

STRATEGIC SCRUTINY COMMITTEE

29 September 2022

Present:

Councillor Rob Hannaford (Chair)

Councillors Leadbetter, Allcock, Asvachin, Branston, Harvey, Jobson, Knott, Mitchell, K, Read and Vizard

Apologies:

Councillors Moore, J and Oliver

Also present:

Service Lead - Net Zero, Commercialisation, Skills, Business and City Centre, Net Zero Project Manager and Democratic Services Officer (SLS)

In attendance:

Councillor Philip Bialyk	- Leader
Councillor Duncan Wood	- Portfolio Holder Climate Change
Councillor Josie Parkhouse	- Portfolio Holder Leisure & Physical Activity
Councillor Barbara Denning	- Portfolio Holder Customer Services & Council Housing
Councillor Diana Moore	- Attending Under Standing Order 20
Councillor Amy Sparling	- Attending Under Standing Order 20
Dr Daniel Lash	- University of Exeter

14 **Minutes**

The minutes of the meeting held on 16 June 2022 were taken as read, approved and signed by the Chair as correct.

A Member sought clarity in relation to the proposal for a Standing Overview Group to be convened to scrutinise and tackle the challenges of the climate emergency, which warranted an appropriate mechanism. The Chair responded and advised that he would raise this matter at a forthcoming meeting of the Governance Review Board.

15 **Declaration of Interest**

No declarations of interest were made by Members.

16 **Questions from the Public Under Standing Order No.19**

No questions from Members of the public were received.

17 **Questions from Members of the Council Under Standing Order No.20**

In accordance with Standing Order No.20, the following questions were submitted by Councillors Sparling and Diana Moore in relation to the Portfolio of Councillor Wood.

The questions were circulated to Members of the Committee. The responses of the Portfolio Holders are set out in italics below:-

Question from Councillor Sparling to the Portfolio Holder for Climate Change – Councillor Wood

1. Following the announcement of Investment Zones by the Chancellor of the Exchequer last week, please can the leader confirm what their response to the Treasury will be and can we be assured that it will not include a request to relax planning regulations within Exeter, minimising the need for planning applications?

The Leader advised that this matter was being viewed as a matter of urgency. The Upper Tier authorities (including Devon County Council) have received a letter inviting them to work with districts and partners to bring Investment Zones forward, in addition to the 38 announced in the mini-budget. There is further information on the web at [Investment Zones in England - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

At the moment there was no identified process, but Devon County Council had requested that the City Council identify any sites that could potentially be included in such a proposal. Officers were exploring how an investment zone could support the long term viability of sites including those identified as part of Liveable Exeter. He was mindful of the possible deregulation in planning and certainly did not want to surrender any powers.

Councillor Sparling asked a supplementary question regarding the opportunities for strengthening planning regulations through this investment.

The Leader advised that the Council always consulted on planning changes, but they were not always presented to Committee. The appropriate response would be made in respect of the Investment Zones.

Questions from Councillor Diana Moore to the Leader - Councillor Bialyk

1. How many planning performance agreements does the Council have in place? Of these, and in principle for any future agreements, what proportion of the costs of such agreement are/will be funded by the developer?

The City Council used Planning Performance Agreements (PPA's) as a project management tool to agree timescales, actions and resources for handling large scale and complex planning applications. Government guidance encouraged the use of PPAs which could be particularly useful in setting out an efficient and transparent process for determining this type of planning application. The Government also encouraged joint working between applicant's and the local planning authority in this way, which could also help to bring together other parties such as statutory consultees.

In accordance with Government guidance, the City Council would make the existence and content of these PPA's publicly available on its website, so that the agreed process and timescales were transparent. Any PPA's included on the website had been agreed voluntarily prior to any application being submitted, and provide a focus for pre-application discussions about the issues that would need to be addressed. In most cases the documents had been redacted to remove personal data and sensitive commercial information, including the proportion of any costs of such agreement to be funded by the applicant/developer. Currently the City Council had one live PPA relating to land

at Water Lane and made between the City Council and Cildara (Exeter) Group. A redacted version would be uploaded shortly.

Councillor Moore sought further clarification on the response which had been about the principle and proportion of the contribution in general that developers make towards additional services offered by the Planning Department.

The Leader stated that commercial information including the proportion of any costs of such agreements to be funded by the application were not included. Further information would be obtained from the Director City Development.

2. What are the outputs and outcomes against which the success of secondments of two senior management team members to Exeter City Futures will be assessed?

The fundamental challenge facing all cities to get to Net Zero was clearly one of leadership, it was a goal that requires funding and resources and a range of policy issues that transcended any single organisation. An important outcome for myself as Leader was to continue the work of cross institutional collaboration. As someone who had contributed so much time working with fellow Devon leaders on various initiatives designed to secure funding from government, the Leader said he could testify to how challenging it can be to simply keep everyone on board and working together. The second ingredient of success was to get a degree of clarity about the potential to secure in the medium to longer term, the resources for supporting the Net Zero work. The Council did not have the funding and there was little confidence from Government that funding or policy would be forthcoming to support the ambition of a 2030 goal.

Exeter City Futures was attempting to build capability and willingness to pursue actions and programmes designed to achieve a net zero future in the absence of statutory requirements to do so. The two senior members of staff were working with other organisations and private sector companies to explore ways of addressing the net zero challenge in the absence of funding or other resources. However, the City Council could not make decisions in the key sectors that required the investment, whether it be transport or buildings and would require a number of parties to consent to innovation. The Leader said he would take stock at the end of the secondment of the appetite to explore opportunities.

Over the coming weeks a number of workshops would be held to explore options for transport, battery charging infrastructure, and district heating. He expected the two Directors to advocate for change, to support those businesses looking for support from the city council. He also expected them to test different approaches but equally was mindful that innovation required people to be given a supportive environment to try new things. If principal parties declined to attend events or decline to commit resources to the task, that would give him something to think about at the end of the secondment. He had asked the staff to work with the College on green construction and to support collaboration in pursuance of a pipeline of retrofit work. This work contrasted with the work on the Council's own housing stock where the funding and resources were provided by the Housing Revenue Account (HRA) and where no additional levers were required. At the end of this period, the Leader said he would take a view on whether a community interest company (CIC) as a vehicle to support collaboration was sufficient for the task.

There were specific targets associated with programmes such as the Change Makers programme and the City Fund, but more broadly he thought it was

appropriate to remind Members that we are attempting to do what no other city had done, and the Council had very modest resources to deploy to the task.

Councillor Moore asked a supplementary question about the Director roles which had been focusing on the Exeter Development Fund and the Liveable Exeter sites, and sought clarity on the proportion of their time focused on achieving Net Zero.

The Leader was aware that the Directors' contribution far exceeded the usual working week. He did expect them to deliver the various projects that the Council wanted to do and referred to the commitment already made by them. Already this week he had attended an event with them, organised by Exeter City Futures for businesses from around the city. He said those businesses were inspired by what the Council were trying to do and were very supportive. He referred to the determination of this Council to work towards achieving Net Zero 2030 with those partners in Exeter.

3. What is the cost to the Council of these secondments? How much is Exeter City Futures contributing to the costs of these secondments? Have any council budgets been associated with these ECF seconded roles and how much are these?

Council had approved up to two days of the Chief Executive & Growth Director and up to three days of another Directors' time. The maximum cost of the secondments would be £112,000 for 12 months. However in practice the two Directors did not work on a fixed number of hours in support of the work of Exeter City Futures. The work flowed across the week and the Directors worked to ensure the business of the City Council was maintained. The nature of the work of the Directors was that they did not work standard hours, but work consistently well beyond their contracted hours as the work necessitates. Exeter City Futures was not contributing to these secondments, the time of the officers was Exeter City Council's contribution in what was undertaken. The budget for this work was agreed by Council last year and there was no work that was not being done as a consequence of their secondment.

18 **Portfolio Holder Reports**

Councillor Bialyk as Leader and Councillor Wood as Portfolio Holder for Climate Change reported on their respective areas of their Portfolios, which detailed the Council's published priorities, major ongoing programmes of work, issues impacting delivery, financial performance and budget requirements and potential changes being considered.

Councillor Bialyk, Leader presented his report and the following responses were given:-

- a review of the charging schedule for Community Infrastructure Levy (CIL) had to be evidential based and tested by an Inspector. The proposals will be presented to the Executive. There is expected to be a revised charge for Purpose Built Student Accommodation (PBSA) and Co-Living.
- he had asked the Portfolio Holder Communities and Homelessness Prevention to make a comment on the cost of living crisis at the forthcoming Executive of the challenges ahead and the impact on families and people in and around Exeter. As a local authority, the City Council needed to be as ready as possible to support people where and how ever was possible.

Councillor Wood as Portfolio Holder for Climate Change presented his report and responded to the request that rather than just lay over at St James Park, that the Barnstaple train return to Pinhoe and take passengers back to Central Station before carrying on its journey. Councillor Wood thanked the Member and advised that the County Councillor Lead Member for Transport had been made aware of this suggestion and the Leader had also offered to follow it up.

The following responses were also given to Members' comments:-

- he would seek further information on the Council's role on the Community Energy Project Pilot and on any links between that and Exeter College's retrofit skills project.
- training for the Carbon Literacy Programme was being rolled out for Members and officers shortly.
- Net Zero challenges were being faced by many local authorities, but Exeter City Council were one of the few looking to resolve the huge task ahead, including working with businesses and residents who would be asked to make a lifestyle change when many were already facing financial difficulties. Two of the Council's Directors, with the cooperation of Exeter City Futures, were working to facilitate the partnerships needed to drive this forward with very little funding. Meeting an earlier timeline of 2030 meant fewer of the legislative advantages were likely to be available in advance of the Government's 2050 climate change deadline.

The Portfolio Holders' reports were noted.

19 **Working Towards Net Zero - Exeter City Council's Corporate Carbon Footprint Report and Carbon Reduction Action Plan**

The Net Zero Project Manager presented a report on the work of the Net Zero team which would both assess the Council's potential to achieve its commitment for its own corporate activities to be Net Zero 2030 and to deliver the City Council Carbon Reduction Plan, which was attached to the report.

The Net Zero Project Manager introduced Dr Daniel Lash, Senior Research Fellow, Centre for Energy and the Environment from the University of Exeter who also attended the meeting to present the Council's Corporate Carbon Footprint report - 'Achieving Net Zero' which had been commissioned by the City Council offering an analysis of the Council's own corporate operations and estate and associated greenhouse gas (GHG) emissions. This had been a huge undertaking where Dr Lash and his colleagues had met with officers from each service throughout the Council including Housing, Corporate Property, Procurement and Fleet Services to discuss their operations. The report also set out the challenges including financial constraints and staff capacity, and had helped to inform the Council's Corporate Carbon Reduction Plan. The Plan included a number of potential actions and also offered the opportunity to track and measure activity across of the services as well as information included in the City Council's Net Zero Risk Register.

Dr Lash advised that the commission had offered the opportunity to look at what Net Zero meant in terms of Exeter City Council's own carbon footprint by 2030 and outlined the main themes of the report. (A copy of the presentation was attached to the minutes.) The approach was taken to update the Council's carbon footprint from the assessment made in 2018/19 and assess the potential to reduce these emissions across seven sectors including:-

- non-domestic buildings

- council owned housing
- transport,
- procurement,
- F(fluorinated) gases,
- waste,
- renewable energy and
- land use change/afforestation.

Dr Lash responded to Members' questions:-

- in terms of the time anticipated for an offset of carbon by St Sidwell's Point, (SSP) the carbon emissions were an estimate based on the cost of the actual building which had been built to a high Passivhaus specification. The reality would be quite different and a fairer comparison of the carbon emission was with the former Pyramids Leisure Centre which had been a facility at the end of its operational life. The Net Zero Project Manager added that SSP included additional monitoring and would be measured as a separate piece of work.
- with regard to Scope 3 emission, data collection was challenging and most contracts would only run for a specific period of time. In terms of referencing the quality of the data most suppliers would adhere to a regulatory regime regulation and would have their own carbon footprint to consider. Looking at simple spend factors was not enough and should include life style emissions to ensure a smart decision. It was hoped that suppliers would start to collate that information. His colleague, Peter Lefort from the University, was leading a consortium of public sector and other organisations who were looking at Scope 3 emissions. The Service Lead Net Zero & Business added that a review of an accreditation scheme called Green Accord and was working with the Council's Procurement Team to encourage an increased take up of the scheme. This would also have the added benefit of improving the level of data held on local businesses and the Council's carbon emissions.
- the average price for installing a heat pump would depend on each building, but it was anticipated to be in the region of £5,000 to £10,000 depending on the size of the property with any preliminary works an additional cost. Heat pumps did not perform well in poorly insulated dwellings.
- there were issues for the energy grid accommodating more charging points for electrical vehicles, with either street charging points or private off street charging on individual driveways to flatten the load on the infrastructure by charging in off peak hours. Wholesale movement towards electric vehicles and heat pumps would put pressure on the grid, but potentially local energy generation through solar panels would help manage this.
- the main focus of the Government's overarching projections and focus of the production was on electrical vehicles, however if that changed other options such as hydrogen or methane could be considered.
- hypothetically, land offered carbon savings with the planting of more trees, but in the case of the City Council, the 25% of planting on Council land would only offer an offset of 7% of the residual carbon.
- the Carbon Action Plan offered an example of tree planting in the Valley Park but would require a detailed business case and no budget had been identified.
- the figure of building carbon neutral homes in the report was the number of City Council properties and would become part of the Council's footprint rather than all of the homes identified in the Local Plan. The Member who raised this considered that a clarification should be made.
- the reference in paragraph 8.3 of the report, on future opportunities for Non Domestic photovoltaic (PV) generation from using a site as part on the University's campus would be checked. The Net Zero Project Manager would

clarify the detail, as the projection was hypothetical and she advised the site was owned by the City Council and used by the Devon Wildlife Trust.

- a Member's suggestion of harnessing hydro power from the River Exe would only offer a relatively small amount of power. It was not included in the Carbon Reduction Plan as a number of factors including land ownership as well as a high cost for a relatively small yield were barriers.
- the Net Zero Project Manager explained the Carbon Reduction Plan did not currently include timings for implementation of any proposals, but offered the opportunity to select proposals or tasks based on the available resources and technology. The final column of the action plan did include an update on projects that were being delivered. She also advised that the Net Zero team had contributed to the discussions as part of the preparations for the Exeter Local Plan. It was anticipated that the team would continue to provide more feedback as the consultation progressed.

Members made a number of comments including:-

- the importance of having another opportunity to discuss all of the Council's plans, strategies and policies in relation to climate change in one place;
- the Carbon Reduction Plan offered a good starting point for any future discussions and there was an acknowledgement of the good work already taking place which was all progress towards reaching the Net Zero 2030 deadline, and
- St Sidwell's Point (SSP) enjoyed a number of net benefits from the Passivhaus specification and had enabled the closure of an older leisure centre which had become expensive to maintain.

The Service Lead Net Zero & Business advised that the management of car parking was now in her team, and offered an oversight of the balance to be struck between achieving Net Zero 2030 and retaining the level from income car parking to deliver wider City Council services. She responded to a Member's enquiry over the scope for charging points for electric bikes in the city's car parks. She added that they were looking at options to install additional charging points in the Council's car parking network to help improve that option in more densely populated areas of the city.

The Chair thanked the Net Zero team and Dr Lash for an informative presentation and he looked forward to a further update in six months' time.

Strategic Scrutiny Committee noted the following:-

- (1) Corporate Carbon Footprint report, and Members acknowledged the detailed analysis and improved data provided on previous year's reports, but also the challenge to improve data capture across the whole organisation. The projections reinforce the measures required across all Council activities, and that organisationally achieving Net Zero in such a short timeframe is extremely challenging;
- (2) acknowledged the scale of the challenge set out in the Carbon Footprint Report and combination of aggressive carbon reduction measures included in the projections which will require a step change in Council policy, activity, and capacity;
- (3) acknowledged the importance of the Carbon Reduction Plan, work already in progress, and service wide commitment required to deliver net zero, with a dedicated team to lead on activity. Equally, the need to undertake an annual

- assessment of the Council's GHG emissions to monitor, identify change and evaluate actions needed to deliver net zero, and
- (4) that to achieve Net Zero by 2030 will require an increase in capacity, financial investment and operational resource, both internally and from government at a national level.. Whilst the carbon footprint provides accurate carbon reduction measures, the precise amount of resource needed is currently unquantifiable. This will require a detailed investment plan based on costed proposals.

20 Progress Report Shared Prosperity Fund - Update

The Service Lead for Net Zero & Business presented the first of an update on the Shared Prosperity Fund to Strategic Scrutiny Committee, which she would continue to update every six months. The report set out progress made in developing a three year investment plan to release Exeter's UK Shared Prosperity Fund (UKSPF) allocation. A breakdown of the £1,403,877 sum to be allocated to Exeter had been submitted to the Department of Levelling Up Housing & Communities (DLUHC) on their online portal by the deadline of 1 August 2022 with confirmation of the allocation was currently awaited. The investment plan had been developed around three themes of Communities and Place, Supporting Local Business and People and Skills with consultation with the city's business network to identify the interventions. The report highlighted the challenges faced and also opportunities in developing interventions for Exeter. Additional guidance had been received from DLUHC including procurement, subsidy control and monitoring and evaluation. Discussions were taking place with City Council colleagues in finance, legal, procurement and executive support to ensure they were working within the new and updated guidance.

The following responses were made to Members:-

- in terms of businesses delivering interventions, it was intended that an open tender would be issued to the business community to commission local companies to deliver business support and people and skills interventions.
- the people and skills element of the plan would come in year three in April 2024 with time to put together a programme of works to support people into work, including those with a disability. She noted the Member's comment on widening to people with special and additional needs and of an example of such support through a hub in Honiton. It was important to identify ways to offer such support which was likely to be on a one to one basis. There was the opportunity to do something very specific in Exeter.
- in speaking to the business organisations in the city such as the Chamber, InExeter, the Federation of Small Business and the Job Centre, since the advent of Covid, the cost of living crisis and the way people live their daily lives there had been a shift to more people taking on additional second jobs. The tight labour market offered opportunities for individuals to be more selective in accepting new jobs.

The Service Lead Net Zero & Business would follow up a matter raised at Strategic Scrutiny Committee earlier in the year relating to the future of the Job Centre in Clarendon House and circulate an update on the front and back office provision to Members.

Strategic Scrutiny Committee noted and supported the following:-

- (1) progress made in developing an Investment Plan, to support Building Pride in Place and Increasing Life Chances in Exeter; and

- (2) the Service Lead for Net Zero & Business would provide an update to Strategic Scrutiny every six months on the delivery and management of UKSPF, the next report being in March 2023.

21 **Scrutiny Programme Board Annual Report**

Councillor Vizard, as a member of the Scrutiny Programme Board presented the report which offered an annual update in respect of the Scrutiny work achieved during the municipal year 2021 – 2022 which was attached to the report.

The Annual Scrutiny Report provided the Scrutiny Committees with an opportunity to:-

- monitor the progress of the Scrutiny function and process at Exeter City Council;
- comment upon the progress and direction of Scrutiny over the past year and into the future;
- ensure that the Scrutiny Committees were kept up to date on the Task and Finish Groups and what they have achieved;
- and offer an illustration of how effective Scrutiny can contribute towards an accountable, transparent and democratic process.

Strategic Scrutiny Committee noted the Annual Scrutiny Report 2021-2022 which would be presented to Executive to note and to recommend to Council to approve.

22 **Forward Plan of Business**

Members noted the Forward Plan.

The meeting commenced at 5.30 pm and closed at 7.50 pm

Chair