

REPORT TO EXECUTIVE

Date of Meeting: 3 October 2023

REPORT TO COUNCIL

Date of Meeting: 17 October 2023

Report of: Chief Executive

Title: Net Zero Exeter update

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The purpose of this report is to provide Members with a summary of the work that has been delivered by Exeter City Futures (ECF) to deliver a Net Zero Exeter. It reviews the work of ECF to date, formally acknowledges the closure of ECF and sets out some options for how the work can be managed going forward, given Member's commitment.

1.2 A Review Report prepared by the former Chief Executive and Growth Director, at the end of his secondment to ECF, can be found in Appendix A. The report provides helpful insight into the scale of ambition adopted by ECF and the success it has had in fostering a culture of collaboration and innovation. The report also provides a reflection of the challenges ahead for local authorities and the barriers to achieving a Net Zero Exeter by 2030.

2. Recommendations:

2.1 Members note the content of the report contained in Appendix A and in particular the reflection that a step change in the Government's approach to delivering Net Zero is required to give any prospect for the city of Exeter to achieve a Net Zero Exeter 2030.

2.2 Members note the closure of ECF and note the work that has been done through ECF to build collaboration and deliver progress against the city's Net Zero ambitions.

2.3 That the Chief Executive, in consultation with the Portfolio Holder for Climate and Ecological crisis, develops proposals for how Members might work with partners locally to ensure oversight of the city's delivery on this key strategic goal.

2.4 That Members note that officers will identify how external work on this priority will be resourced given the end of the secondments to ECF.

3. Reasons for the recommendation:

3.1 To note the report produced by the former Chief Executive and Growth Director at the end of his secondment to ECF and to formally acknowledge the closure of Exeter City Futures Community Interest Company, recognising work that has been achieved to date and to consider how the city's Net Zero ambitions will continue to be delivered.

3.2 To recognise that the Council has significant work to do as we work towards achieving Net Zero by 2030 in our operations. In addition, as part of the Council's role in place leadership, it is appropriate that the Members consider how the council retains oversight on work being done across the city to achieve Net Zero including continuing to work with partners on opportunities for collaboration.

4. What are the resource implications including non financial resources

4.1 The two secondments to Exeter City Futures (Chief Executive & Growth Director and the Director for City Transformation) ended in December 2022. It is appropriate to consider how the Council can continue to resource its support to the wider Net Zero ambitions for the city.

4.2 The Council is continuing to face financial pressures that are more challenging because of inflation, higher energy costs and increased borrowing. The identified shortfall in the Medium Term Financial Plan will require a greater level of focus on the Council's core responsibilities and on outcomes which it can directly influence to achieve our Net Zero ambitions.

4.3 In terms of achieving Net Zero, the Council can directly influence a reduction in its own carbon emissions through schemes such as retrofitting its property assets and plans are in place to continue with this work. One off funding has been provided to deliver this work over a four year period and a team has been established.

4.4 The Council also has an important place leadership role. Delivering a 'Net Zero Carbon City' is a strategic priority for the Council but it not possible to deliver this alone. Members will need to explore options for how this important work is delivered in the future and how the Council leads city oversight of this agenda.

5. Section 151 Officer comments:

5.1 There is no specific budget to support resourcing external work, although Members have ring-fenced £1 million in an earmarked reserve to support Net Zero. As set out in 8.3, some of this funding has already been allocated. Therefore it is likely that any proposals brought forward will require a shift in resources from other parts of the budget in order to finance them

6. What are the legal aspects?

6.1 Section 1 of the Climate Change Act 2008 states that '[i]t is the duty of the Secretary of State to ensure that the net UK carbon account for the year 2050 is at least 100% lower than the 1990 baseline. The target was originally 80% and was increased to 100% by the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

6.2 Exeter City Council has declared a climate emergency and set the target of achieving net zero by 2030.

7. Monitoring Officer's comments:

7.1 Members are referred to section 6 of the report where the legal implications are highlighted.

8. Report details:

History

8.1 Executive endorsed ECF as a vehicle for better understanding and addressing the transportation, energy and health challenges facing the city. In February 2016, Executive supported the Council becoming a member of the ECF Community Interest Company and allocated £50,000 as a working budget to support the start-up of the ECF programme.

8.2 ECF worked with institutions and communities, including the Council, to develop the Net Zero Exeter 2030 Plan and this has been adopted by leaders across the city.

8.3 In July 2021, Executive agreed to the development of a new Net Zero team focussed on reducing the carbon emissions generated directly by the Council which would in turn also contribute to the city-wide Net Zero agenda. An allocation of a one-off £1 million budget was established to support this work. This was funded from the General Fund. Part of the £1m budget was used to fund two new temporary posts and provide a revenue budget for four years to deliver activity. The work of the Council's Net Zero team will be reported to Strategic Scrutiny Committee in September 2023.

8.4 In November 2021, Executive agreed to deploy senior capacity, via secondment, to the leadership of the Net Zero Exeter 2030 Plan with the former Chief Executive & Growth Director leading Exeter City Futures CIC for two days a week and the Director for Transformation working up to three days a week. It was agreed that this would be for a 12 month period.

8.5 In January 2022, a report was presented to Executive setting out the strategic case for an Exeter Development Fund. The proposal was to establish a fund that combines public and private sector finance to transform the built environment. The fund would harness capital flows within the city and enable investment in infrastructure development in a way that deliver place making aspirations without long term dependence on bids for Government grants. An update on the latest position with the Development Fund can be found in Appendix B and a full business case is planned to be brought to Members at the end of the year.

8.6 At the end of the December 2022, the secondment of the former Chief Executive and Growth Director and Director for Transformation ended with no identification of how this externally-focussed work would be taken forward. Council officers do continue to participate in external partnerships such as the Devon Climate Emergency Response Group.

8.7 In June 2023, it was announced that ECF would close and that the goals would be delivered through the strategies of Exeter City Council, Devon County Council, the

University of Exeter, Exeter College and the Royal Devon University Healthcare NHS Foundation Trust.

Report by the former Chief Executive and Growth Director

8.8 The report contained in Appendix A was prepared by the former Chief Executive and Growth Director following the end of his secondment to ECF. The report summarises the work that has been achieved by ECF to build collaboration between the public sector institutions and sets out the immediate challenges arising from the Net Zero mission.

8.9 The report reflects on Members facing financial pressures that are more challenging because of inflation, higher energy costs and increased rates for borrowing. It notes that the identified shortfall in the Medium Term Financial Plan will therefore require a greater level of focus on the Council's own immediate responsibilities.

8.10 The Council does not have the powers, legal or policy to effect the necessary changes required across the city. Without private and government investment, it is difficult for the Council to prioritise this work above its core responsibilities and outcomes it can directly influence, such as reducing its own carbon emissions.

8.11 The report suggests that the Council should take forward four legacy projects led by the former Chief Executive and Growth Director whilst on secondment to ECF. An update on the latest position with these projects is summarised below. Members should note that most of these projects are no longer being delivered by the Council.

Project	Aim	Update
Creating a vision for a low vehicle city centre	Engage the public and key stakeholders in the design of a blueprint for the City-Centre as a tool for use by stakeholders in their individual and collective development plans.	Work is being progressed by DCC through the Exeter Local Cycling & Walking Infrastructure Plan (LCWIP) https://democracy.devon.gov.uk/mqAi.aspx?ID=34988
Community Energy Pilot	To bring forward a business case setting put proposals to test out models that could scale up domestic retrofit using community development approaches.	An outline business case has been produced but the work has not progressed due to a lack of staff resources to undertake the work.
Co-ordination of the delivery of the Innovate UK funded Pioneering Places project	The Phase 1 bid provides funding to create a blue print for collaboration across sectors to enable more agile and flexibility joint working on major projects. Successful completion of the project (June 2023) has the potential to open the gateway for Phase 2 funding @£8 million which could be used on a real life project e.g. delivery of a Commercial DHN.	The funding for this scheme was not drawn down due to a lack of capacity to undertake the work required.
Facilitating the collaboration necessary for the delivery of a city centre commercial District Heating Network	Develop the collaboration that resulted in public sector support for a large funding bid to BEIS in Nov 2022. Should the bid be successful (announcement due Feb 23) this work will need to continue to bring together a single business case across the key public sector partners.	Discussions are progressing with regard to energy centre location and network routing. Ongoing discussions with key offtaker partners.

Options for future delivery of city-wide agenda

8.12 Although the Council is continuing to invest in reducing its own carbon emissions and there is a Director responsible for this, at the point that the secondments to ECF ended- December 2022, no capacity was identified to lead on the city-wide Net Zero agenda. If Members wish to continue to explore delivery of the city-wide Net Zero agenda, consideration needs to be given as to how this can be balanced against the financial and resourcing pressures that have been outlined in this report and in Appendix A.

8.13 Given the council's place leadership role, Members may wish to consider how best to lead oversight of the work taking place locally. This would involve representatives from the Council continuing to work with existing Strategic Groups such as the Exeter Place Board, the Devon Climate Emergency Group and the Civic University Agreement but also developing a coordinating body to oversee delivery of the city-wide ambitions. Without

this, there is a risk that there will be no clear ownership of the agenda, work could become disjointed and duplication could occur.

8.14 The Civic University Agreement (CUA) was established in October 2021 and was signed by leaders from the University of Exeter, the Council, Exeter College and the Royal Devon University Healthcare NHS Foundation Trust. As part of the agreement, the partnership established a mission to 'Deliver a Net Zero Exeter'.

8.15 A recent review of the CUA, provided the following update in relation to the mission to deliver a Net Zero Exeter:

Exeter City Futures (ECF) has now wound down and discussions have taken place between ECF and the University regarding the legacy of activities and projects. A plan is being developed in terms of new leadership and priorities, to support this work going forwards. The University has established a core group of lead environment academics to establish the overall brand and underpinning solutions for the Green Futures Solutions (GFS) which has been approved by the University's Executive Board on a commercial basis. Significant University investment for GFS has been matched by a philanthropic gift. We are currently looking for suitable premises for the GFS Hub and an ask has been submitted to government with partners in the LEP and wider region.

8.16 The review suggests that that the CUA should keep the carbon focus but remove the Net Zero headline – instead referencing the importance of the transition to a low-carbon economy. The review goes on to suggest that it would benefit the city to have one united strong voice to help deliver what will be a challenging transformation.

8.17 Regardless of which approach is preferred, Members will be aware that the Council cannot take sole responsibility for delivering a Net Zero Exeter by 2030 as it has neither the resources nor the levers. The Council can help to provide place leadership and create an environment in which all partners are held accountable for making progress with their remit.

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

9.1 This decision will contribute the Council's strategic priority of a Net Zero Carbon City.

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

10.1 Without Government and private investment, there is a significant risk that a Net Zero Exeter will not be achieved by 2030. This is compounded by the Government's national Net Zero commitment of 2050. Working in partnership towards delivery of the Net Zero Exeter 2030 plan will help to reduce this risk.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and

- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In relation to this report, no potential impact has been identified on people with protected characteristics as determined by the Act because the proposals do not reduce or change services to the extent that they will impact on any individuals including those with protected characteristics.

12. Carbon Footprint (Environmental) Implications:

12.1 The delivery of the Council's ambition to reduce energy use and carbon emissions will have a positive impact on the carbon footprint for both the Council and the city.

13. Are there any other options?

Options have been outlined in section 8 of this report.

Chief Executive, Bindu Arjoon

Author: Chief Executive, Bindu Arjoon

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

Background papers used in compiling this report:-

None

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