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HOUSE OF COMMONS

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ACTION TAKEN
OXFORD

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03 January 2007

Dear Caroline

**Re: Climate Change**

Thank you for your letter enclosing a copy of the motion from Full Council of 20<sup>th</sup> November 2006 on this important issue.

I share the Council's concern at the seriousness of global warming and I appreciate you taking the trouble to write to me. As the Stern Review emphasised last year the costs of climate change could be very great and we must do more to tackle it both locally and globally.

Before the Queen's Speech in November I lobbied both Jack Straw, the Leader of the House of Commons, and David Miliband, the Secretary of State for the Environment, urging them to include a Climate Change Bill in the Government's legislative programme.

I therefore think that the government's announcement of a new Bill on climate change in last year's Queen's Speech is very important, and spoke in the House of Commons to raise some of the points the Bill needs to address. I'm enclosing a copy of my recent speeches in case they are of interest to you and I will continue to press for serious action against climate change.

Yours sincerely

Rt Hon Andrew Smith MP

Of course, there will be short-term fluctuations and an element of judgment involved in such an assessment. We need to concentrate not so much on the frequency of the target, but on the frequency—and, even more importantly, the objectivity and credibility—of the assessment of progress towards achieving it. What is most important is that measures are taken that succeed in reducing emissions, and that we transform our economy and society to reduce CO2 emissions to a sustainable level. Therefore, I welcome the Government's proposal to establish an independent carbon committee to work with Government on emissions reduction and its measurement. It would also be a good idea to look at having independent assessment of the overall progress being made, perhaps by this body, or perhaps by another one with strong science credentials.

**Chris Huhne (Eastleigh) (LD):** Does the right hon. Gentleman agree that, if there is to be an independent annual assessment, that will assume that there is an implicit annual target, and that it is therefore better to have that set out on the table than implied in the annual assessment?

**Mr. Smith:** I have just devoted quite some time to explaining—logically and persuasively, I thought—why that is not the case. Of course a judgment has to be made, and commentators, experts, the committee advising the Government and this House will make that judgment; it will be the stuff of the public debate on this important issue.

The need to combat climate change presents enormous opportunities, as well as challenges. In this country, there is terrific concern for the environment; that is the case not only among my constituents, who are assiduous in sending letters and e-mails making the case for action to me and to the Secretary of State, but across the United Kingdom. I always remember Tam Dalyell telling a Labour party conference debate on the environment that the Royal Society for the Protection of Birds had more members than the Labour, Conservative, and Liberal Democrat parties put together. We also only have to look at how people take to recycling; they do so not because the Government tell them that it is a good thing, but because they know from their own values that wanton waste—of, for example, so much plastic and glass, with all the energy and resources that go into making them—is a bad thing. Most people care about their local environment, and about the planet, too: they care about poor people in poor countries; they care about the world's ecosystems and flora and fauna; and they are distressed that human activity could drown whole coastal regions, condemn millions to drought and destroy wonderful

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animal species. Therefore, there is an opportunity to tap into, and mobilise, people's genuine concern for their planet, and to show how the action that we can take together can make a real difference.

However, anyone who is serious about tackling the threat of climate change must also address the political challenges. There is a danger that the measures taken get seen as the conspiracy of a class, and a political elite, to pull up the ladder after the better-off have climbed it; that was, I think, Crosland's prescient worry about environmentalism. That danger is greater when the main parties are in broad agreement about the overall direction of travel. Last week, I was at a meeting where someone pointed out that, after the publication of the Stern report, he looked at the BBC website and found that the comments calling for action to save the planet were greatly outnumbered by those of people who were worried that this could all be just a ruse to squeeze more tax out of them. In the press, the contrast between the reactions of the broadsheets and the tabloids told the same story.

A number of important implications follow from that. The measures taken must be seen to be fair: only a progressive political strategy will maintain a public consensus in support of the measures needed to tackle climate change. Flat-rate taxes and duties should be used cautiously and with overall fiscal neutrality, and we should examine carefully at every turn the impact of proposals of those on low and modest incomes, and mitigate adverse effects. We should also be wary of arguments in favour of taxing bad things to pay for good ones, because people are intuitively suspicious of arguments such as, "We are implementing this tax to change behaviour, but the money will still somehow magically be there when the behaviour has changed," and because they will lead many to suspect that the real motive for the tax is not stopping the bad things, but funding what politicians think are the good things.

We should invest heavily in measures that help people on low incomes to cut their fuel costs—as this Government have been doing—extending further and accelerating cheap or free home insulation schemes, as well as more generally raising energy conservation standards in buildings. We should make it easier for people to make their own personal contribution to tackling climate change—for example by ensuring much clearer labelling on, and explanation of, the equivalent energy-saving light bulbs, so that they know which bulbs to choose. We should have either a ban on wasteful bulbs or a tax incentive to buy energy-efficient ones.

**Linda Gilroy (Plymouth, Sutton) (Lab/Co-op):** Does my right hon. Friend agree that low-energy light bulbs and traditional filament bulbs should be treated in that way by the European waste electricity directive? At the moment, they are not.

**Mr. Smith:** My hon. Friend makes a powerful point on that very important issue.



On the real problem of aviation taxation, it would be most fair to tax proportionately more those who fly most often. We should also invest a lot more money in research to minimise emissions, and not only in the fields of energy conservation and electricity generation, but of transport, including aviation. In the whole

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climate change debate, behavioural change and technological advance are often presented—especially in the United States—as alternative ways of addressing the challenge, whereas the reality is that we clearly need both. The Government should continue to press very hard for action jointly with other countries. There is clearly an imperative for concerted international action, which must fulfil the requirement set out by the Chancellor that the burden of climate change should not be allowed to fall on the poorest people in the poorest countries.

The Stern report has important key messages for international collective action, including what Sir Nicholas calls “the urgent challenge” of a transparent and comparable carbon price, and building on the institutions of the Kyoto protocol. The challenge is to put in place an effective cap on greenhouse gases, while minimising the distortion and bureaucracy that the system and its policing might impose. The further development of cap-and-trade arrangements for CO<sub>2</sub> and other greenhouse gases looks to me like the best way of doing that. One of my constituents, Mr. Oliver Tickell, has developed a scheme for combining a global cap on emissions under the United Nations framework with an ascending auction of global emission rights. He has set it out clearly on a website called Kyoto2.org, and I commend it to my right hon. Friend the Secretary of State and other colleagues.

So I greatly welcome the Government’s commitment to the climate change Bill. Along with tax measures, public spending and international initiatives, it can be a decisive step toward a sustainable environment. One striking thing about the Stern report was not just its setting out the appalling economic cost of failing to tackle climate change but the, by comparison, relatively modest cost of doing something about it, so long as we take the right action now. I look forward to a Bill with the ambition, reach and powerful measures needed to do just that.

**Mr. Andrew Smith (Oxford, East) (Lab):** Action to tackle climate change is a vital global challenge and I congratulate my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) on introducing the Bill. I am very pleased to be listed as one of its supporters and I hope—the signs are encouraging—that it will have enough support from other hon. Members and the Government to receive a Second Reading this afternoon, along with the Management of Energy in Buildings Bill, on which I congratulate my hon. Friend the Member for Southampton, Test (Dr. Whitehead).

As we have heard, the Bill would encourage and facilitate domestic micro-generation, the promotion of community energy, and the development of a renewable heat obligation. All that makes very good environmental sense and very good economic sense, but I want to say a word on why it also makes such good political sense. That is not only because it responds to a growing concern among many of our constituents that if climate change is really such a threat, we should do more about it. It is also because people are enthusiastic to do more about it in their everyday lives.

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**Mr. Forth:** I do not know whether the right hon. Gentleman has had an opportunity to open his post this morning. I have of course opened mine, as I do every morning, and studied it carefully. By coincidence in today's post, I received the results of a survey conducted by MORI on behalf of EDF which asked what the most important issues were for the people of this country. Global warming and climate change came a poor seventh in the list. I point that out because I do not want the House to run away with the idea that everybody has global warming and climate change at the top of their personal agendas: they do not.

**Mr. Smith:** One can draw whatever conclusions one wants from surveys that arrive in the post. All I can say is that in my regular street surgeries in Oxford, one of the main issues raised recently was not the Terrorism Bill, nor even the NHS or education, but climate change, the importance of plastics recycling and the environment in general. In my surveys of young voters in particular—I am sure that other hon. Members have had similar experiences—climate change, and the need for more local action, are consistently some of the top issues raised.

It is crucial that such matters be not left to G8 summits and world conferences, but that people see what they can do in their own homes and neighbourhoods. Micro-generation enables people to think globally and act locally. I am pleased that the Bill includes a duty on the Secretary of State to promote community energy. In Oxfordshire, at Watchfield, we have an exciting project to build Westhill wind farm—the first in south-east England. One of the reasons it will be the first is the difficulty that community renewable energy schemes face. Projects with a capacity below 5 MW and a significant community buy-in are unattractive to conventional developers, who prefer the wholesale energy market. Advice and risk finance are difficult to obtain. The Bill will help by allowing the Secretary of State to allocate funds to promote investment in community energy schemes and provide them with advice. A lot could be achieved with modest amounts of money including, for example, for grants that could be repaid by successful schemes.

A conference will be hosted in Oxford next April—the world's solar cities conference—where local authorities and local initiatives across the world will share ideas and expertise. I hope colleagues will encourage constituents to take part, and I shall circulate details. It would be great if delegates from the UK were able to tell others what a boost progress on the Bill is giving micro-generation.

If we are to give the Bill a Second Reading, we need to keep our remarks brief so I shall mention only a couple of barriers that I am glad that the measure addresses. Obtaining green energy certificates for micro-generation can still be difficult and expensive. In some cases renewable obligations certificates cost more than a micro-generator is worth. Ofgem should tackle the regulatory burden of the certificates by making them accessible for the householder, so that micro-generators can benefit from Government support for renewables. I welcome the provisions that would minimise the cost and administrative burdens of domestic micro-generation.

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Like community energy schemes, micro-generation suffers from the structure of the traditional energy market. Unlike large generators, householders are not in a position to undertake complex commercial negotiations with energy suppliers. I especially welcome clause 7, which takes a crucial step forward in requiring energy suppliers to offer to buy micro-generated energy from householders at the market rate. Household energy generation would be put on the same terms as household energy supply—a straightforward and commonsense approach which empowers consumers who are producers.

Taken together, those steps and other aspects of the measure would ensure that micro-generation makes a significant contribution to hitting the 10 per cent. target for energy from renewable sources by 2010. As other Members have pointed out, the Bill offers real opportunities to address fuel poverty, as well as benefits to poor countries through technology transfer.

In conclusion, climate change, energy conservation and sustainable energy are vitally important, as more and more of our constituents recognise. This is a crucial time for taking the decisions and action necessary to determine how to meet our commitments on climate change and put the future of UK energy production on a sustainable basis. The Bill tackles regulatory and financial barriers that hold back community energy and the potential of micro-generation. It will promote sustainable energy, improve community involvement and encourage people to save energy. Passing the measure will help to ensure that climate change and sustainable energy are at the very top of the political agenda. Its provisions are good for the environment, good for the economy and will enable people to combat global danger with local action. I commend the Bill to the House.



**Mr. Andrew Smith (Oxford, East) (Lab):** I want to focus on climate change, which was barely mentioned by the hon. Member for Meriden (Mrs. Spelman). There are other measures that I especially welcome in the legislative programme, such as the concessionary bus travel Bill and the Northern Ireland Bills, but given that this is a local government debate, I want to say something about a specific provision in the local government Bill. My right hon. Friend the Secretary of State will be able to guess what it is. Indeed, I thank her for listening to the representations that I and others have made and for agreeing to give councils in county areas the opportunity to bid for unitary status.

I have long been an enthusiastic advocate of unitary local government, especially in my own city of Oxford. I have never seen the point of two tiers of local government where one will do perfectly well. I believe that reform will cut unnecessary duplication, confusion and waste, but the crucial reason why I believe that single-tier local government is best is that it gives people a clear understanding of who is responsible for what, and that has to be the cornerstone of democratic accountability.

**Mr. David Drew (Stroud) (Lab/Co-op):** Does my right hon. Friend accept that there is no more obvious example of the chaos that two-tier causes than waste? We have waste disposal authorities in the counties and waste collection in the districts. That just does not work. Please may we have a unitary system as a matter of urgency?

**Mr. Smith:** My hon. Friend makes a powerful point. The other thing people wonder about locally is why some neighbouring towns—Reading, Swindon and Milton Keynes—are judged fully capable of running their own affairs but places such as Oxford are not. I know that that feeling is shared in many other towns and cities, notably Exeter, Ipswich and Norwich.

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**Anne Snelgrove (South Swindon) (Lab):** My right hon. Friend mentioned Swindon. Unitary authorities are good. They are welcome, but some of them, including Swindon, had difficulties when they were set up. Swindon received £2 million of Government money to get it out of its difficulties. We need unitary authorities but they must not base themselves on the old county authority model, which is where the Swindon model went wrong in the first place. Does he agree that authorities have to find their own way through?

**Mr. Smith:** I look forward to Oxford having the opportunity to find its own way through. If we are to rebuild the standing of local government and to empower local people through their councils in the way my right hon. Friend the Secretary of State for Communities and Local Government wants, having a coherent and comprehensible structure for those councils is surely a necessary condition, so I welcome her commitment.

**Several hon. Members rose—**

**Mr. Smith:** I will make some progress, if I may.

I look forward not only to the Secretary of State providing the opportunity to secure unitary status for Oxford and other places that want it, but to getting approval of those changes, so that the city can again run its own affairs across the board of local government responsibilities.

**John Bercow:** Will the right hon. Gentleman give way?

**Mr. Smith:** I am going to move on. Time is limited, as the hon. Gentleman knows.

I have commended the Secretary of State for Communities and Local Government for listening. May I do the same for my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs and say that the inclusion in the Gracious Speech of the climate change Bill is very welcome news? As he will be aware from the volume of letters and e-mails that I take up with him, there was a particularly strong demand for a climate change Bill from me and my constituents.

The Stern report, which the Chancellor of the Exchequer commissioned, is a fine and compelling work that provides strong economic arguments for the action that now needs to be taken. The challenge now is to bring forward equally strong measures to hit demanding targets, so that the United Kingdom is on track to cut carbon dioxide emissions by 60 per cent. by 2050. Those must include demanding interim targets on emissions reduction.

The way through the argument about annual targets is to avoid confusing how small a time period we break our target down into, and the frequency with which we assess progress against it. Of course, short-term fluctuations in the weather or in economic growth reduce the value of annual targets, and it makes sense to have interim targets, whether at given intervals, or rolling forward covering given spans of time—periods when variations in emissions caused by such fluctuations are likely to be smoothed out.

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We want to measure whether we are on track to hit the 60 per cent. target, not whether we happen to have had a particularly mild or cold winter, but none of that stops an assessment being made annually or even more frequently if we want it. Indeed such a report from the Secretary of State is required by law thanks to the excellent Climate Change and Sustainable Energy Act 2006 introduced by my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz).