

The Sustainable Communities Act proposal form

Using this form

This form should be used to submit proposals under the Sustainable Communities Act to the LGA for short listing. Please complete all sections and then email a copy to selector@lga.gov.uk. These must be received by **July 31st 2009**, and you will receive confirmation that the form has been received.

Once submitted, information within this form may be made publicly available, unless you request for it to be kept private. We will treat information submitted sensitively. If you wish to attach any relevant presentations or graphs etc. please attach them separately in the email.

For questions regarding the act or the role of the Selector, please see our [FAQs](#). Any further questions can be directed to selector@lga.gov.uk.

Section 1: Proposal Summary

Proposing Authority

Under the terms of the Sustainable Communities Act, all proposals must be submitted by a local authority, or group of authorities, in England. Any group, organisation or individual may originate or develop a proposal. However all proposals will require Local Authority endorsement and submission to the Selector.

Parish councils and other organisations and agencies must seek support and formal endorsement from a proposing local authority (defined in the Act as county councils, district councils (including metropolitan, non metropolitan and unitary authorities), the common council of the city of London or the Council of the Isles of Scilly).

1.1 Lead Authority name

South Hams District Council

1.2 Is this proposal submitted by this authority alone, or is it a joint proposal with other local authorities? (If joint please list authorities)

1.3 Who is the lead contact (s) in the authority for this proposal? Please provide email address and telephone number - *The LGA will direct any enquiries to this contact.*

Laura Payne, Policy Implementation Officer
laura.payne@southhams.gov.uk 01803 861325

Supporting Organisations

Whilst proposals may only be submitted by a local authority, we acknowledge that local partners and outside organisations may wish to register support for the proposal. This is entirely voluntary.

1.4 Please provide details below of supporting organisations to your proposal. Please explain if the organisation is a charity, company, unincorporated association or other body. If a charity or company please provide registration numbers. If a local partnership please explain the relationship to the Local Strategic Partnership for the area.

This proposal is one that combines three separate proposals put forward at our event to raise SCA proposals with our Community Partnership Forum. Each of the proposals covered 'green' initiatives that will need government support and a change in legislation or policy to implement. The 'dropping VAT on retro-fitting older properties' proposals was put forward by one of our District Council Members, who is our Member Champion for sustainability and Climate Change; the 'energy from anaerobic digestion' was put forward by a representative of Dartington Hall Trust (reg. Charity no. 279756 and reg. Company 1485560); and the 'renewables kit for businesses' proposal was put forward by a representative of West Den an environmental charity (reg. no. 4932319).

Summary of your proposal

Please summarise your proposal. You may wish to include:

- The main elements of your proposal
- What issues your proposal is addressing and how it will promote the sustainability of the local community
- Who is affected by this proposal and how?
- Which public bodies might be affected?
- What are the main actions needed from Government?
- What do you expect this proposal to achieve?

1.5 Please enter your summary below (*word limit 1000 words*)

Main Elements: This proposal requests that the Government introduces a new policy and provides financial support or tax incentives to introduce a range of new 'green' initiatives that will encourage public services and businesses to install renewable energy kits; public transport to use organic food waste to produce energy/fuel; and for homeowners to improve the energy efficiency of their homes.

This proposal is to encourage the private, public and domestic sectors to reduce their carbon emissions through a variety of initiatives, that will be supported through legislation, guidance and funding from the Government through their Carbon Management Agenda.

Part of this proposal will see a 'Renewables Kit' for businesses to use, that will make it 'easier' for their premises to convert to renewable energy sources.

Part of this proposal will encourage public transport providers to convert their services to run on Anaerobic Digestion (AD) produced fuel, proven to lower methane produced from decomposing

food, as well as carbon emission by replacing petroleum based fuel. (for more information on AD, please visit <http://www.devondare.org/anaerobic.htm>¹)

Part of this proposal is to abolish VAT on retrofitting older properties with energy efficiency improvements. This would be one of the most cost effective ways of increasing the energy efficiency of buildings, maintaining the existing stock and bringing homes up the 'Decent Homes' standard.

At present new build is VAT free which creates the bizarre situation where it is actually more cost effective to knock a building down, rather than try and improve an existing structure. It is crucial that we remove this financial incentive for builders and the construction industry to knock down old buildings rather than improve them, by equalising renovation with new builds and bringing the rules more in line with good practice in other parts of the European Union.

This proposal will also help to tackle fuel poverty for individuals and businesses, set to worsen by increases in energy prices, which particularly hits older people who live on fixed incomes and cannot afford to have basic repairs or energy efficiency work undertaken to their properties.

Issues Addressed: Currently we exist within an oil based economy which relies on finite resources. Environmentally we are releasing in a few decades, the quantities of carbon that took millions of years to be deposited and sealed underground. Using renewable energy, such as AD and wind turbines, reduces the use of fossil fuels and thus mitigates climate change.¹ Improving the energy efficiency of properties can also contribute to lowering carbon emissions.

- For businesses, switching energy supply to a renewable source can be expensive and a confusing option, for example which forms of renewable energy would be appropriate for a set building size/no. of personnel. This proposal would result in national tool-kits to give guidance to businesses on the most appropriate form of renewables.

- Currently the UK has an unsustainable waste disposal strategy with huge greenhouse gas emissions, particularly methane from decomposing organic waste (which is 21 times worse than CO₂).¹ The large network of public transport could contribute to a reduction in CO₂ emissions, by using a new source of fuel that also lowers emissions from waste. Therefore this proposal would not only address the issue of reducing methane produced from decomposing organic waste, but also lower carbon emissions as the fuel created through AD will replace oil based fuel products in public transport.

- Currently within the South Hams we have a higher proportion of older properties than the national average, with 25.7% of the housing stock pre 1919 and 38.7% 1965-1980. So the majority of the housing in the district is 50 to over 100 years old.

Older houses commonly have inadequate insulation, inadequate wiring and inefficient heating systems and very often don't have cavity walls, which make retro-insulating expensive.

Insulation and draft proofing a house is the single most important improvement that can be made to a property, both in terms of financial savings on energy bills, as well as cutting carbon emissions. The biggest barriers to householders in making these improvements, is the financial cost.

Affordability is a real issue in the South Hams, as a significant demand for repair and improvements comes from households below £15k per annum with 5,900 houses living in fuel poverty.

By providing a cheaper means of improving older properties, this proposal will have the benefit of creating more energy efficient communities that have fewer people living in fuel poverty.

Who is affected: This proposal is designed to introduce initiatives that will benefit a range of sectors in England- the private, public and domestic.

- For businesses it will be come easier to change to renewable sources of energy as kits will be developed that are tailored to individual business needs.

- For the public service, those responsible for waste disposal will contribute to lowering greenhouse gas emissions by AD. If the Local Authority takes ownership and management of the process there are also many other benefits as the anaerobic digestion process creates gas, which can be used to create heat and electricity as well as vehicle fuel. The bi-products of the process are organic fertiliser, fibre board materials, a form of CO₂ with a variety of commercial uses, and heat which can be used in local buildings.¹
- This proposal will directly benefit homeowners of an older property that wish to make energy efficiency improvements, but are not in the financial position to do so. Currently in the UK it is estimated that over 8 million homes do not have adequate insulation (Act on CO₂, 2009)¹. Those who will particularly benefit from this part of the proposal are the elderly and vulnerable, who are those most at risk of fuel poverty. If their homes are heated and lighted efficiently it can save them over £300/yr (Act on CO₂, 2009)². Over half of those affected by fuel poverty are pensioners. Age Concern (2008)³ estimates that there are currently around 2.25 million older households living in fuel poverty. An increase of 25% in fuel prices predicted over 2008/09 may have seen this rise to 2.75 million older households.

Public bodies Affected: It is likely that only local authorities would be affected by this proposal. Most sites considering anaerobic digestion will fall under Integrated Pollution Prevention and Control (IPPC). Section 1 Thermal treatment. A1(b). Small sites considering AD, will need to be monitored by the LA.¹ It is likely that for the increases expected in retro-fitting homes from a reduction in VAT- new building control regulations or monitoring actions may have to be brought in by the local authority.

Main Actions needed from Government:

- Government needs to introduce a suite of new green initiatives to drive forward their Carbon Reduction Agenda.
- Government should introduce a new policy that legislates and gives guidance and funding for the introduction of the following initiatives:
 - o **'Renewables Kit for Businesses'** – where private and public sectors can easily convert to a renewable energy supply, due to the tailoring of different kits developed by the national bodies who specialise in renewables provision.
 - o **'Anaerobic Digestion based fuel for public transport'** – where local authorities utilise the organic waste they collect to produce 'green' fuel for public transport.
 - o **'Abolition of VAT on retrofitting older properties'** – where the financial deterrent to repairing older properties in order to make them more energy efficient is removed.

For example, in more detail: By abolishing VAT on retrofitting older properties, this will make the refurbishment or renovation of older properties to a higher environmental standard more feasible. We recommend that the Government seek to remove this anomaly that results in demolition of older properties in favour of VAT free new builds. This may involve reforming the EU Directive covering VAT and perhaps using *green taxes* as a route to finance such a cut. There may also be a possibility of linking it with the Carbon Emissions Reduction Target, by requiring energy suppliers to scale up CERT to enable every home to be fully insulated VAT free or possibly free of charge- this could lead to a national home insulation programme. Actions need to be taken to go beyond current Warm Homes and CERT measures to improve energy efficiency and quality of older properties, as fuel poverty is worsening. By the end of 2009, 5.7million UK households will be spending at least 10 % of their income on energy bills (National Housing Federation, 2008)⁴.

Expected Benefits:

If implemented the following improvements could be achieved:

- A significant reduction in greenhouse gas emissions across the private, public and domestic sectors; (in 2007 UK homes contributed 26% of the UK total carbon emissions)(Energy Saving Trust, 2007) ⁵
- Improvements in the existing housing stock
- Reduction in pressure for new build in Greenfield areas
- Reduction in the number of empty homes as some buildings need considerable repairs and the VAT added on makes them to expensive to repair and maintain.
- Reduction in the number of people living in fuel poverty and sub standard properties as the private rented sector in this area has a disproportionate number of poor quality homes.
- Increasing the number of energy efficient homes, reducing carbon emissions and helping to mitigate the impacts of climate change

¹ Devon Association of Renewable Energy. <http://www.devondare.org/anaerobic.htm>

² Act on CO₂, 2009. <http://campaigns2.direct.gov.uk/actonco2/home/in-the-home.html>

³ Age Concern, 2008. Fuel poverty set to return to 1997 levels - campaigners call for mandatory social tariffs in energy bill (01.05.08) <http://www.ageconcern.org.uk/AgeConcern/fuel-poverty-set-to-return-to-1997-levels.asp>

⁴ National Housing Federation, 2008. Energy Prices and Debt, IPA's Fuel Poverty Forecast. <http://www.housing.org.uk/Uploads/File/PolicyBriefings/Fuel%20Poverty%20Forecast.pdf>

⁵ Energy Saving Trust, 2007. <http://www.energysavingtrust.org.uk/Your-impact-on-climate-change/How-we-contribute-to-climate-change>

Section 2: About your proposal

The form asks a set of questions to gather as much information as possible to allow for assessment and short-listing by the Selector. A word-limit is stated for each part of the form.

We appreciate that SCA proposals will vary in range and scope, and some questions will be more relevant than others for any one proposal. Please do not feel that answers are required for every questions or that the full word limit need be used in respect of each and every question box. If you are submitting a joint proposal, please include evidence for all areas.

Impact on sustainability *(word limit 2000 words)*

2.1 Please explain how your proposal promotes sustainability as defined locally (for example in your Sustainable Communities Strategy or LAA)

Within our SCS, we have defined sustainable development as '*taking into account the future affects of our activities so that the ability of future generations to meet their own needs is not compromised*'. Our SCS aims to ensure that communities in the South Hams continue to be desirable places to live and work, with good quality local public services and an environment to cherish. It also aims to reflect the local culture of South Hams, ensuring promotion of equality and diversity. By improving the amount of Government supported 'green' initiatives available to private and public sectors, it is expected that there will be a reduction in greenhouse gas emissions, ensuring a better living environment for future generations, both within the South Hams and nationally. By abolishing VAT on retro-fitting older properties with efficient heating, insulation and rewiring improvements, there will be a reduced number of people living in fuel poverty in the South Hams, and throughout England, as well as reducing carbon emissions that result from the home improvements. This proposal directly promotes sustainable development as defined locally; it will contribute to ensuring the ability of future generations to meet their own needs is not compromised financially as well as environmentally.

2.2 Over which geographic area will your proposal impact? (e.g. neighbourhood, town, city, sub-region)?

This proposal will benefit all geographic areas by targeting more than one sector of the English population. All households that do not have adequate insulation, wiring or heating systems will benefit from this proposal. All businesses that want to contribute to reducing their carbon footprint will benefit, and Local Authorities, who are coming under increasing pressure to reduce carbon emissions, have a viable option of significantly reducing the authority's, as well as their local populations', impact on climate change.

2.3 Who would benefit from your proposal?

Businesses and local authorities, but particularly those who would benefit the most from this proposal would be homeowners of older properties who are currently in fuel poverty as they cannot afford to make efficiency improvements to their homes. Fuel poverty is expected to increase in the UK with the predicted rise in gas and electricity bills pushing those in fuel poverty to over 5.5million by the start of the next decade, which is over double the 2005 levels, with over 1.5million additional households being classified as being in fuel poverty between 2007 and 2008.⁴ Therefore this proposal will benefit more and more people over the coming years. It is also expected that this proposal will benefit the local economy of an area as the improvements to homes resulting from the uptake of cheaper efficiency improvements will boost the local skilled construction industry.

2.4 What steps will you take to mitigate any adverse affects on sustainability from your proposal (if relevant)?

This proposal is aimed for a long-term gain, where a greater number of properties, business and local authorities will become more energy efficient or 'greener'. There is expected to be a small short-term impact on sustainability due to the financial expenditure and use of materials for the improvements required; however the long-term energy and financial savings resulting from the improvements will out-weigh these.

2.5 What project, activities and changes would take place in your area if your proposal was successful?

This proposal will result in a variety of different projects, that in order to get the most desirable outcome, will be best developed in partnership between local authorities, the private sector and individual home owners.

2.6 Does your proposal involve transfers of responsibilities between public bodies in the area? If so what are these? What budgetary implications might be involved?

N/A. It is expected that alongside Government guidelines, financial support will be awarded to Local Authorities who implement or support these green initiatives.

Local authorities are required to 'have regard' to a set of specific issues when deciding whether to support SCA proposals. These are matters listed in Schedule 1 of the Act, as passed by Parliament¹. It is worth noting that the issues listed in the Act are not supposed to be exhaustive and that ideas can cover anything that promotes the sustainability of the local area.

Many of these matters may not be relevant to any one proposal. If you are submitting a joint proposal please include evidence for all areas.

2.7 Please identify which, if any, of the issues authorities are required to have regard to, are relevant to this proposal and include any data and information which you feel would be helpful in the assessment process.

- a) the provision of local services
- b) the extent to which the volume and value of goods and services that are- i) offered for sale, ii) procured by public bodies, and are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale of the boundary of the public body.
- c) the rate of increase in the growth and marketing of organic forms of food production and the local economy
- d) measures to promote reasonable access by all local people to a supply of food is adequate in terms of both amount and nutritional value
- e) the number of local jobs

The increase in skilled labour that would be required if this proposal was implemented would result in an increase in the number of jobs in all areas of England.

- f) measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed

The reducing VAT initiative of this proposal will directly result in energy conservation from an increased number of energy efficient homes. If implemented this proposal would make a significant contribution to reducing CO₂ emissions from homes, in 2007 26% of total UK carbon emissions came from the energy we use to heat, light and power our homes.⁵

- g) measure taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles
- h) the increase in social inclusion, including an increase in involvement in local democracy
- i) measures to increase mutual aid and other community projects
- j) measures designed to decrease emissions of greenhouse gases

The initiatives resulting from this proposal will contribute to significantly reducing greenhouse gas emissions, particularly the AD initiative that has a double impact on reducing carbon and methane. The resulting increase in the number of energy efficient properties from the abolition of VAT initiative will directly decrease carbon emissions. Just insulating cavity walls could save a homeowner around £115 a year on fuel bills and 610 kg of CO₂. If every house in the UK that could have cavity wall insulation had it installed, it would cut CO₂ emissions by nearly 4 million tonnes, and save around £690 million a year.⁵

- k) measures designed to increase community health and wellbeing
- l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing
- m) measures to increase the use of local waste materials for the benefit of the community

As part of this proposal is to support AD production of fuel for public transport, this proposal relates directly to this principle of a sustainable community. Producing fuel from organic waste matter will

¹ The Sustainable Communities Act is available here : http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1

have a double benefit to climate change as it will reduce methane produced by waste, and reduce CO₂ from oil based fuel.

Existing Barriers

(Please do not write more than 1000 words for 2.8 and 2.9)

2.8 What are the existing barriers to implementing your proposal?

- The Government needs to improve the number and appropriateness of the 'green' initiatives it supports to include the three within this proposal.
- There is a lack of public funding and support for a coherent suite of initiatives to drive down carbon emissions across the private, public and the domestic sector.
- Local public bodies need to recognise the role they can play in bringing together local renewable initiatives.

-The current barriers to removing VAT on retrofitting older properties has recently been summarised by the **House of Commons Select Committee on Communities and Local Government Committee Seventh Report (04/04/2009):**

CABE believes that the Government should urgently review the VAT regime "which currently disadvantages improvements to the existing housing stock, and works in favour of new build." CABE also believes that UK VAT rules are out of alignment with practice in other parts of the European Union, an impression the Sustainable Development Commission agrees with, particularly as regards Germany and France.

The Royal Institution of Chartered Surveyors (RICS) refers to the "perverse incentive" that makes it cheaper to knock down a property and rebuild rather than improving it.

Jack Pringle, former President of the Royal Institute of British Architects (RIBA), told us: "we see in projects time and time again that the imbalance between zero-rated on new build and 17.5 per cent on refurbishment can skew the strategy of some projects and can inhibit the final spend, if you like, on elements that would be highly beneficial like renewable energy sources"

This report highlighted that a simple removal of the VAT on retro-fitting older properties will not only benefit the Governments efforts to tackle climate change but also bring us in line with other European countries who have already implemented a similar scheme.

2.9 What actions are needed by Government to make your proposal possible?

- Government needs to introduce a suite of new green initiatives to drive forward their Carbon Reduction Agenda.
- Government should introduce a new policy that legislates and gives guidance and funding for the introduction of the following initiatives:

- o **'Renewables Kit for Businesses'** – where private and public sectors can easily convert to a renewable energy supply, due to the tailoring of different kits developed by the national bodies who specialise in renewables provision.
- o **'Anaerobic Digestion based fuel for public transport'** – where local authorities utilise the organic waste they collect to produce 'green' fuel for public transport.

- **‘Abolition of VAT on retrofitting older properties’** – where the financial deterrent to repairing older properties in order to make them more energy efficient is removed. VAT should be removed on insulation, re-wiring and efficient heating systems to bring more homes in England to the Decent Homes Standard.

Government and/or energy suppliers should meet the financial requirements of this proposal.

Part 3: Local Authority Endorsement

This section should be completed by the proposing local authority. (Under the terms of the act this means a county council in England, a district council (including metropolitan, non metropolitan and unitary authorities), a London borough council, the Common Council of the City of London or the Council of the isles of Scilly)

3.1 Have consultation requirements been met? (500 words max)

Please confirm that your authority has met the statutory requirements for consultation on this proposal, via one or more panels of local representatives and persons from under-represented groups constituted in accordance with the Act and statutory guidance as set out in [Strong Safe and Prosperous Communities](#).

You may wish to describe who has been involved in discussions and development of the proposal (*e.g. council, local community organisations and residents groups, parish or town councils, local partnership bodies, local or national organisations, political parties, church and faith organisations, local businesses or chambers of commerce and others*).

If you have not done so already please give brief details of relevant panel meetings.

Please note if you are submitting a joint application please provide details of consultation and local support across all areas.

South Hams District Council developed the scope of our implementation plan by taking into account the requirements of the Act, as well as the viability of successful implementation through limited time and resources.

Our proposals were raised at a special Sustainable Communities Act event for the Community Partnership Forum (CPF) and all South Hams District Council Members on 23rd February 2009. The CPF exists under the South Hams Strategic Partnership (SHSP) and consists of close to 200 organisations including voluntary, community, church and faith, statutory organisations and charities, as well as all of our local town and parish councils. Members of the SHSP and other interested local district councils and Devon County Council were also invited to attend. Members of the CPF include organisations that represent under-represented groups within the district such as BME and youth groups. Both these groups were able to attend the event.

At the event, close to 200 proposals were raised and discussed and a shortlist was created by attendees voting on the proposals they would like to see taken forward. The shortlist of eleven proposals was formulated into a survey for our Community Sounding Board. Our Sounding Board is a panel of close to 1,000 local residents that are demographically and geographically representative of our whole community; this Panel also included under represented groups. We felt it was necessary for our wider community to rank the shortlist in order of importance to the local community as, at the time of planning, we were uncertain of the time available and resources required to write proposals up for submission due to the unknown publication date and style of the LGA Submission Form. We felt that, as there was a risk not all of our proposals would be written-up in time, we had to focus our resources on those of most importance to our community.

We believe that by involving more than one 'panel' both containing under represented groups / individuals and agreeing our proposals with a large number of our community, South Hams District Council has met the requirements of the Act.

3.2 What are the views from this consultation? You may wish to provide evidence of local support for your proposal? This might include petitions or letters of support from the public, local councillors, Members of Parliament, businesses, public bodies and agencies? Please describe this evidence below. *(The local authority submitting the proposal is likely to wish to review such material and to summarise its content. Onward submission to the Selector of all original documentation will not normally be required).*

This proposal was put forward by one of our SHDC Councillors. This proposal received 31 votes (three proposals (all 10 or more individual votes) combined) from the CPF event, and was placed 3rd out of the 11 proposals short listed that received 10 or more votes. The Community Sounding Board voted this proposal as their fourth priority out of the eleven short listed.

Proposals may include a change/transfer of functions from one person to another. If this is relevant to your proposal please confirm that the duties under clause 2, subsection 3 of the act (consulting with organisations affected by a change in location of a function) have been carried out.

3.3 Please give brief details of consultation with any affected organisations

N/A

3.4 Confirmation of council support

The process for formal endorsement is a matter for local discretion; however we anticipate that authorities will wish to gain political endorsement and clearance for the proposal through the relevant processes at local level. Please give details of how formal approval has been attained.

A report detailing all eleven proposals short-listed from our CPF event and ranked by our Sounding Board was taken to the South Hams District Council Executive Committee on 16th July 2009. The Executive resolved to endorse / approve this proposal for submission to the LGA for consideration for implementation under the Sustainable Communities Act.

3.5 General comments

This is an opportunity for the local authority to express any additional comments or views on the proposal: This may include: *(1500 words max)*

- the council's view of levels of local support for the proposal
- any local opposition or objections that the Selector should be aware of
- relevance of the proposal to the area's Sustainable Community Strategy and Local Area Agreement
- outcome of any local authority discussions with agencies or public bodies affected
- potential regional/national significance of the proposal, if replicated elsewhere
- any major resource implications for the council or its local partners
- any other factors influencing viability and achievability of the proposal

Part 4: Assessment by the Selector

SCA proposals will be assessed by the LGA as Selector. This will include consideration, short listing and negotiation with the Secretary of State via the LGA Selector panel made up of councillors from the four parties represented on the LGA

The LGA Selector Panel is committed to undertaking the role in a transparent manner; as such reasons for decisions on proposals will be made available.

There will be no appeals process in relation to decisions of the Selector Panel.

4.1 Do you confirm your agreement to abide by the outcome of the Selector's assessment and decision-making processes?

Yes, South Hams District Council confirms to abide by the outcome of the Selector's assessment and decision-making processes.

4.2 Would your council, accompanied by the originators of the proposal, wish to make a short verbal presentation to the Selector Panel, should this opportunity be available?

Yes

Thank you for completing this form.

Please email it to selector@lga.gov.uk by 31 July 2009.