the RE:FIT WLA programme. In schools the scheme is financed by interest free loans from SALIX (an arms-length government company) with loans being paid over an (up to) eight year period from the resultant savings by the schools. The programme is available to any school which is signed up to the energy SLA. This includes local authority schools and academies.

c3 Street-lighting programme - £1.5m per annum (£6m over the 4 years capital programme)

In street-lighting we will continue to replace the concrete columns and the older steel columns with the new 6m columns and LED lanterns (as part of the street-lighting policy). Over the past few years Capital funding has increased in this area and the new Capital programme will enable the council to continue to make progress in this area. De-illuminated road traffic signs will be installed wherever possible as part of the energy saving programme.

c4 The overall capital programme is significantly larger than the carbon reduction programme. The E&E Contracts Board will be leading discussions going forward to ensure that the carbon impact of a project is given adequate consideration so that there is a clear understanding of whether a decision has a negative/positive impact. . The E& E Contracts Board includes representatives from procurement who will assist in ensuring that Carbon Reduction is embedded in not just capital but also transformation programmes including procurement . Ideally, where the impact is negative the council should identify mitigation to reduce the impact

c5. Simply installing more efficient gas-boilers and controls and new, more efficient, lighting will not be sufficient to deliver our long term carbon emission reduction targets.

Wherever possible we need to investigate low-carbon alternatives such as bio-mass boilers, ground/air source heat-pumps and solar PV. Biomass boilers are a particularly interesting technology which attracts significant financial support. Where there is sufficient space for fuel storage we need to ensure that we explore these options fully before a decision is made to retain gas boilers.

c6 Technical fixes offer a proven way forward in reducing our carbon footprint/energy use. However we need to make sure that simple housekeeping and behavioural changes are not overlooked. Under RE:FIT we are commissioning a survey of all boiler rooms to identify the types of controls and boilers that exist, the operation settings and the efficiency. From this we will draw up a programme of simple works that should have a relatively quick pay-back period.

Similarly, we need to draw up a specification for the design temperatures that should be applied to different areas (offices, classrooms, etc). There are many examples of buildings being heated to excess with consequent excessive energy consumption. Where thermostats are provided, controlling and reducing room temperatures would result in significant savings. In some cases, theses reductions would require investment, in control systems, to achieve and this would be funded by the carbon reduction budget.

Option c) is recommended as the sum of the different actions will enable the council to deliver our reduction targets and help to reduce exposure to future cost increases.

2.3.4 Other potential projects

Leisure Centre. The Leisure Centre contract is outsourced to SLM and runs for 10 years. The contract includes the Leisure Centre, Hatch End pool and Bannister playing fields. Emissions from these facilities count towards the council's GHG report. The Leisure Centre is one of the council's largest energy users. It therefore is important to reduce emissions from this contract. SLM have indicated that they want to reduce emissions and where the capital investment is made by the council they are happy to agree a reduction in the contract payment that is equivalent to the reduction in energy costs. This arrangement would allow the council to invest, using the carbon reduction budget.

The existing boilers/CHP units at the Leisure Centre need to be replaced. We have asked SLM to investigate the installation of biomass CHP units at the Leisure Centre, which would have significant potential to reduce carbon emissions. Biomass boilers attract government support via the Renewable Heat Incentive (RHI) for a period of twenty years. As part of the investigation into the replacement of the boilers/CHP, SLM will investigate entering an agreement with an ESCO (Energy Service company) to install and operate the boilers in return for an annual fee. This avoids a significant upfront capital investment. If this approach is followed it would be necessary to agree to transfer any agreement at the end of the current contract.

Libraries. The new contract with Laing O'Rourke (now Carillion) includes a requirement to reduce energy consumption. As above these emissions will be reported under GHG. The carbon reduction budget can be used to invest in carbon reduction projects provided there is a contractual mechanism to reduce the contractual payment in line with the saving in energy costs.

Harrow Museum. Work has continued on the redevelopment of Harrow Museum with the view of improving the heating of the building and increasing its use. As part of this work, consultants have looked at the energy efficiency of the building and the replacement of the current expensive and inefficient, electric heating system. An under-floor heating system is proposed with options for a new gas-fired boiler or biomass boiler being considered. A biomass boiler would have the advantages outlined above. Importantly it would reduce the current carbon footprint. The proposed increase in the use of the current building means that there is a significant risk that the use of a fossil fuel based heating system would lead to an overall increase in the building's current footprint. Some additional work needs to be done, but it may be sensible to fund some of the additional costs of a installing a biomass heating system in return for a lower carbon footprint. As with the Leisure Centre, there is an option to use an ESCO to avoid the upfront capital costs of installing the new heating system.

2.3.5 Reporting progress

A) With the transfer of responsibility for the Delivering Warmer Homes (HECA) to CH&W the responsibility for reporting progress in this area and all future reports will therefore be made by CH&W.

Responsibility for the Climate Change strategy remains within E&E who will continue to report progress on the six remaining topic areas: -

- The Council's Footprint
- Waste
- Transport
- Planning and Development
- Water and Flooding
- Biodiversity and the Natural Environment

B) Transport Indicators

It is proposed to change the indicators to ensure that they are clearer and more relevant:

- The CO2 emissions from ground based transport (published by DECC) will continue to be monitored
- The remaining indicators will be discontinued as they are not clearly linked to climate change.
- **New Indicator.**The number of active school travel plans.
- **New Indicator.**The number of electric vehicle charging points.

C) Planning and Development Indicators

It is proposed to delete all the existing indicators because of the difficulty of measuring them.

- **New Indicator.** The number of homes/businesses which are (or have the potential to be) supplied by a decentralised district heating scheme. By its nature this indicator will increase, initially ata relatively slow rate. It is probable that this type of scheme

will be located in the Heart of Harrow with possible links to the Northwick Park Hospital and Westminster University campuses.

D) Water and Flooding Indicators

It is proposed to delete these indicators because of the difficulty of measuring them. Planners will continue to encourage developers to meet the 105 litre/person/day water use target and the implementation of SUDS but progress will not be reported.

- **New Indicator.** Annual consumption of water at the Civic Centre and Central Depot

3.0 Implications of the Recommendation

3.1 Financial Implications

3.1.1 The delivery of Affordable Warmth programme continues to be funded from external funding where available, whilst internal funding opportunities via Public Health budgets will be explored and any provision will be decided by CH&W directorate.

3.1.2 As set out in paragraph 2.3.3, a range of energy efficiency projects have been included in the capital programme as part of the 2014/15 Budget Report. The approval of these capital budgets will enable the Council to invest in its buildings and infrastructure to reduce future energy consumptions and to mitigate the effect of rising energy prices.

3.1.3 2013/14 is the final year of Phase 1 of the mandatory CRC scheme. The estimated CRC payments for corporate buildings and schools are £72K and £166K respectively. Budgets have been set aside for this purpose and the payments will be made in early 2014/15 once the actual consumptions have been confirmed.

Phase 2 of the CRC scheme starts in April 2014. Following a government review of the scheme, the criteria for Phase 2 have been revised. As a result the council will no longer qualify for the CRC scheme from that date.

3.2 Legal Implications

The Council has a range of legal obligations aimed at mitigating the impacts of climate change, including participation in the Carbon Reduction Commitment, introduced pursuant to the Climate Change Act 2008, and through its role as the lead local flood authority co-ordinating flood risk management for the area, in accordance with the Flood and Water Management Act 2010.

3.3 Performance Issues

The council's target to reduce its carbon footprint by 4% a year is not being delivered even after making allowance for the impact of weather on gas consumption. Delivery of the RE:FIT programme particularly in schools is an essential part in the delivery of the council's target.

The delivery of the council's Delivering Warmer Homes (HECA) strategy has been delayed due to uncertainty over the future of ECO and the procurement of a major ECO partner.

The DECC bid, if successful and the intended procurement of a partner should allow this delay to be recovered in time for the next HECA report to DECC, which is due in March 2015.

3.4 Environmental Impact

The Climate Change strategy addresses the following policy areas

- Planning and Development
- Transport
- Water and Flooding
- Waste
- Biodiversity and the Natural Environment
- The Council's Footprint

  and
- Delivering Warmer Homes (HECA)

The strategy aims to protect and enhance the environmental impact of each of these areas.

3.5 Risk Management Implications

There are two corporate risks that have been identified:

Risk 14. Lack of commitment to climate change and reducing carbon emissions (Owner: Caroline Bruce)

Risk 18.Delivering Warmer Homes. (Owners: Caroline Bruce and Paul Nasjarek)

These will be updated following Cabinet to reflect the decisions that are made.

3.6 Equalities implications

The Climate Change strategy and Delivering Warmer Homes strategy include a wide ranging set of activities and specific Equality Impact Assessments will need to be carried out in relation to items identified in the Action Plans prior to implementation.

3.7 Priorities

The report incorporates the administration's priority to deliver a cleaner, safer and fairer Harrow as follows:

- Climate change is the world's number 1 environmental issue. Failure to act and reduce our dependence on fossil fuels will lead to increasingly severe impacts on our livesand those of our children.
- Rising fuel costs mean that our residents face increasingly difficult choices about heating their homes, and more people's lives are affected by fuel poverty. Living in cold homes affects the health and well-being of people and adversely affects educational attainment of children. We aim to help all residents to reduce their energy use and will particularly target help to vulnerable people.

- We aim to lead by example in reducing our carbon emissions – with the main focus of our climate change strategy being to reduce the carbon emissions from our own estate by 4% a year.

Section 4 - Statutory Officer Clearance

Name: Jessie Mann Date: 24 Feb 2014	x	on behalf of the Chief Financial Officer
Name: Caroline Eccles Date: 21 Feb 2014	x	on behalf of the Monitoring Officer

Section 5 - Contact Details and Background Papers

Contact: Andrew Baker, Head of Climate Change
020 8424 1779
andrew.baker@harrow.gov.uk

Background Papers:

Delivering Warmer Homes HECA report

and

Climate Change Strategy Action Plan

http://www.harrow.gov.uk/info/100006/environment/1035/climate_change-policies_strategies_and_commitments

Glossary of Terms

Biomass	Renewable wood-based fuel for boilers	A low carbon technology to replace gas boilers
CIC	Community Interest Company	A not-for-profit company
CHP	Combined Heat and Power	An engine that produces heat and electricity
CH&W	Community Health and Well-being	Directorate
CRC	Carbon Reduction Commitment – Energy Efficiency Scheme	A statutory scheme to measure and buy carbon allowances
DECC	Department for Energy and Climate Change	
DEFRA	Department of the Environment, Farming and Rural Affairs	
DWH	Delivering Warmer Homes strategy	The council's strategy to improve the energy efficiency of homes in the borough. Also see HECA
ECO	Energy Company Obligation	Carbon reduction obligation ion major energy suppliers. Supports home insulations installations.
ESCO	Energy Services Company	Company that provides up-front investment in energy efficiency projects. Repaid by savings in energy bills.
E&E	Environment and Enterprise	Directorate
FM	Facilities Management	
GHG	Green-House Gas	Government scheme to report carbon emissions
GLA	Greater London Authority	
HECA	Home Energy Conservation Act	Requires statutory report from council every two years on proposals and progress in improving energy efficiency of homes in the borough.
HGV	Heavy Goods Vehicle	
HHCRO	Household Heating Cost Reduction Obligation	Part of ECO aimed specifically at people on income related benefits.
IPCC	Intergovernmental Panel on Climate Change	United Nations advisory body
LED	Light Emitting Diode	New electronic lighting technology. Very efficient and long-lasting
LIHC	Low Income: High Cost	New government measure of fuel poverty
PV	Photo-Voltaic	Produces electrical energy from light
RE:FIT	GLA retrofit scheme for public buildings	Capital investment repaid from energy savings
SLA	Service Level Agreement (LA schools and Academies)	Contract between the council and schools to procure energy centrally and provide advice on energy efficiency.
SUDS	Sustainable Urban Drainage Systems	Methods for ensuring that water is held on site to prevent downstream flooding
WLA	West London Alliance	