

REPORT TO EXECUTIVE

Date of Meeting: 2 June 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Chief Executive & Growth Director

Title: Net Zero Exeter 2030 Plan

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 This Plan presents a blue print for how the city of Exeter can achieve its ambition to be net-zero carbon by 2030. The Plan sets out ways in which each of us can play our part in achieving the net zero ambition, and to enable everyone across the city to engage in a meaningful way. It is built on an understanding that the city can only achieve its net-zero carbon targets if organisations, individuals and institutions take responsibility and accept they have a role and play their part. It is an attempt to focus the city on a sequence of key actions that take us to 2030 and enable these actions to be reflected in city and organisational plans.

2. Recommendations:

- 2.1 That Executive recommends and Council adopts the Net-Zero Exeter 2030 Plan as Council policy to inform all policy documents, plans and corporate decision making in response to the Climate Emergency and in pursuance of the goal to make Exeter a carbon neutral city by 2030.
- 2.2 That the Plan be presented to the Liveable Exeter Place Board for consideration with a recommendation that the Liveable Exeter Place Board be the appropriate body to adopt the plan on behalf of the city of Exeter.
- 2.3 That the Chief Executive & Growth Director, in consultation with the leader of the council, be authorised to explore opportunities to secure investment and to create mechanisms for funding the programmes set out in the plan.
- 2.4 That when clarity has emerged on the financial position of the City Council, specifically whether or not the Government intends to further financially support local authorities as a consequence of this Covid-19 crisis, the Chief Executive & Growth Director bring back a report to Executive on how the City Council will deliver the actions set out in the section “what Exeter City Council can do”.

3. Reasons for the recommendation:

- 3.1 Members declared a climate emergency and made a commitment to make Exeter carbon neutral by 2030 before knowing how to achieve the goal; members have therefore defined what matters but not the how. The Net Zero Exeter 2030 Plan is the answer to the question of how. We now know the ingredients of the plan, and have a better idea of the costs and scale of the task. Given the Council commitment to achieving a carbon neutral Exeter by 2030, the assumption is that Members will want to endorse the plan. However, given the immediate financial challenge caused by Covid-19 Members, may wish to take a staged approach to responding to the Plan, and this is what is being recommended.
- 3.2 The first step would be to endorse the plan, commend the plan to other stakeholders in the city, and invite all organisations to consider the role they can play in realising this goal. Exeter City Futures would use the network it has built up across the city to encourage businesses to also sign up to the Plan. The Liveable Exeter Place Board would be the appropriate body to adopt the plan on behalf of the city of Exeter as a whole. It is the one body that already convenes many of the largest organisations in the city. The Place Board could be requested to consider the Plan with a view to adopting the Plan as the blueprint to achieving the Exeter Vision 2040 with its commitment to a carbon neutral Exeter by 2030.
- 3.3 The second step would follow shortly after adoption, this would be to consider the implications for the Council's finances, resourcing, structures and reporting mechanisms within the Council to deliver the actions set out in the plan. The scale of the financial pressures facing the Council in coming months is such that members will need to be clear about the choices that will need to be made. The advantage in adopting the Plan is that it will send a very clear message for the recovery plan and policy development. Already a number of council officers work on aspects of the plan in their day to day duties, these include officers working on: the council's energy needs, requirements through the planning system, retrofit programmes, skills, building energy networks, recycling and waste initiatives, encouraging active life styles, cycling provision, air pollution and community infrastructure. There is a need to look at whether the current structure is sufficient for the next step on our journey.
- 3.4 Covid-19 is a crisis that threatens not only our health but significant damage to our economy, with major job losses at risk particularly in Devon. There are strong threats to sectors and places. One can feel this is a crisis, and the need for urgency in dealing with the crisis and the recovery. It could be a reason to put off considering the Net-Zero Carbon Exeter 2030 Plan. In my opinion that would be a mistake. Council declared a climate emergency and now we know what a response to an emergency feels like. Indeed, the response to the current crisis will have had a positive impact on carbon emissions and this is an opportunity to build our recovery plan on the basis of this Net Zero Plan. We have spent a couple of years working with the Heart of the South West Local Enterprise Partnership on the local productivity plan and the Local Industrial Strategy. We have put Clean and Inclusive Growth at the heart of our economic agenda and there are opportunities with this plan to plan for growth based on removing carbon. Clarity on our carbon agenda is required to inform the policy and investment response to the recovery. The Plan demonstrates the importance of holding onto the big picture, and recognising the opportunities that present themselves.
- 3.5 The Plan could require close to a £1bn to achieve a Net Zero Exeter. Such a programme is unlikely to be funded through conventional approaches, certainly not at the pace that is required. The City will need to explore options to secure investment to deliver at scale. We have shown a willingness to innovate and pilot projects, the key task for us is to also deliver at scale, and thus make main stream. The recommendation seeks authority to begin exploring opportunities to bring investment to support the city in this ambitious programme. In simple terms, if we are committed to the goal, and we don't have the finances to achieve this goal within the modest

means of a district council we need to explore other ways to make things happen at city scale. In a similar way the transport authority has never had the financial means to fund its ambitious transport plans such as the Devon Metro, but it has used the plan to secure funding from Government, the LEP, the planning system and district councils towards the projects.

4. What are the resource implications including non financial resources.

4.1 Resourcing the plan is clearly problematic. Even before the Covid-19 crisis a decade of local government austerity has removed capacity in the organisation to pursue new initiatives unless other things are stopped. Whilst in my opinion the Council has done remarkably well to maintain services and pursue, when required, new policy initiatives, such as taking a whole system approach to helping residents with housing and financial problems; supporting integrated care, active and healthy life styles, and asset based community development; development of a skills programme, finding new routes to building homes, establishing a housing regeneration programme, and developing Exeter City Futures. Each initiative has been supported against a backdrop of budget reductions. Over the decade management capacity has been reduced by 50%, head count has been reduced, and we have had to work collaboratively with others in pursuit of the desired outcomes. This discipline of stripping out capacity to reduce costs, whilst pursuing new, often transformational change, has placed demands on the leadership of the organisation and required support made possible by changing at the outset of the austerity era the regime of target driven performance monitoring. This has given the organisation the ability to pursue whole system change and use appropriate measures to evaluate performance.

4.2 The Covid-19 crisis and the lockdown that has been imposed has had a massive impact on the council's finances. We are losing at least £1.2m per month, and currently we are forecasting a loss of £10m for the year. This is against a £13m net budget. The Council has one of the lowest council tax in the country and is disproportionately dependent on income that is vulnerable to the lockdown. Government support has been welcome and has covered the loss from the first month. Even with £4.5m reserves the Council may need deliver in year savings of the order of £6 million -£7 million, this is going to be extremely challenging. The scale of reduction would be unprecedented. The point is a simple one, the leadership will need to be focused on reducing spend in a dramatic way, at the same time as we are considering a blueprint to achieving a carbon neutral city within a decade.

5. Section 151 Officer comments:

5.1 As noted above, there is no approved budget to support the delivery of the plan. The Council's current financial position is set out in section 4.2 above and leaves no room at present to support the programme financially.

5.2 However, adopting the plan in itself does not commit the Council to providing financial resources and the section 151 Officer notes recommendation 2.4. The section 151 Officer will work with the Chief Executive and Leadership to ensure that any proposals coming forward in the future are costed and affordable to the Council.

6. What are the legal aspects?

This report sets out a blue print as to how the city can achieve its ambition to be net-zero carbon by 2030. Legal issues will be addressed as they arise in the implementation of the policy.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 In July last year members declared a climate emergency and resolved Exeter should play its part in meeting the global challenge of reducing CO2 emissions. It is generally accepted by climate science that global emissions need to be reduced by at least 50% by 2030 and reduced to net-zero by 2050. We are in a critical decade. The Climate emergency declaration was an important statement designed to signal that we are in a crisis and action must be taken. Decisions we take today as a council, and as a city, on energy, transportation, and planning can lock in emission levels for decades to come. The 2030 milestone is ahead of the national goal of achieving net-zero by 2050. It reflects the statement in the Exeter Vision 2040 for Exeter to be carbon neutral by 2030 and recognised as a leading sustainable city and a global leader in addressing the social, economic and environmental challenges of climate change and urbanisation. The 2030 commitment is therefore a bold statement of leadership that reflects an ambition to be a thought leader, innovative and committed to building a stronger city.
- 8.2 In September 2019, Exeter City Council asked Exeter City Futures CIC to work with the city to curate a shared plan for Exeter to be net-zero carbon by 2030. Dr Liz O'Driscoll and the Exeter City Futures team has been the driving force, trying to involve everyone across the city through a series of formal and informal events. The majority of events were face-to-face, but after the government placed the UK in lockdown in March 2020 the final workshops with community leaders and campaign groups were held online using open collaboration tools. The Plan describes the engagement process that was undertaken to arrive at the plan, and a number of members will have been involved in workshops.
- 8.3 The current Covid-19 crisis has shown us that it is possible to make profound shifts in how we live, work and relate to each other. The task in hand, to achieve net-zero Exeter, is not simply about making minor changes to lifestyle, it is about transforming our priorities, and it requires individual and collective responsibility. The Plan is well written and uses effective illustrations to show opportunities for carbon savings and the resources required to achieve the goal. The Plan deserves to be read in detail, it brings together an impressive body of work from a wide range of individuals and organisations. There is little point in reproducing the content of the Plan but simply to state that Pages 66-68 of the Plan contains a useful section on what Exeter City Council can do. This is broken down into 55 actions under four themes: Energy, Mobility, Sustainability, and Capability. The document as a whole relates to the Council's place shaping role and uses the four themes and 12 goals (Reduced Energy Consumption, Access to Renewable Energy, Affordable Healthy Homes, Reliable Journeys & Resilient Roads, Reduced Dominance of Cars, Green Spaces and Local Produce, Clean Air, Efficient Resource, Management, Regenerative Design, Collective Action, An Analytical Approach, and Locally Controlled Finance) to structure the action plan.
- 8.4 The Net Zero Plan has helpfully identified priority actions by time and by carbon impact. Those actions that have the biggest carbon impact invariably require a concerted effort across a number of organisations and require the consent of public and private sector bodies working together. Transport is one such area that has a big carbon impact and requires leadership and support from the transport authority as well as buy-in from the likes of Stagecoach, employers and the community at large. Some actions require regional co-operation, such as generating renewable energy.

The delivery plan will need to address resourcing and prioritisation, and decisions will have to be taken about where resources are focused.

- 8.6 Whole system change to deliver a net-zero Exeter is beyond any single organisation in the city. It needs a different approach at city level, and this was clear from the outset of the work. Exeter City Futures was set up recognising we needed a fundamentally different approach to tackle the challenges we face. The Board of Exeter City Futures includes directors from the University, Exeter College, the RD&E, Devon County Council, Oxygen House and the City Council. We have built a culture of collaboration across the city for the place shaping agenda with clarity of vision, to make Exeter a world leading city for meeting the challenges that we face. This desire to work collaboratively in pursuit of shared goals is now embodied in the Liveable Exeter Place Board chaired by Sir Steve Smith.
- 8.7 Exeter City Futures brings together private and public sectors focused on the city with a spirit of innovation and challenge. As a disruptor and thought leader Exeter City Futures has pioneered an accelerator programme, engaged in a non-public sector manner businesses and groups across the city for a number of years. It has produced a number of important reports to support our goal, including this blueprint for a Net-Zero Exeter 2030 Plan. Exeter City Futures can continue to play an important part in pursuit of this goal, but now there is an important job for the City Council to do. Both Devon County Council and Exeter City Council have declared climate emergencies with the same 2030 date for net zero. This Plan sets out what both the city council and county council could do to support this goal for the city of Exeter. There been a great deal of work across the city and sub-region to build the transition to a low carbon economy. The low-carbon task force has been disciplined and ambitious in pursuing projects with buy in from across public and private sectors. There is a proud track record of delivery and both councils have played an important part in progress that has been made to date.
- 8.8 I believe it is important to take stock of what has happened since the declaration of the Climate Emergency. The Coronavirus pandemic has had a profound impact on the economy, our way of life, assumptions about international connectivity and supply chain dependency. We need time to process what is happening and the consequences for all manner of things. There has been a paradigm shift, take for example the City Council where 84% of staff have been working from home. Overnight employers have seen their staff function from their homes and this will cause firms to question their office accommodation needs. The pace and scale of this change has been dramatic, and may have profound implications for our city centre and established office parks. There will be consequences for public transport use, certainly in the short term. We may need to respond in an agile manner to the issues and opportunities that present themselves. This unprecedented situation will test us in ways we don't fully understand today.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 The Exeter Vision 2040 is to be carbon neutral by 2030.
- 9.2 Exeter City Council has declared a climate emergency and set a goal to be carbon neutral by 2030.
- 9.3 The Net-Zero Exeter 2030 Plan contains actions that support the corporate priorities of:
- Tackling congestion and accessibility
 - Promoting active and healthy lifestyles

- Building great neighbourhoods

10. What risks are there and how can they be reduced?

- 10.1 The financial context for the council has changed dramatically with Covid-19. The risk is that a lack of finance and capacity will postpone decisions that need to be taken to achieve the goal. A deep recession could fundamentally shift the appetite to disrupt business and our lifestyles. In other words we may come under pressure to support growth and climate change could be pushed down the agenda, this is what happened with the 2008 recession. Resourcing the plan will be challenging and there are reputational risks associated with a bold and ambitious goal. From the outset we have worked hard to build collaboration across the city and across sectors. This was a deliberate approach to broaden the agenda to city scale rather than just the City Council. Some organisations will focus exclusively on their organisations carbon footprint, it is the natural place to start. However, the council has a unique leadership role for the city, and this has required deploying resources to developing the agenda on behalf of the city at the same time as addressing our own carbon footprint. There is the risk that the work on behalf of the city takes away some of the resource needed to focus on the Council's carbon footprint. This is a balancing act and requires managing.

11. Equality Act 2010 (The Act)

- 11.1 In delivering the commitment for a carbon neutral Exeter there will be a positive impact on the health and wellbeing of the residents of Exeter, community safety, the environment and the economy. Achieving the target will offer benefits including reduced air pollution, congestion and road fatalities, and improved health outcomes from more active travel and cleaner air. However, individual initiatives and programmes will need to take into account the impact of the Equality Act.

12. Carbon Footprint (Environmental) Implications:

- 12.1 The Net-Zero Exeter 2030 Plan is the single most important document Council will consider to translate their declaration of a Climate Emergency into action. It sets out the actions the city council should take to achieve carbon neutral by 2030.

13. Are there any other options?

The Council could postpone any decision on the Net Zero Plan until the City Council's financial position looks more favourable.

Karime Hassan
Chief Executive & Growth Director

Author: Karime Hassan

Chief Executive & Growth Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
Council resolution 23rd July 2019
Executive report 9th July 2019
Exeter City Futures CIC Net Zero Exeter 2030 Plan

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275