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Saving the Planet: Cutting Costs and Helping the Environment

INTRODUCTION

Cllr Jack Perschke, Founder of the 'Sustainable Councils' Project



41 years ago, *Science* published an article by Garrett Hardin titled 'The Tragedy of the Commons'. Using the metaphor of herders on common land, he illustrated the inevitability of environmental destruction when humans follow individual self-interest in the management of a common resource. In a world where we seem to be careering towards the global car crash of climate change, eyes wide open but seemingly powerless to change course, Hardin's tragedy seems more poignant than ever.

However, there is optimism to be found in his analogous tale of environmental decay. We are, of course, more than a collection of individuals. We already accept the necessity of banding together to form a community that protects social goods and limits the external impacts of our actions. At their most local, these communities are represented by our Councils.

"Councils have a chance to embrace responsibility and lead from the front"

It is at this level that the blue-prints for effective management can be developed and tested. If we can protect our environment locally - if small sustainable communities can be formed - then there is no reason that these models cannot go on to protect nationally and globally. We always talk about councils being at the coal-face of democracy, we now have a chance to embrace that responsibility and lead from the front.

In conjunction with Localis and Ernst & Young, I've been pushing an initiative to bring experts together to innovate radical new policies for environmental sustainability that councils can own and develop locally. We're halfway through the process and on track to deliver something really exciting.

However, it can only work if councils believe that they can make a difference, realise that there is no one else to look to and have the confidence to try something radical. I believe that we're slowly getting there. Indeed, the ideas discussed below highlight exactly what can be done if we resolve that managing our local commons must not end in tragedy.

CLLR NICK PAGET-BROWN

Cabinet Member, Royal Borough of Kensington & Chelsea



It has become a truism to say that governments, although paying lip service to the importance of environmental good practice, the establishment of a low carbon economy and the principle that the polluter should pay, become nervous when faced with the potential electoral impact of their policy ambitions. Telling the voter that they are the polluter and that they will be paying for the environmental degradation they have caused, has not traditionally smoothed the way to a landslide victory. So, for ministers, Local Authorities are seen as a useful shock absorber between the demands of effective green policy and the wrath of the voter when he or she is faced with the financial consequences in the form of higher charges, new taxation or additional regulation.

The Local Government Act 2000 places a duty on local authorities "to promote social, economic and environmental wellbeing". The snag is that promoting environmental well-being often has an expensive price tag attached. This tension is likely to create fresh opportunities for a Conservative Government committed to environmental taxation as a substitute



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for, rather than a supplement to, existing taxes on labour and income.

A classic example of the attempt to mask new environmental taxes has been the landfill tax. A steep annual escalator has added millions of pounds to the costs which Local Authorities have to pay to dispose of household waste. Traditionally this has been tucked away as a small part of overall Council tax bills, but it is increasing sharply each year and is becoming harder to absorb and disguise. Local Authority attempts to pass on the cost by charging households according to the amount of waste they produce have attracted huge tabloid disapproval. However, the tax has proved effective in stimulating alternatives to landfill. It also meets the requirements of the Landfill Directive, to which the Labour government signed up too casually soon after coming to office, but has placed great additional pressure on Council tax bills.

“For ministers, Local Authorities are seen as a useful shock absorber between the demands of effective green policy and the wrath of the voter”

This dichotomy between the wish to invest in environmental good practice and the reluctance to be seen to be charging the public for it, has meant that much of the cost of environmental clean-ups and developing sustainable “whole life” products has been borne by businesses. They are required to recycle packaging, improve energy efficiency and reduce carbon emissions or purchase permits. Investment in cleaning up water infrastructure, required by the EU's Water Framework Directive is hampered by guidance given to OFWAT that charges for consumers must be kept to a minimum. Local authorities trying to cope with the impact of burst water mains, sewage contamination and flood alleviation need to be aware that water companies face an equal and opposite pressure to keep consumer charges down by rationing capital

investment programmes. If anyone is minded to attack Governments for choosing producer responsibility, regulation and indirect ways of charging rather than taxation, they only need to recall the one area of direct environmental taxation that nearly provoked riots. This was the fuel duty escalator. The relentless increase in this, as fuel prices rose in 2000, led to widespread strikes and a massive and rapid climbdown by the Blair Government.

So the challenge for environmentally forward-looking Councils is to reconcile the need for sustainable action with the need to retain and enhance political popularity. To a great extent, this can only be achieved by showing that sustainable patterns of behaviour can also be good for the pocket. This will require national government to use the fiscal system to create price incentives and disincentives which Local Authorities can use to gain financial reward whilst moulding consumer behaviour. A tentative step was taken with the Landfill Allowance Trading Scheme (LATS). Another is likely with the Carbon Reduction Commitment, which will require local authorities to reduce their baseline carbon emissions through trading. The most energy inefficient councils will need to buy emissions permits from those councils who gain credits from reducing their carbon baselines.

“Councillors need to start thinking more holistically about wider quality of life issues”

Part of the job of Councillors with environmental responsibilities is to focus attention away from the traditional preoccupation with waste collection and disposal and to start thinking more holistically about wider “quality of life” issues. This will require a new focus on sustainability, planning and use of materials. It means thinking about procurement, contracts, supply chains and building for the long-term. It is shocking how much post-war housing was built with a thirty or forty year life span in mind and now either requires complete replacement or expensive maintenance and upgrading. Still there is a conflict

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between house-building targets and quality thresholds.

To address this successfully, there is a need to bind environmental considerations into Cabinet Business Plans, Community Strategies and the work of Local Strategic Partnerships. Planners also need to be aware of environmental considerations as a key component within local development frameworks. Sustainability and material use need to be on the agenda where least expected. Currently, Councillors receive reports which regularly highlight the legal and equalities' implications of a raft of different decisions. This now needs to be extended to include environmental impacts and to set out the complex financial impacts of longer-term planning and more careful resource use.

Some of the areas where an environmental filter might be applied to different aspects of local authority activity are:-

Schools	Curriculum\ Visits\ Construction\ Energy efficiency
Procurement	Furniture\ Food\ Energy
Contract letting	Clauses\ Purchasing\ Sustainable management
Housing	District heating\ Smart metering\ Construction materials\ Landscaping
Regeneration	Working to educate business about cost-savings
Transport	Vehicle fleets\ Clean cars\ Cycling\ Public transport

During the good times, it was clear that "quality of life" was becoming much more of an electoral issue. Voters wanted to feel that they can look to their local Council to set an example and not to waste money. I've always been aware that residents in Kensington & Chelsea are satisfied that much of the borough's waste is transported by river barge to its final destination, rather than carried by noisy, road-blocking dustcarts. They prefer highways

maintenance, replacement of paving stones and other enhancements to the public realm to be carried out with high quality materials which will last for decades and not require constant replacement. They will recycle waste provided that it doesn't end up in a landfill site in India. Car Clubs are attracting large numbers of customers. Residents also say that they want advice on best practice for reducing emissions, achieving environmentally-friendly refurbishments and cleaner transport. This all requires effective and regular communication of the message that a culture of waste and unfettered consumption is bad both for the planet and the wallet. Perhaps the most sobering statistic of all is that for every one tonne of manufactured products on sale, eleven tones of raw materials has gone into its production.

As businesses learn this lesson and start to use the instruments created to move towards a lower carbon future, the nature of many products and services will subtly change. For Councils, the challenge will be to ensure that they are making sensible adjustments to procurement and specifications, that they are not building up large tax bills through environmental inefficiency and that they are one-step ahead of voters rather than several steps behind. The tipping point is shifting and there is no longer likely to be tolerance of Councils who regard environmental good management as an irrelevant luxury.

FARAZ BABER

Programme Director of World City, London Councils



It is arguable that local government is the main frontline combatant in tackling climate change. But does it have the infantry and supporting weaponry to undertake the challenge?

From a global perspective, the international community will convene again at the end of the year in Copenhagen to seek a refresh of the UN Kyoto Protocol on climate change (which expires



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in 2012). The output from this meeting may garner a consensus on the need to continue to take affirmative action in combating climate change but the issue is likely to boil down to agreeing common targets to reduce CO₂ consumption and the pace at which these need to be delivered by. Here, we can say that the UK is ahead of the curve on this issue already.

Whilst the international community have their minds set on tackling the global recession and little appetite exists for anything but economic survival, it must be remembered that there is a large global market share of low carbon investment to be tapped into. For instance, New Global Energy Futures analysis points to an average annual global spend being as much as £368bn. With a market share for London alone potentially winning £3.7bn of this spend annually according to a recent report undertaken by Ernst and Young for the GLA and LDA, clearly investment in low carbon solutions is equally an economic argument as much as it is a 'saving the planet' one.

The ability to empower local government to tap into this market share is starting to shape up as a result of the Climate Change Act 2008 which sets out a legally binding target for reducing UK carbon dioxide emission by at least 26 per cent by 2020 and at least 80 per cent by 2050, compared to 1990 levels.

“Target setting alone will not enable local government to be empowered”

To work towards delivering these massive reductions, carbon budgets which cap emissions over a 5 year period will be produced with 3 budgets set at a time. This will be worked up and monitored through a Climate Change Committee which will report progress to Parliament – and, in my view, over time is likely to be as influential to our economy as the Monetary Policy Committee is today. The first suite of carbon budgets will be set by the 1st June 2009 and it is then envisaged that later in the year Government will publish their first set of policies and proposals to work towards meeting the first five year carbon

budget targets. However, target setting alone will not enable local government to be empowered to deliver on the ground innovative solutions; more support, guidance and resource both financially and in terms of skills in this field are also necessary.

So what are the current policy levers which are directing local government right now on this subject? The main push is through the Local Area Agreements and the four designated National Indicators (NI) that hone in on climate change activities. These are:

NI 185	Percentage CO ₂ reduction from Local Authority operations
NI 186	Per capita CO ₂ emissions in the Local Authority area
NI 187	Tackling fuel poverty
NI 188	Planning to Adapt to Climate Change

In the capital, it is encouraging to see that all the London Boroughs have at least one of these climate change NI's within their LAA and one must not dismiss the fact that all Local Authorities must report on progress on all NI's if even they are not specifically designated targets.

This provides some level of comfort and encouragement that the issue of climate change is being built into mainstream work in local government from both an operational perspective, in the way local government operates as a business, but also how it is providing leadership to its constituents in pushing behavioural change to be more conscious in the everyday decisions they make that have an impact on the environment.

Whilst this is a positive step in the right direction in engaging activity at a local level, the proof will be in the pudding to see how effective the target driven LAA process will be on mitigating and adapting to climate change on the ground and how accurately and consistently this is measured across all of these particular indicators.



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This still leaves the burgeoning question of how mainstream climate change action fits in within the hierarchy of importance within many Local Authorities. With an increasing financial squeeze being placed on local government there is a real challenge to turn the opportunities of low carbon solutions into something more economically tangible. Unless the right fiscal levers are developed to assist in this process, it is unlikely that local government can do much more than assist at the fringes when in reality it could be the prime lever to instigate a real change. That is not to say there are not good examples of Local Authorities pioneering specific areas of good practice on low carbon solutions, but this is limited in both scope and the interconnections they have cross borough boundary.

“Does local government have the infantry and supporting weaponry to undertake the challenge — yes and no”

An added and more complex situation for local government also exists just over the horizon in relation to carbon consumption not just being a carbon counting exercise but one which will have a financial consequence. The Carbon Reduction Commitment (CRC), which is a measure introduced in the Climate Change Act 2008, will be the first mandatory carbon trading scheme in the UK and takes effect next year.

The CRC will target Local Authorities who pay an annual energy bill of approximately £500,000 or more to become part of a carbon trading scheme. This means in practice that carbon consumption through energy use will, for the first time, have a price tag attached to it above the cost of the energy supply itself.

It is unclear how the potential financial drain will initially impact on local government balance sheets, particularly as those who have not taken the quick

wins to become energy efficient will do so to keep within the carbon credit quotas. Either way, this may become a distraction for local government. In the early years, in some cases their original focus was on attending to the public facing climate change activities, but now as a result of the CRC, they have to realign their priorities to look inwards as they try to limit their own carbon consumption to ensure they are not financially penalised.

The answer to my opening question about whether local government has the infantry and supporting weaponry to undertake the challenge is ‘yes’ and ‘no’.

Yes, because local government is starting to understand its role in place-shaping its communities to be more sustainable, whether this is through the planning system or through policy levers that exist through the LAA and their respective Sustainable Community Strategy document. Local government are also testing out how far they can stretch the private sector in helping them achieve more sustainable outcomes such as requiring developers to deliver on-site renewable technologies which in some cases has proven to be very successful.

No, because there is still a need for strategic direction and focus in handling this wide ranging issue. There appears to be a lot of contradicting policies where on the one hand the push is towards reducing our carbon consumption and yet on the other local government is faced with an emerging policy that delivers the opposite effect. Along with the five yearly carbon budgets being issued shortly, there needs to be an action plan on how a combination of fiscal and regulatory levers are going to help achieve these targets. A clear focus on what local government should be expected to achieve and the resource and provisions for the up-skilling of personnel across the board is vital. In addition to this, local government needs to have the flexibility in the way they shape up and deliver their own localised strategies to combat climate change.

If we have any prospect of achieving the 80% CO₂ reduction by 2050, we need to ensure that all tiers of government are working in a co-ordinated way and



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that sufficient resources, particularly at a local level, are made to ensure that adequate mitigation and adaptation provisions are put in place. Only then will we have a real chance to fight climate change.

incorporates this target into a broader framework for genuine sustainability. Adopting One Planet Living as a vision and incorporating the targets could be the best thing possible for the environment.

TOM CHANCE

Researcher, BioRegional



Imagine if a Council could save the environment with a handful of policies. Gain a few powers via the Sustainable Communities Act; write an ambitious Local Development Framework; develop a winning local business partnership and then find that

the local area's per capita CO₂ emissions (NI186) was dropping by 7% per annum, the minimum rate required if we are to avoid runaway climate change.

Imagine. It's a dream worthy of John Lennon.

In the recent meeting of international negotiators in Bonn, scientists warned that emissions are still rising globally, and that at our current trajectory we could see 7°C of warming by the end of the century. This is off the chart; the consequences haven't even been modelled. The resounding message to governments national and local is: get a move on!

If the aim of Councils is to save money and the environment, they could do worse than draw up a sensible budget and strategy to meet both aims.

So my first suggested policy to Local Authorities is: set a vision with clear, scientifically robust targets, and budget for it. Adopt the Climate Change Act's target of 80% reductions in greenhouse gas emissions by 2050. Or, better, adopt targets aligned to current scientific thinking, and aim to reduce emissions in the local area by 90% by 2030. One Planet Living, developed by BioRegional and WWF,

What does this involve? First, this vision should be embedded at the highest levels; community strategies should speak of a transformation to a low carbon economy in the next fifteen to twenty years. Second, relevant targets in Local Area Agreements, such as NI185 and NI186, should be revised. Third, a carbon and ecological footprint budget should be developed, comparable to the Government's recent budget announcements – only with targets aligned to science, not politics. A model of how the policies and programmes being enacted – when combined with action from central government, the private and third sectors, and private individuals – should be drawn up and will make sure your local area meets its budget.

"Local Authorities should adopt targets aligned to scientific thinking, and aim to reduce emissions in the local area by 90% by 2030"

No Local Authority in the country could provide a robust model which would demonstrate such a steep drop in emissions as a result of their actions. Let's be honest about this, and stick to this vision of 90% cuts by 2030 as a challenge to all stakeholders.

How can we be sure that this policy will have any effect? Only by adopting my second policy suggestion: integrate this vision and these targets into everything being done. Identify the "carbon generators" across a local area; beyond buildings, there will be surprises in procurement, the food in public and social services; and other areas I can't second guess without a proper consumption and production carbon footprint for the local area. Identify those individuals and organisations, processes and structures that have the most control or influence over those generators; and transform them.



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This is about more than deploying EMAS (Eco-Management and Audit Scheme) to measure against NI185. Local Area Agreements, Local Strategic Partnerships, Local Development Frameworks, Community Strategies – they should all be driving the vision and ensuring that all stakeholders take on the same targets. They should identify the opportunities to reduce carbon and create jobs; to protect natural habitats and create healthy, green spaces for residents; and so on.

It should even inform HR policy. Who are the key members of staff who control or influence the carbon generators? Do they have the “green skills” to meet the targets? Is carbon literacy a requirement within the recruitment process? Integrate this thinking into succession-progression planning, recruitment processes, staff inductions and training, Key Performance Indicators and appraisals. This could become as common as health and safety considerations, which were unheard of 25 years ago.

“One of the major carbon generators — buildings — could sensibly be prioritised”

Such a wide-ranging budget is a huge task, but one of the major carbon generators – buildings – could sensibly be prioritised. With everything now focussed on carbon, a detailed strategy to integrate planned new developments with a deep refurbishment of every existing building and the rollout of district heating where sensible, with an eye to the Government's Heat and Energy Saving strategy just out of consultation should be developed. This would involve services who work on housing, regeneration, planning, social services, transport, community engagement, communications and key local strategic partners.

Both of these policies are in the process of being adopted by the London Borough of Sutton. Through committing to BioRegional's One Planet programme, they have started to face up to the reality of climate

change. It has been a confusing and difficult process – nobody has tried it before – but it is already changing minds about the role of a Local Authority. This has been most evident in plans to transform Hackbridge, a suburb earmarked for significant development and regeneration, into a sustainable, zero carbon community.

Calls from the Government and environmental campaigners for a ‘Great British Refurb’ ask refreshing questions about the role of Local Authorities. What would it take to refurbish every building in a local area to zero carbon standards in the next fifteen years?

In Sutton we have explored this question: training and accreditation for trades people; finance mechanisms to address problems such as gap between the payback times and average occupancy period; engagement with ALMOs, registered social landlords, private landlords, private home owners and facilities managers for many kinds of buildings; integration with the Local Development Framework; plans for new buildings that could provide exciting complementary opportunities such as local power stations; and a similar range of expertise to address the emissions resulting from the materials and activities needed for this great refurb.

Not only do we need to collectively solve these problems – which already stretch the role of Local Strategic Partnerships and require genuinely collective responses – but we also need to establish new services and infrastructure to deliver the refurb in an environmentally friendly way.

Building and maintaining our buildings and infrastructure contribute a huge chunk – up to 15% – of our CO₂ footprint, and building our way out of a recession through a refurb programme will only increase those emissions in the short term. We can establish a network of businesses to drive reclamation of materials from existing buildings that need to be demolished, which will seriously reduce the impact of refurb activities.

Achim Steiner, the Executive Director of the United



Clutha House, 10 Storey's Gate, London, SW1P 3AY
www.localis.org.uk

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Nations Environment Programme, recently called for a reinvention of our economy. The Great British Refurb demands no less.

So my third suggested policy is – as Localis have said – ‘dare to be different’. Modelling the measures required to achieve a 90% cut by 2030 will inevitably raise questions that Local Authorities cannot answer through conventional means. Why not switch investments from shaky foreign banks to sustainable local enterprises that will offer a reasonable rate of return whilst helping to meet NI186 targets?

“Why not switch investments from shaky foreign banks to sustainable local enterprises?”

In Tom Stoppard's play *The Coast of Utopia: Voyage*, Alexander Herzen muses: “How the world must have been changing while I was holding it still.” Herzen holds his world in the midst of revolutionary change in Russia. Local Authorities hold powers that could transform their local area, and should consummate with the radical nature of the challenge in front of us. But this requires a radical change in their thinking.

It is not the sole responsibility of Local Authorities to save the environment. But as Rahm Emanuel, Obama's Chief of Staff, has said, we should “believe in the affirmative role of government... in the sense of being a force for good”. Vision is required in adopting the targets we need; resolution in integrating these targets into everything being done; and boldness in reinventing the role of government to secure a sustainable future for local areas.

FOR MORE INFORMATION

Localis is an independent think-tank dedicated to issues related to local government and localism more generally. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK .

For more information, please visit www.localis.org.uk or call 0207 340 2660.

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