

# Memorandum of Understanding

Between the LG Group and the Department of Energy and Climate Change

9 March 2011



## 1. Introduction

1.1 This MOU has been created in acknowledgement of the pivotal role councils have in tackling climate change: by reducing carbon emissions from their own estate and operations; encouraging and enabling their residents, businesses and visitors to reduce their carbon emissions; and by achieving national priorities such as the Green Deal and renewable energy deployment in a locally appropriate way.

1.2 This MOU recognises how councils, through local governance, can ensure climate change policies and programmes protect and help the most vulnerable, particularly the fuel poor.

1.3 This MOU recognises that policies set at a national level affect the ability of councils to act at a local level, and that local action affects the ability of national government to meet its targets.

## 2. Purpose

2.1 To set out the partnership arrangements between the Department of Energy and Climate Change (DECC) and the Local Government Group (LG Group), including scope, governance, accountability and roles and responsibilities.

2.2 To set out how the DECC and the LG Group will progress the LG Offer on Climate Change starting with the milestones at Annex A.

## 3. Scope

### Organisational

3.1 The subject matter of the MOU is the energy and climate change policies within DECC's remit.

3.2 The MOU is signed by the LG Group as the representative body for councils in England. In meeting the objectives of the MOU (as outlined in paragraphs 3.4 and 3.5 below), the LG Group will continue to reflect the insights and ambitions of their member councils.

3.3 The LG Group will work to build the individual commitment of councils to a high level of ambition on carbon reduction.

## Policy

3.4 This MOU sets out the DECC and LG Group partnership approach to helping meet climate change mitigation and related objectives, notably including:

3.4.1 The 80% greenhouse gas emissions reduction target in the Climate Change Act 2008 by 2050 against a 1990 baseline.

3.4.2 The fuel poverty targets arising from the Warm Homes and Energy Conservation Act 2000.

3.4.3 The target to supply 15% of the UK's energy consumption from renewable energy by 2020 as set out in the 2009 Renewable Energy Directive.

3.5 The MOU sets out how DECC and the LG Group will work together to help and encourage all councils to take firm action – underpinned by locally ambitious targets and indicators - that enable councils to:

3.5.1 Reduce the carbon emissions from their own estate and operations;

3.5.2 Reduce carbon emissions from homes, businesses and transport infrastructure, creating more, appropriate renewable energy generation, using council influence and powers; and

3.5.3 Participate in national carbon reduction initiatives at the local level, particularly the roll out of the Green Deal, smart metering and renewable energy deployment.

## Evaluation and review

3.6 The MOU will be reviewed annually and a report will be produced jointly by DECC and the LG Group by the end of May each year. The report will set out the achievements of DECC, the LG Group and councils with progress against the milestones set out in Annex A, as well as areas of concern, and any proposals to amend or update the MOU. As set out in 4.2 this will be reviewed and agreed by DECC and the LG Group and published.

3.7 In addition, the MOU will be reviewed at the end of each national five-year carbon budget period – starting in 2013 (for 2008-12). This review will evaluate the success of the MOU in making progress in meeting climate change mitigation and related objectives (in particular in helping to reduce emissions accordance with the Climate Change Act 2008 and any other relevant existing or future climate change legislation). The review will also seek to revise and refresh suitably stretching ambitions in line with new evidence and national targets.

3.8 In accordance with paragraph 4.2, the success of the MOU will be determined by evaluating:

3.8.1 Progress in meeting the MOU milestones (set out in Annex A);

3.8.2 The proportion of councils signing up to the New Nottingham Declaration (which will embody a significant step-up in ambition) as a demonstration of their commitment to continued action on climate change (see 4.5);

3.8.3 Council progress against their commitments set out in the New Nottingham Declaration (see 4.5).

3.8.4 The extent to which the MOU is successfully helping the UK to meet its national climate change target obligations (tonnes of GHG saved on own estate, and within influence – see data section in section 6).

3.8.5 The extent to which councils are playing an active role in delivering climate change mitigation and related policies, such as the Green Deal.

## 4. Governance and accountability

4.1 The Secretary of State for Energy and Climate Change and senior political representatives from the LG Group will meet annually in the spring of each year to review the MOU, the Annual Report and council action on climate change.

4.2 The LG Group Environment and Housing Programme Board will take responsibility for the MOU within the LG Group. The Devolved, Sub-National Reform and Local Carbon Accountability (DSRLCA) Project Board will take responsibility for the MOU within DECC. Both boards will respectively review council and DECC action on climate change and agree a publicly available Annual Report.

4.3 The Secretary of State and a senior political representative from the LG Group will appoint appropriate Senior Civil Servants from DECC and senior responsible officers from the LG Group to work together to ensure that the milestones in Annex A are met.

4.4 The MOU establishes and supports a Nottingham Declaration Board or other appropriate representative board, consisting of senior and political representatives from the LG Group, councils and invited partner and delivery organisations, which will collaboratively oversee the Nottingham Declaration Board's Action Plan and council-led agreements and targets. DECC will be represented on the group and other government departments can observe where appropriate and when invited. The Nottingham Declaration Board's Action Plan will cover the policy areas in the LG Group offer and any other relevant policies that arise during the course of the MOU.

4.5 The Nottingham Declaration Board will design a mechanism for councils to demonstrate their commitment to continued action on climate change, and will enable them to sign up to locally appropriate targets and goals. This will be in the form of a 'New Nottingham Declaration' (which should be in place by October 2011, as set out in Annex A).

4.6 An officer-level delivery group consisting of DECC and LG Group officials will meet quarterly to review progress on the MOU, MOU Milestones and general council involvement in reducing carbon emissions.

## 5. The Milestones

5.1 The milestones set out in Annex A are for the first year of the MOU. These Milestones are designed to establish the Nottingham Declaration Board, the New Nottingham Declaration and the Nottingham Declaration Board's Action Plan, as well as the process and timescales for evaluating the success of the MOU through the development of the Annual Report. Annex A will be updated annually and will set out the strategic actions to be pursued over the subsequent 12 month period – these actions will be agreed as part of the Annual Report.

## 6. Energy and Emissions Data

6.1 DECC and the LG Group will work together to develop an approach to monitor energy and emissions reductions at the local level. This will cover both energy and emissions from:

6.1.1 councils' own estate and operations; and

6.1.2 local homes, businesses and transport within council control and influence.

6.2 Data from these two sources will help to underpin the evaluation of the success of the MOU in 3.8.4.

6.3 DECC and LG Group will work together to make data that is already published by DECC and by local councils more visible, transparent and that the opportunities available from the publication of data are fully realised.

## 7. Support from and responsibility of DECC

7.1 DECC will work together with the LG Group under this MOU to assist in the delivery of the LG Offer on Climate Change, Nottingham Declaration Board's Action Plan and to enable councils to reduce carbon emissions at the local level.

7.2 DECC will work with the LG Group to ensure the experience of councils are reflected in DECC's ongoing evaluation of policies, and that the Department's future policy positions take into account local ambition and delivery.

7.3 At the beginning of the policy formation process, DECC will consider any impacts of the policy on councils, any delivery role councils can take or contribute to, or where they can be active partners to achieving the objectives of the policy.

7.4 As policies are initiated or adapted, the role of councils and the impact of the policies on councils will be integral to DECC's approach.

7.5 DECC will facilitate meetings between the LG Group, other government departments, and local government, on energy and climate change issues as identified in the Nottingham Declaration Board's Action Plan.

7.6 Subject to legal and Ministerial advice, DECC will share with the LG Group information relevant to achieving the objectives set out in this MOU. Such information may include publications, consultations and press materials which may be disclosed to the LG Group on a confidential basis ahead of their publication.

## 8. Support from and responsibility of the LG Group

8.1 The LG Group will take a leadership role in encouraging all councils to demonstrate their ambition on climate change through the New Nottingham Declaration and other appropriate agreements or declarations.

8.2 The LG Group will encourage all councils to play their full and active part in reducing emissions through the three areas of focus set out in 3.5, and will develop and implement plans for reaching out to those councils that do not take a full and active part in reducing emissions.

8.3 The LG Group will actively seek their council members' views on the MOU, LG Offer on Climate Change, subsequent action plans and DECC policy. These views will form part of the Annual Report on the MOU. This does not exclude individual councils from expressing their views on DECC policy directly to DECC.

8.4 The LG Group will facilitate meetings between DECC, other government departments, local government on energy and climate change issues as identified in the Nottingham Declaration Board's Action Plan.

8.5 Subject to legal and any internal advice provided to the LG Group, the LG Group will share with DECC information relevant to achieving the objectives set out in this MOU. Such information may include publications, consultations and press materials which may be disclosed to the DECC on a confidential basis ahead of their publication.

## **9. Status of the Memorandum**

9.1 This Memorandum is a statement of intent, and should not be interpreted as a binding agreement. It does not create legal obligations between the parties.

## 10. Signed



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Rt Hon Chris Huhne MP, Secretary of State for Energy and Climate Change



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Councillor Richard Kemp, Vice-Chair of the Local Government Association

## Annex A Milestones

Timescale	Milestone
<b>Mar-Apr 2011</b>	Develop and agree approach for sharing information on greenhouse gas emissions from council own estate and operations
<b>Apr-Jul 2011</b>	DECC and the LGA to agree how support for councils to meet the objectives of this agreement can be aligned and delivered
<b>May 2011</b>	Set up the Nottingham Declaration Board (NDB)
<b>Jul 2011</b>	Set out an NDB Action Plan.
<b>Oct 2011</b>	<p>Develop and launch a New Nottingham Declaration for councils to commit to actions on climate change. This will cover actions to reduce emissions in the following areas:</p> <ul style="list-style-type: none"> <li>(i) councils' own estate and operations;</li> <li>(ii) within council control and influence in homes, businesses, transport infrastructure and procurement to support and remove barriers to the green economy;</li> <li>(iii) participating in national carbon reduction policies to be delivered at a local level such as the Green Deal, smart meters and renewable energy deployment.</li> </ul> <p>and will be underpinned with targets and indicators.</p>
<b>Apr-Nov 2011</b>	Local government, central government and industry to develop and agree a collaborative approach to promoting locally appropriate and evidence-based renewable and low carbon energy deployment.
<b>Dec 2011</b>	Develop and agree approach for monitoring emissions reductions at a local level within council control and influence as well as other appropriate indicators to support evaluation
<b>Apr-Dec 2011</b>	Through the Green Deal standing panel work with local government to optimise council involvement with, and equitable delivery of, the Green Deal and the Energy Company Obligation (ECO).
<b>Apr 2011-Mar 2012</b>	Build on the Local Carbon Framework programme to develop a series of templates and case studies which can be used to build capacity in other councils. Evaluate the LCF pilots and contribute to the design of a Council Framework on Climate Change that would act as a local action plan on delivering carbon emissions, encapsulating the varying portfolios of carbon reduction measures relevant to individual or grouped councils.
<b>Apr-May 2012</b>	Evaluate outputs from the Nottingham Action Plan and include in Annual Reports to the LG Group Environment and Housing Board and DECC's DSRLCA Project Board (subject to Local Government purdah rules)



This document was produced in partnership with Department of Energy & Climate Change and the Local Government Group.

## Department of Energy & Climate Change

The Department of Energy and Climate Change (DECC) was created in October 2008, to bring together: energy policy and climate change mitigation policy.

Climate change is not only a massive threat to the global environment, it is also perhaps the greatest economic challenge facing us in the twenty-first century. It demands an urgent and radical response across the developed and developing world.

At the same time, the UK needs to secure clean, safe, affordable energy to heat and power our homes and businesses. Creating a low carbon and resource efficient world means making major structural changes to the way we work and live, including how we source, manage and use our energy.

DECC exists to take the lead in tackling these challenges, and reflects the fact that climate change and energy policies are inextricably linked – two thirds of our emissions come from the energy we use. Decisions in one field cannot be made without considering the impacts in the other.

## The Local Government Group

The Local Government Group is made up of six organisations that work together to support, promote and improve local government.

- Local Government Leadership
- Local Government Association
- Local Government Improvement and Development
- Local Government Employers
- Local Government Regulation
- Local Partnerships.

Visit [www.local.gov.uk](http://www.local.gov.uk) for more information.