

## Appendix A

### Lancashire County Council response to Clean Growth Strategy (draft)

Thank you for asking for feedback on the draft Clean Growth Strategy. Lancashire County Council welcomes the publication of the draft strategy and in line with our responsibilities offer comments in relation to the following policies and proposals outlined in the strategy

1. Develop a package of measures to support businesses to improve their energy productivity, by at least 20% by 2030
2. Improving the energy efficiency of homes
3. Accelerate the shift to low carbon transport

#### **1. Develop a package of measures to support businesses to improve their energy productivity, by at least 20% by 2030**

The Lancashire Enterprise Partnership has received a grant of £40,000 from the Department of Business, Energy and Industrial Strategy (BEIS) to produce an energy strategy for Lancashire. Whilst the LEP is the conduit for this funding, much of the analysis conducted and the recommendations made will focus on the Clean Growth Strategy themes of domestic housing, transport and air quality, power networks and the role of the public sector. This strategy should allow Lancashire County Council to map and better co-ordinate the high quality pockets of activity which already exist and to consolidate the progress made against national and local carbon reduction targets.

In this regard Lancashire County Council is working closely with the business sector and European Structural Funds have been used to commission a range of programmes providing post graduate students as interns to work on low carbon innovations and products, to provide access to facilities and equipment and to audit energy efficiency. Boost – Lancashire's Business Growth Hub is also actively promoting the Carbon Trust's Green Business Fund, which provides grants of up to £5,000 as a contribution to installing energy efficient solutions. This is an aspect we hope to build upon and align with the wider aspirations defined in the Clean Growth Strategy, and we would welcome more opportunity to work with the Department in the future.

#### **2. Improving the energy efficiency of homes**

Lancashire County Council welcomes the ambitions and proposals set out in the 'Improving the energy efficiency of homes' of the Clean Growth Strategy and its acknowledgement of the links between cold homes and ill-health.

The over-arching aim to have "the 2.5 million fuel poor homes in England improved to energy efficiency rating C or better by 2030 and more broadly, the

aspiration that as many homes as possible are improved to EPC Band C by 2035, where practical, cost-effective and affordable" is welcomed, however, as with any policy, resources will be needed to implement changes.

The Energy Company Obligation (ECO) is the main driver behind energy efficiency improvements, however, it has limits to both the level of funding and the interventions available to individual properties and households. To achieve the ambitions set out there will need to be a review of the support available through ECO, both in terms of measures available and the level of funding provided, otherwise many measures will not be "cost-effective" or "affordable" for many households.

Where ECO funding has been available for standard measures in recent years the experience in Lancashire has been that the level of funding does not fully cover the cost of the measures. This leaves the homeowner having to find a contribution to enable the work to go ahead. Additional support has been provided over the last few years by Lancashire County Council through its affordable warmth grant programme to those residents vulnerable to the effects of living in a cold home and who struggle to afford to heat their home to meet the shortfall in ECO funding. Without this support many of these standard interventions would not have been completed as the household simply cannot find the contribution themselves. This additional support is not guaranteed or sustainable in future years so it is key that ECO can function effectively without the need for support from third parties to facilitate the installation of measures.

Despite successful joint working for a number of years between Lancashire County Council and district and unitary housing authorities in Lancashire on domestic energy efficiency schemes, there is still a high demand for replacement gas boilers and first time central heating, for which funding is limited, as well as dealing with the hard to treat properties.

Fuel poverty in Lancashire is slightly above the national average at 11.8%, however, the inequality gap between the most and least deprived parts is widening, with pockets of fuel poverty as high as 40.4% in some areas. Lancashire has many properties classed as 'hard-to-treat', such as those off the gas-grid, solid wall properties or those with small, irregular or rubble filled cavities where standard heating and insulation measures are not appropriate. Measures suitable for these properties are still expensive and largely unaffordable to owner occupiers, especially when considering many are likely to be living in fuel poverty. It will be difficult to encourage owner occupiers to make expensive energy performance improvements without further incentives. The call for evidence on how to encourage home owners to invest is welcomed.

The legal requirement that from April 2018 landlords of the worst performing properties will need to improve those properties to a minimum of Energy Performance Certificate (EPC) band E before they can be let is welcomed. However, as the legislation stands there are too many exemptions that landlords can use not to implement any changes. The rules for minimum

standards on EPC's need to be tightened up to improve the private rented sector and we look forward to the consultation due on how to make these regulations more effective.

### **3. Accelerate the shift to low carbon transport**

As the strategy acknowledges, the transport sector now accounts for 24% of the UK's emissions. In this regard Lancashire County Council welcomes the proposals set out in the strategy and looks forward to working with government and other partners to implement the policies and proposals.

We particularly welcome the funding allocated towards electric vehicle charging. As a transport authority we are in the process of introducing a network of rapid and fast chargers across the county by March 2018 providing 150 charging spaces. As this work progresses and the strategy develops we look forward to more detailed proposals outlining how we can work with partners to develop a charging network that meets the demands of all users.

We are also pleased with the recognition that plans are being developed for the public sector to lead the way in transitioning to zero emission vehicles.

The £1.2 billion to be invested in cycling and walking with the intention of making them the natural choice for shorter journeys is supported. As a transport authority we have had significant success in securing Local Sustainable Transport funding in a number of areas that have had a specific remit in linking housing to employment areas. Similarly we are working with a number of district authorities through the local plan process and increasingly looking towards cycling and walking as the key modal choice for these shorter journeys. In this regard we are particularly happy to support the Cycling and Walking Investment Strategy and the role it will play in providing funding allocations on a wider strategic footprint so that cycling provision can be programmed over a longer time frame linking key areas, as and when development comes forward.

Thank you again for seeking feedback at this stage and we look forward to the publication of the final strategy and working with government to meet the ambitious targets the strategy sets out.