

## Lancashire County Council

### Cabinet Committee on Climate Change and the Environment

Tuesday, 12th July, 2011 at 2.00 pm in Brockholes Conference Centre,  
Brockholes Nature Reserve, Preston, PR5 0UJ

#### Agenda

##### Part 1 (Open to Press and Public)

##### No. Item

1. **Apologies for Absence**
2. **Disclosure of Personal and Prejudicial Interests**  
Members are asked to consider any Personal / Prejudicial Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.
3. **Minutes of the Meeting held on 15 March 2011** (Pages 1 - 6)
4. **Government White Paper on the Environment (securing the value of nature)**  
Verbal Report (Anne Selby)
5. **Department for Energy & Climate Change (DECC) reporting requirements on greenhouse gas emissions from Local Authority own estate, operations and preliminary findings**  
Presentation (Fiona Cruchley)
6. **Schools Energy Award**  
Verbal Report (Fiona Cruchley)
7. **Schools Energy Strategy Update**  
Verbal Report (Matthew Tidmarsh)
8. **Renewable Energy Capacity study for Lancashire** (Pages 7 - 10)  
(Andrew Coombe)
9. **Lancashire Insulation Fund: A Project Update** (Pages 11 - 16)  
(Debbie King)

**10. Urgent Business**

An item of Urgent Business may only be considered under this heading where, by reason of special circumstances to be recorded in the minutes, the Chairman of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Members' intention to raise a matter under this heading.

**11. Date of Next Meeting**

The next meeting of the Committee will be held on Tuesday, 11 October 2011, at 2pm, in Cabinet Room 'B', County Hall, Preston.

I M Fisher  
County Secretary and Solicitor

County Hall  
Preston

# Agenda Item 3

## Lancashire County Council

### Cabinet Committee on Climate Change and the Environment

**Minutes of the Meeting held on Tuesday, 15th March, 2011 at 2.30 pm in Cabinet Room 'B' - County Hall, Preston**

#### **Present:**

County Councillor Michael Green (Chair)

#### **County Councillors**

T Ashton

Mrs J Hanson

#### **1. Apologies for Absence**

Apologies for absence were received from County Councillors Mike Calvert, Susie Charles and Mark Perks. Apologies were also received from Liz O'Neill (Environment Agency) and Anne Selby (Lancashire Wildlife Trust).

#### **2. Disclosure of Personal and Prejudicial Interests**

No personal or prejudicial interests were declared.

#### **3. Minutes of the Meeting held on the 8th December 2010**

Updates were provided on matters arising from the minutes of the previous meeting as follows:

**Recycling Bins** – It was reported that it would not be possible at this time to change the colour scheme of all household waste / recycling bins to a standard uniformed colour in all Districts as the bins as contracts are in place to provide the bins in specific colours in each District. However, it was reported that the issue would be raised at the Lancashire Waste Partnership as a suggestion to be considered at a future date.

**Peat Extraction** – It was reported that the Government have produced a consultation on the use of peat for horticultural purposes and that the County Council's views could be expressed through the survey.

**United Utilities** – A briefing note was circulated (attached to these minutes) summarising the Scrutiny Committee meeting held on 11 February 2011 where United Utilities attended and responded to questions raised regarding leakages, the recent hose pipe ban in the North West and other related issues. The Cabinet Committee on Climate Change and the Environment noted the comments made at the Scrutiny Committee meeting and agreed to continue to monitor the situation and raise any concerns / queries with United Utilities through the appropriate channels.

**Resolved:** The minutes of the meeting held on 8 December 2010 were agreed as an accurate record.

#### **4. Carbon Reduction Commitment (CRC) - Consultation and Compliance Update**

Matthew Tidmarsh presented the report. Matthew updated the Committee on the likely impact the changes to the Carbon Reduction Commitment (CRC) scheme will have on the County Council's participation. Matthew reported that schools are included in the County Council's emissions figures, so will affect the County Council's position in the league table and they make up over 50% of the total County Council emissions.

The key concern to the County Council is the cancelling of recycling payments which now turns the CRC scheme effectively into a tax on carbon and means the County Council will face an additional revenue charge of £1.8 million per annum. The omission of a mechanism to change the original rules of the scheme for the purchase of carbon allowances means also that the £900,000 or so of this that relates to schools will have to be borne directly by the Council. However, the Department for Education (DfE) has recently advised that purchase of carbon allowances for schools will be an allowable item against the central part of the schools' budget. Nevertheless this still has the effect of removing any direct incentive for individual schools to reduce their emissions.

Matthew also explained that a further consultation on the CRC scheme has been launched by The Department for Energy and Climate Change (DECC) as a result of responses received to the first consultation and that the deadline had been extended to allow for the County Council's consultation response to be considered by the Cabinet Committee on Climate Change and the Environment, and, that with the Chair's approval the response would be submitted.

**Resolved:** The Committee agreed to:

- A. Note the content of this report and the likely impact the changes to the CRC scheme will have on the County's participation.
- B. Approve the continued participation in the consultation process with Central Government on the future of the CRC scheme.
- C. Support the seeking of redress from schools for the purchase of carbon allowances to help encourage effective carbon and energy management.
- D. Recognise and support the need for regular internal audit of the processes and procedures managed by the Property Group in compliance with the requirements of the CRC scheme.
- E. Note that the Committee will receive further reports as details on the changes to the CRC scheme are made available.
- F. Agreed that the further consultation response be agreed by the Chair and submitted by officers to The Department for Energy and Climate Change as appropriate.

## 5. Energy Strategy for Schools

Eddie Mather presented the report, Eddie explained that the Directorate for Children and Young People is developing an energy strategy aligned to its Capital Strategy for schools which will seek to support schools to reduce their CO2 emissions.

As part of this commitment the Capital Strategy for Schools 2011/14 is intended to target the following;

- Replacement of time limited/ poorly insulated buildings
- Replace inefficient boilers and heating systems
- Provision of energy efficient heating controls
- Zoning of heating systems
- Roof and wall insulation programme
- Window replacement and double glazing
- Replacement with Energy efficient lighting and fittings.

In addition to the above the County Council currently;

- Works with schools by providing advice on ways to reduce carbon emissions as previously reported to the Cabinet Committee in July 2010.
- Has agreed a loan fund with Schools' Forum of currently £1.1 million in 2011/12.

In support of this latter initiative Schools' Forum has commissioned the County's Energy Team to carry out surveys on 25 schools with the poorest energy performance. However, in order to make faster progress in the collection of information needed for decision making and the targeting of further investment on energy efficiency in schools, there needs to be an increase in the number of surveys carried out.

Eddie also discussed with the Committee alternative options for schools such as companies renting roof space to install solar panels to assist with providing some energy back into the national grid.

**Resolved:** The Committee agreed to note the report.

## 6. Lancashire Insulation Fund

Debbie King presented the report. In her presentation Debbie highlighted that all 15 local authorities in Lancashire (including the two unitaries) have been working successfully in partnership over the last 3 years to develop and deliver energy efficiency programmes. Together they have recognised an opportunity for Lancashire to maximise its share of Carbon Emissions Reduction Target (CERT) funding for the residents of the county in the remaining two years of the programme.

Statistics from the Energy Saving Trust suggest that there are 150,000 unfilled cavity walls and 200,000 lofts without adequate insulation in Lancashire. Additionally, just under one third of carbon emissions in Lancashire come from homes.

With regard to the Lancashire Insulation Fund the officer group setup between all 15 local authorities in Lancashire has recognised a large opportunity to maximise Lancashire's share of CERT funding from energy companies in the remaining two years of the programme.

Energy supply companies and installer have been invited to submit information on the prices and service quality / customer care they can deliver for Lancashire. Expressions of interest were invited during February, and will be followed by an invitation to submit a Pre Qualifying Questionnaire (PQQ). On receipt of PQQs, a group of officers from the Home Energy Group will score and assess submissions based on a pre-agreed scoring matrix and select a preferred installer(s). The scheme is likely to start during March 2011.

Whilst any procurement exercise cannot select a contractor on the grounds of being locally based, the PQQ requests details on environmental impact and specifically on activity being taken to reduce carbon emissions through local delivery and the steps being taken to encourage local employment.

**Resolved:** The Committee noted the report and supported the County Council's role in the Lancashire Insulation Fund.

## **7. Adrenaline Gateway / Lee Quarry in Rossendale**

Andrew Barrow and Tony Lund presented the report and explained that the Adrenaline Gateway is a visitor/sporting destination programme initially conceived for Pennine Lancashire but capable of expansion across the County, aimed at growing visitor numbers exponentially by increasing the scope of, and participation in the outdoor lifestyle sports sector.

Delivery so far has concentrated on the development of the mountain biking facility at Lee Quarry near Bacup, in a number of phases as an initial anchor for the overall programme, This work has been linked to the Valley of Stone Project and the ongoing development of public art in the area linked to the Irwell Sculpture Trail, all of which have received support from the County and Borough Councils in securing external funding.

A 'Test Event' at the site was arranged on the 12<sup>th</sup> and 13<sup>th</sup> of July, 2008. A key element of the weekend was obtaining written feedback from competitors. Although the event was not publicised it (the event) attracted competitors from across the length and breadth of the Country, with visitor numbers in excess of 700.

A group of local mountain bike enthusiasts have established the Brownbacks Club which is running a series of Cross Country races in Lee Quarry. These short circuit races follow the same format as the Olympic cross country races and

have proved to be very popular with beginners through to serious athletes. So far there have been over 15 races each one attracting over 100 riders.

The site continues to expand and has also developed excellent links with British Cycling and their Olympic Academy which has been using the site twice a week during the winter for training.

The Programme Team is in the process of preparing a framework to help guide and govern the terms upon which sponsorship may be both sought and accepted.

**Resolved:** The Committee agreed to:

- A. note the report.
- B. note the principal aims and objectives of the programme, and;
- C. note the significant progress that has been made to implement the programme.

## **8. The County Council's Duties as a Lead Local Flood Authority - Update**

Rick Hayton presented the report which an update on the implications for the County Council of the Flood and Water Management Act 2010 and the Flood Risk Regulations 2009, both of which impose new duties for the County Council as a "lead local flood authority".

Rick explained that there is a duty on the County Council as the "lead local flood authority" to ensure relevant organisations work together and publish information.

Lancashire County Council, Blackpool Council and Blackburn with Darwen Council are all designated as lead local flood authorities. The delivery of the new duties will be based on effective partnership between lead local flood authorities and other risk management authorities. At present officers from the district, county and unitary councils across Lancashire are working together in a single partnership with the EA and United Utilities (UU) to develop responses to the new duties, an approach agreed by the Lancashire Chief Executives in March 2009.

Rick highlighted the key duties which the Flood and Water Management Act require of lead local flood authorities as detailed in the report.

In responding to questions from the Committee about how this will be managed in the future, Rick explained that In order to ensure a strong and unified partnership approach to engaging with these emerging new duties, a Lancashire Flood Risk Management Officers Group has been meeting in recent months, under the chairmanship of the County Council. The group is attended by officers from the County Council, all the district and unitary councils in Lancashire, United Utilities and the Environment Agency. This group is developing the strategic approaches to the issues raised in this report.

**Resolved:** The Committee noted the report and agreed with the approach being taken to prepare for the new duties arising from the legislation.

**9. Urgent Business**

None.

**10. Date of Next Meeting / Schedule of Future Meetings**

It was reported that the next meeting of the Cabinet Committee on Climate Change and the Environment will be held on Tuesday 12 July 2011 at 2.00pm, Cabinet Room 'B', County Hall Complex, Preston.

I M Fisher  
County Secretary and Solicitor

County Hall  
Preston



# Agenda Item 8

**Cabinet Committee on Climate Change and the Environment**  
Meeting to be held on 12<sup>th</sup> July 2011

Electoral Division affected: All
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## **Renewable Energy Capacity study for Lancashire**

Contact for further information:

Andrew Coombe, 01254 770965, Environment Directorate, Principal Officer, Traffic and Development, Area East [andrew.coombe@lancashire.gov.uk](mailto:andrew.coombe@lancashire.gov.uk)

### **Executive Summary**

There is significant central government interest in the potential for energy generation through renewable sources across the UK, with a national target for 15% of all energy generated in the UK to come from such sources by 2020.

In order to help achieve this target in Lancashire it is recognised that there is a need to increase the knowledge and understanding of the different technologies and their potential for development in Lancashire, among local authority Members and Officers.

The Lancashire Renewable Energy Study builds on existing information to produce baseline reports for each Local Authority area in the County, looking at the potential for different technologies and identifying potential locations. These reports will also be available in a less technical format that will be made available through the web in each local authority area.

This work is being supported by area based workshops to look at potential future scenarios around renewable energy deployment and all information will then be used to inform future planning around this area of work and help with engaging appropriate organisations and individuals.

### **Recommendation**

The Cabinet Committee on Climate Change and the Environment is asked to note and comment on the content of this report.

### **Background and Advice**

The Department for Communities and Local Government (CLG) made £1,085,000 available to the North West Improvement & Efficiency Partnership (NWIEP) for 2010/2011 to develop a programme to increase local authority capacity to tackle the causes and effects of climate change in the North West of England. This funding was split into 2 streams, 1 to carry out work at a regional basis (circa £500,000) and 1 to carry out projects at a sub regional level (circa £100,000 per sub region).

The sub regional funding offered 100% support for proposed projects and bids were submitted through the Team Lancashire Programme. The feedback from partners on what Lancashire should bid for was to increase understanding and knowledge around potential renewable energy sources at a local level. To meet this aspiration, Lancashire County Council submitted a bid on behalf of partners to the fund from which £65,000 was secured to carry out the work. Lancashire County Council is acting as lead body and working in conjunction with Team Lancashire to submit claims.

This work will build strategic thinking, understanding and action on renewable energy within each local authority area in Lancashire.

Importantly, the standardised methodology used (recommended by DECC) will enable comparisons between districts and across the region. This is the first time nationally that such comparisons will be possible.

To identify the renewable energy potential for Lancashire the following information has been included:

- Naturally Available Resource
- That which is technically accessible
- Any constraints created by the physical environment
- Planning and regulatory constraints
- Economic viability
- Deployment constraints – how it links to existing networks

The funding will deliver (through external consultancy) localised information identifying the potential for development of renewable energy sources, tailored to each local planning authorities needs.

Each report includes information on the most common types of renewable energy technologies that are currently available along with a glossary of terms associated with this work. It also includes a district council based report that assesses potential capacity across a range of different technologies. There will also be a review of any issues that might restrict the development of renewable energy capacity, for example ability to connect to the grid network. Separately, the National Grid is undertaking its own review about the future upgrades needed to accommodate new generation capacity into the electricity network.

This will be followed by area based workshops to look at a number of future scenarios and offer planning authorities the opportunity to question the consultants on local issues. A document guide for planners will also be produced and distributed to ensure a consistency of information is available in each area. The aim of the project is the creation of a local knowledge base to build the skills and capacity of relevant bodies to respond to the development of large and small scale renewable generation capacity in their area as well as potential issues around the infrastructure requirements in this work. The reports provide valuable information to underpin Local Development Frameworks. The external funding requires this work to be completed by the end of July 2011.

As well as District level information, the work has produced an overall estimate for the potential renewable energy for the whole of Lancashire. This gives a total

potential energy from all sources of 10,613 megawatts (MW) of energy, which can be split into 7,416 MW of electricity and 3210 MW of heat. Within these figures the 2 biggest areas are large scale wind generation and micro-generation. The micro-generation figure would include small scale wind power, solar energy and the use of heat pumps. The figure of 10,613 MW is equivalent to five large coal fired power stations.

All district councils, including the two unitary councils, have welcomed the research and the value it brings.

### **Consultations**

Consultation was undertaken with various authorities to identify what funding should be sought for.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

None

### **Finance**

All funding for the project comes from external sources although there will be LCC officer time involved in it's delivery.

### **Reputation**

Project will help ensure Lancashire Authorities are in a position to deal with future planning issues around renewable energy.

### **Any representations made to the Cabinet Committee prior to the issue being considered in accordance with the Public Notice of Forward Plans**

Name:	Organisation:	Comments:
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N/A.

Paper

Date

Contact/Directorate/Tel

N/A

Reason for inclusion in Part II, if appropriate

N/A.

## **Cabinet Committee on Climate Change and the Environment** Meeting to be held on 12<sup>th</sup> July 2011

Electoral Division affected: All
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### **Lancashire Insulation Fund: A Project Update**

Contact for further information:  
Debbie King, (01772) 534195, Environment Directorate,  
[Debbie.king@lancashire.gov.uk](mailto:Debbie.king@lancashire.gov.uk)

#### **Executive Summary**

The Lancashire Insulation Fund seeks to maximise for the residents of the county Lancashire's share of funding from the Government's Carbon Emissions Reduction Target (CERT) initiative. Securing a partnership with a CERT provider to invest their funding in the county secures a consistent level of investment enabling a single price for the installation of standard energy measures (loft and cavity wall insulation) to be negotiated.

This provides a consistent baseline 'offer' for residents across Lancashire, which, supported by the local authorities and the Energy Saving Trust can be marketed more effectively to increase take up.

This report outlines the progress made in developing the Lancashire Insulation Fund in regard to the selection of preferred installers, the standardisation of price for measures and the development of a marketing campaign.

#### **Recommendation**

The Cabinet Committee on Climate Change and the Environment is requested to note and comment on the report.

#### **Background and Advice**

The Carbon Emissions Reduction Target (CERT) requires all domestic energy suppliers with a customer base in excess of 50,000 to make savings in the amount of carbon dioxide emitted by householders. Suppliers meet this target by promoting the uptake of low carbon energy solutions to household energy consumers, mainly in the form of subsidised loft and cavity wall insulation for the 'able to pay sector' (insulation can be free for disadvantaged households). Despite this, take up of subsidised insulation can be low as schemes are often viewed with a degree of scepticism by residents. Where a council provides its backing to a scheme, take up can often double or treble.

The Lancashire Insulation Fund seeks to maximise Lancashire's share of CERT funding in the remaining 18 months of the programme (the CERT scheme is to be

abolished in December 2012 to be replaced by the Government's 'pay as you save' Green Deal scheme). Securing an agreement with a CERT provider to invest their funding in Lancashire (the source for the Lancashire Insulation Fund) secures a consistent level of CERT investment for the county for the remainder of the scheme. In return the company will get the benefit of widespread promotion of their scheme by the local authorities in Lancashire which in turn increases the likelihood that the energy company will achieve its tough CERT targets. Failure to reach their targets results in large fines from OFGEM, the energy regulator.

Significant progress has been made in developing the Lancashire Insulation Fund since the report presented at the last Cabinet Committee meeting in March. The selection process has now been completed and plans are underway to develop a marketing campaign.

### **The Selection Process**

Interested contractors were asked to submit expressions of interest and complete a Pre Qualifying Questionnaire (PQQ). Eleven responses were received in total, all of which were assessed based on a pre-agreed scoring matrix by a group of officers from the Lancashire Home Energy Group (a group of local authority housing and Energy Saving Trust officers, hosted by the County Council). Following this process three potential contractors were invited to interview.

The interview panel comprised officers from Blackburn, Blackpool, Burnley, Preston and Wyre, all of whom have a wealth of experience in dealing with insulation and energy companies and who could effectively represent the wider Energy Group.

Given the potential size of the initiative, countywide geography and risk management the panel recommended that the interests of the county would be best served if two, as opposed to a single, contractor be appointed. This view was supported and agreed by the full Home Energy Group at their meeting in May.

The two installers selected are Lancashire based companies - Home Insulation Services (HIS) based in Preston and Cre8 based in Chorley and both have experience of working with local authorities within and outside of Lancashire. Each installer will work in pre-agreed districts so that they will not be competing for work.

While supportive of the Lancashire Insulation Fund, Chorley, South Ribble, West Lancs and Lancaster have all already got agreements with installers in place and as a result HIS and Cre8 will not actively promote or target these districts at this time, although there is flexibility within the arrangements for this to change as necessary.

### **Standardising Prices**

At the outset the key aim of the Lancashire Insulation Fund was to secure a single price and service for the installation of standard measures (loft and cavity wall insulation) across Lancashire. As two installers have been selected it has been important to ensure that both companies offer the same price for measures so that all Lancashire residents receive the same offer.

Following further meetings with both installers this has been achieved and a competitive price of £99 for cavity wall & £129 for virgin loft insulation has been confirmed and fixed until the end of CERT in December 2012 by both installers.

That's not to say it will necessarily be the *lowest* price on offer as other CERT providers cannot be prevented from operating in the County and may offer cheaper promotional deals at certain times of the year, for a very short period. The Lancashire scheme installers have, however, been selected based on best price fixed over the next 18 months and best quality and customer care.

The Energy Saving Trust Advice Centre (ESTAC) freephone number will be the point of contact for all Lancashire residents and the ESTAC will refer the query to the relevant installer who will make contact and arrange for a home visit for surveys to be completed.

Both installers can provide weekly information on the number of referrals, survey visits and installations to ensure the scheme is monitored effectively.

### **Marketing**

Marketing of the scheme will begin over the summer to encourage people to take up measures before the winter months. Campaigns will be predominantly led by the installers themselves, who have allocated marketing budgets to the Lancashire Insulation Fund, but co-ordinated and monitored by the Home Energy Group and the ESTAC.

The Installers are currently developing promotional leaflets for different target groups for approval by the relevant local authorities they will be working with. All material will bear the logo of the County Council and the relevant local authority being targeted as it is widely recognised that local authorities are trusted and endorsement will boost take up. As highlighted above, the only contact number used on all material will be the ESTAC freephone number to avoid confusion. The cost of printing and mailouts will be borne by the installers.

There is also likely to be opportunities to include letters and leaflets in planned mailouts such as Housing Benefit, Council Tax and flu jab in certain districts and this will be maximised where possible. Both installers have access to promotional trailers and are willing to attend a number of events across the county where high levels of referrals are likely to be generated. The Lancashire Home Energy Group will assist with this by putting together a 'calendar of events' and likely dates of existing mailouts so that the installers can plan promotions and link with other marketing campaigns.

Additionally the County Council and District Councils will work with the installers to help target areas by using the national Homes Energy Efficiency Database (HEED) which collects datasets on energy efficiency and microgeneration installations, the aerial thermal survey images which identifies poorly insulated properties and their own knowledge of the housing stock.

In addition to using the County Council logo on promotional material, the County Council can offer support through other marketing methods such as providing information on the web site, through Vision, press releases and promotion via our services to help promote the scheme as appropriate. All these options are currently being pursued with Corporate Communications.

## **Consultations**

N/A.

## **Implications:**

This item has the following implications, as indicated:

### **Financial**

There are no financial implications.

### **Risk management**

CERT funding is not ring-fenced by geographical area and many local authorities nationwide already have partnership arrangements in place. By not developing a similar scheme Lancashire risks losing out on available CERT funding which will simply be spent elsewhere in the country. That said, Lancashire's partnership is one of the largest in the UK.

The main risks associated with the project came in the selection of a preferred installer(s) to work with that is reputable and has a good track record of customer care. The chosen installers have a good track record of working in Lancashire already.

Although no local authority funds are involved, this risk has been mitigated by following a transparent selection process recommended by LCC's Procurement Officers with clear selection criteria outlined and PQQs required.

The PQQ scoring and assessment put a significant weighting behind the installer's capacity to manage customer complaints satisfactorily so that any problem is resolved promptly and to everyone's satisfaction. Additionally, the agreement between the local authorities/ESTAC and the insulation installers will be closely monitored and, ultimately, the local authorities/ESTAC can withdraw from the agreement at any time if problems become persistent.

There is a risk that on a small number of time-limited occasions, the Lancashire scheme will not necessarily be the *lowest* price on offer. Other CERT providers cannot be prevented from operating in the County and may offer cheaper promotional deals at certain times of the year, for a very short period. The Lancashire scheme installers have, however, been selected based on best price fixed over the next 18 months and best quality and customer care. And the Lancashire scheme will be marketed on the basis that quality and customer care standards are high.



**Any representations made to the Cabinet Committee prior to the issue being considered in accordance with the Public Notice of Forward Plans**

Name: Organisation: Comments:

N/A.

**Local Government (Access to Information) Act 1985  
List of Background Papers**

Paper	Date	Contact/Directorate/Tel
Report to Cabinet Committee on Climate Change and the Environment Lancashire Insulation Fund	15 March 2011	Debbie King, Environment Directorate, 01772 534195

Reason for inclusion in Part II, if appropriate

N/A.

