

Subject:	Green Deal and Energy Company Obligation	Status:	For Publication
Report to:	Cabinet	Date:	15 th February 2012
Report of:	Planning Manager	Portfolio Holder:	Environmental Services
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	Yes	Attached: Yes
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)		
1.1	That the contents of the Report are noted and that continued investigation of options and engagement with other Lancashire authorities in developing a response to the Green Deal is supported.		
1.2	All future minor amendments to the policy approach to be delegated to the Planning Manager in consultation with the Portfolio Holder.		

2. PURPOSE OF REPORT

- 2.1 The Government has recently concluded a consultation on its “Green Deal” and “Energy Company Obligation” proposals. Implementation of the scheme is due to commence in Autumn. The Report seeks to inform Cabinet of key components of the scheme and identify possible courses of action.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale** – creating a better environment for all.
 - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy.
 - **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1
- All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
 - There is still considerable uncertainty about how the Green Deal/ECO will work in practice and how best to engage
 - There is very limited Officer time available to resource this work
 - A diversity of providers nationally and locally could create consumer confusion
 - There is a risk of vulnerable customers taking on additional debt
 - Failure to engage effectively in the Green Deal/ECO process could result in an inability to effectively influence the work of potential partners and to achieve fuel poverty/CO2 targets
 - “Pepper-potting” of projects, e.g. external cladding on some properties in terraces, could have negative visual impacts
 - Poorly designed schemes could negatively affect the building fabric of older properties

5. BACKGROUND AND OPTIONS

- 5.1 The “Green Deal” is the government’s proposed approach to encouraging energy efficiency and carbon reduction in existing domestic and non-domestic buildings. It would consist of a loan for which would be repaid via utility bills. The “golden rule” would be that savings should be greater than the cost paid by the consumer. The loan would be attached to the property rather than the individual
- 5.2 The ECO (Energy Company Obligation) is essentially a requirement on Energy companies to improve the energy efficiency of hard to treat housing that are unlikely to be economically viable under the “Green Deal”. It replaces existing schemes such as CESP. The Government wants to place a particular emphasis on solid wall properties (such as much of the terraced stock in Rossendale).
- 5.3 Local Authorities are seen as key players in this process with further advice to be published in Spring. Council responsibilities under the Home Energy Conservation Act (HECA) will remain. This requires the Council to monitor and reduce the amount of energy consumption and related carbon emissions from the housing stock in its area. The Government are keen to see active engagement with the “Green Deal” and ECO to complement this. Three options are put forward:
- Becoming a “Green Deal” provider-including acting as a loan provider or as a registered installer
 - Being a partner of a registered provider or installer (the approach most authorities are expected to take)
 - Acting as a “signpost” to “Green Deal” and ECO opportunities, e.g. providing links on the Council website
- 5.4 It is likely that the “Green Deal” will create a competitive market. As a minimum it will be necessary for the local authority to ensure accurate information is available to the public about all stages of the process (survey of properties; choice of measures; loan and having the work undertaken). There are however broader opportunities; e.g. Building Control Officers could charge to undertake independent surveys and we could engage with energy companies to ensure providers target key areas of fuel poverty in the Borough.
- 5.5 Many questions remain on how the “Green Deal” and the Energy Company Obligation will work in practice. Local authorities across Lancashire are looking at different ways of joint working both with each other and the energy sector and will develop a more detailed response as further details are published.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 There are no immediate budget implications rising from this report. Any future involvement should be cost neutral.

7. MONITORING OFFICER

- 7.1 Any legal implications are commented on in the report.

8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 8.1 Human resource implications are commented on in the report.

9. CONSULTATION CARRIED OUT

9.1 There have been discussions with the Lancashire Energy Forum. The Portfolio Holder for Environmental Services has been briefed on the topic and it has been discussed at the Council's internal "Green Team" and Management Team.

10. CONCLUSION

10.1 The "Green Deal" and ECO represent an opportunity to positively improve the performance of building stock in the Borough and address Fuel Poverty. It also may represent income earning opportunities, e.g. Building Control officers could become independent assessors.

10.2 The level of Council engagement with the scheme will directly influence the benefits that the Borough receives and the independent advice that can be provided to consumers.

10.3 Guidance is sought on how to respond to the current consultation. It is suggested a watching brief is maintained and opportunities for working cost-effectively with other Lancashire authorities are examined.

Background Papers

Document	Place of Inspection
Green Deal Consultation - A copy of potential Local Government responsibilities is set out in the attached link	http://www.decc.gov.uk/assets/decc/11/consultation/green-deal/3499-local-authorities-green-deal-info.pdf