

DURHAM COUNTY COUNCIL

At a Meeting of **Environment and Sustainable Communities Overview and Scrutiny Committee** held in Committee Room 2, County Hall, Durham on **Friday 13 May 2022 at 9.30 am**

Present:

Councillor B Coult (Chair)

Members of the Committee:

Councillors J Elmer, E Adam, J Charlton, L Fenwick, G Hutchinson, C Kay, R Manchester, D Nicholls, R Potts, J Purvis, J Quinn, T Stubbs and S Townsend

Co-opted Members:

Mr T Bolton

Also Present:

M Wilkes

1 Apologies

Apologies were received from Councillors P Atkinson, L Brown and C Martin.

2 Substitute Members

No substitute members were present.

3 Minutes

The minutes of the meeting held on 28 March 2022 were confirmed as correct record and signed by the Chair.

4 Declarations of Interest

Mr Tom Bolton, Co-opted Member, declared an interest in relation to agenda item 7, minute A6 below, Scope 3 Emissions, as a recipient of Durham County Council's pension scheme.

5 Any items from Co-opted Members or Interested Parties

There were no items reported from Co-opted Members or interested parties.

The Committee agreed to consider agenda item 7 before item 6 and to consider the presentation on the impact of procurement on Scope 3 emissions first.

6 Scope 3 Emissions

The Committee considered a joint report and presentation of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources which provided information in relation to emissions resulting from activities and assets not owned or controlled by Durham County Council known as Scope 3 Emissions (for copy of report and presentation see file of minutes).

Introducing the presentation, Steven Saville, Strategic Category Manager, explained procurement activity aimed at encouraging suppliers and supply chains to measure their carbon footprint and to take steps to reduce CO₂ emissions. The officer informed the Committee that, where appropriate, requirements for CO₂ reduction are built into contract specifications and Durham County Council had voluntarily adopted Procurement Policy Note 06/21, which takes account of carbon reduction plans as a mandatory requirement for contracts over £5 million per annum. The officer explained that the County Durham Pound 'Durham TOMs 22' assessment encourages decarbonisation by requesting information from contract bidders as to how this will be achieved, for example, by monitoring the number of car miles saved through the use of low emission vehicles.

The Committee was provided with information on key categories identified, namely food, waste and construction and how the key categories are used to identify performance across supply chains in order to reduce energy and increase local opportunities. This enables the service to identify key contract partners with the capacity to develop innovative solutions to reduce emissions, for example a road surfacing procedure used by Rain ton Construction which lowered the temperature of ground conditions resulting in decreased fuel usage and emissions. The service also strives to embed carbon reduction targets at the earliest stages of procurement and identify a baseline in key contracts to inform reduction targets. The Committee noted the procurement of bespoke software to gather accurate data on carbon emissions was under consideration.

The Strategic Category Manager concluded the presentation by describing activities to address Scope 3 Emissions in the future, including the progression of work with the Low Carbon Team on pipeline procurement processes, encouraging baseline mapping of key contracts and engagement with contract managers to share good practice and embed carbon management into procurement processes.

In response to a question from Councillor Kay as to whether the highways scheme which used recycled plastic as part of a road resurfacing procedure had continued, the Chair highlighted that further information on the matter would be available at the Joint Special Environment and Sustainable Communities and Economy and

Enterprise Overview and Scrutiny Committee meeting to be held on Monday 16 May 2022.

Councillor Adam referred to the carbon reduction plans for contracts over £5 million and asked whether there were similar measures in place for lower value contracts. The Strategic Category Manager clarified that the £5 million figure was based on central government guidelines, however, the threshold for services was lower, at under £180,000. In response to a further question from Councillor Adam as to how contracts are assessed for social value, the Strategic Category Manager replied that a report detailing the social value impact was available and he added that he would be happy to supply Councillor Adam with a copy.

Councillor Elmer commented on how pleasing it was to see that Scope 3 Emissions were included in the carbon reduction work and he acknowledged the importance of gathering accurate measured data in relation to carbon reduction. The Strategic Contract Manager responded that he understood the software being considered for purchase by the Low Carbon Team will improve the accuracy of data.

Due to time constraints, Councillor Nicholls agreed to email his questions relating to localised delivery, to the Scrutiny officer, for a response to be provided by the service.

The Chair then introduced the Senior Carbon Management Officer, Stephen Beresford, who delivered a presentation outlining the actions contributing to Scope 1, 2 and 3 Emissions. The Committee noted Scope 1 Emissions result directly from the burning of fuels such as oil, gas and petrol. Scope 1 Emissions had reduced from the 2008/09 baseline levels as methodology had been refined and educational establishments had moved from scope 1 to scope 3, as a result of the increased academisation of schools.

Referring to Scope 2 Emissions, i.e. emissions from electricity purchased by the council and generated in a power station, these had also reduced since 2008/09, with the national grid becoming less carbon intensive. Scope 3 Emissions, i.e. emissions resulting from activities from assets not owned or controlled by Durham County Council, had, in general, reduced since 2008/09, however, an increase was observed in emissions resulting from solid, liquid and gaseous fuels and purchased electricity. It was considered that educational establishments moving from the scope 1 category to the scope 3 category had contributed to the increase.

The Senior Carbon Management Officer highlighted the importance of focusing on areas of third party emissions, which the council has the ability to influence.

The Committee heard how the Low Carbon Team will be working with procurement colleagues to embed carbon and environmental aspects into processes through key contracts and identification of baselines, in order to reduce environmental impact, recognising that carbon management reporting should not place an undue burden

on smaller-scale suppliers. Concluding the presentation, the officer described actions for the future including awareness and engagement campaigns to encourage better recycling from council properties and the promotion of sustainable travel choices.

The Committee then welcomed Paul Cooper, Head of Pensions, to deliver a presentation on climate risk and emissions relating to Durham County Council's pension fund. The Head of Pensions began by explaining how all local government pension funds in England and Wales are required to pool assets in order to improve investment opportunities and reduce costs. It was noted that Durham County Council had joined 10 other equal shareholders to form Border to Coast Pensions Partnership (BCPP), who hold around £40 billion assets under management between them. The Head of Pensions explained that the partnership provides the capacity to invest in a wider range of opportunities and increased the opportunities to address issues such as climate change.

The Committee noted that the pension fund has a fiduciary duty to act in the best interests of scheme members and employers and that it must not risk material financial detriment when considering environmental, social and governance issues. The Head of Pensions outlined that Border to Coast Pension Partnership believes in an engagement approach as opposed to blanket divestment in respect of climate change and responsible investment more generally. The Committee heard that in March, the Pension Fund Committee committed £70 million to support the launch of a Climate Opportunities Fund through Boarder to Coast, to invest in opportunities focused on reducing carbon emissions and supporting the low carbon economy.

Looking ahead, the Head of Pensions explained that at present there is inconsistency on the measures relating to Scope 1, 2 and 3 Emissions and work is ongoing to achieve consistent measures. The Local Government Pension Scheme consultation on the Taskforce on Climate Related Financial Disclosures is expected in summer 2022 and it is anticipated this will require the adoption of universal metrics to be used when reporting emissions and related risks to portfolio investments.

The Chair thanked the officers for their presentations and invited questions and comments from the Committee.

Councillor Stubbs referred to the graphs showing the reduction in emissions since 2008 and, acknowledging that data relating to 2021-2022 may show a slight increase, he asked if the broader trend continued to show a reduction.

The Senior Carbon Management Officer responded that the reduction trend continued and he highlighted that up-to-date data was available on the council's website. The officer added that it is expected that current data will show an increase in emissions as schools and buildings return to normal working arrangements following the pandemic.

In response to a question from Councillor Adam, the Head of Pensions clarified that the figure of £10 billion referred to in the presentation was the total private market commitments of the 11 shareholders to Border to Coast Pensions Partnership's overall Private Markets programme. In response to a further question from Councillor Adam as to the geography of Durham's investment of £70 million in the Climate Opportunities Fund, the Head of Pensions explained that the fund, which had recently been launched, was likely to have exposure in countries with low governance risk and where there are emerging technologies.

Councillor Elmer welcomed the work and referred to specific areas of emissions for which data was not available, such as the 'grey fleet', incineration and composting and investment in aviation. The Senior Carbon Management Officer responded that as staff return to workplaces, work continues to encourage staff to consider sustainable transport solutions and to increase the fleet of pool cars. He acknowledged the limitations as to how influential this work will be, recognising that the primary concern for individuals was likely to be cost as opposed to carbon footprint. With regard to waste, the officer informed the Committee that data was gathered at the first point of processing and included transport to the destination and emissions during processing.

Councillor Elmer then referred to investments in oil which he commented were likely to reduce in value with the move to more renewable sources of energy and he questioned whether consideration should be given to pension fund divestment in oil and gas. The Head of Pensions referred to the Border to Coast Partnership's responsible investment policy and commented that oil and gas companies may be among those who may provide future solutions to the energy transition. He added that there was no government directive for a blanket divestment in oil and gas however it was expected that investment managers would influence the direction of travel by engaging with the more responsible companies within the sector.

In response to a request for clarification from the Committee, the Senior Carbon Management Officer clarified the unit of measurement used in the tables within the presentation was tonnes of carbon dioxide equivalent.

Councillor Kay observed that whilst a high number of staff had been relocated from County Hall, the car park remained relatively busy and he asked if more could be done to incentivise staff to use alternative methods of travel. The Senior Carbon Management Officer commented that the north car park seemed to be quieter than it had been prior to the pandemic and he spoke of the changes to behaviour since the return to work following the pandemic and the impact of new ways of working. He referred to staff incentives to encourage greener travel, including salary sacrifice schemes for bicycles and public transport season tickets.

The Senior Carbon Management Officer explained that, in addition, safe cycle parks and shower facilities were being included in plans for new council buildings and the

number of EV charging points was increasing. The Chair commented that members would have an opportunity to explore this issue in more detail at the meeting on 16 May.

Councillor Potts referred to the approximate £40 billion of assets under the Border to Coast Pension Partnership and asked what proportion was likely to benefit County Durham. The Head of Pensions explained that the £40 billion was the total approximate value of assets held by the 11 partners and Durham's share was approximately £3.5 billion. The pension fund is required to invest in assets and opportunities which will ensure a return and when considering local investment opportunities the risk and return must meet the fund's requirements. In December 2021, the Pension Fund Committee supported investment into a local investment fund to support small and medium enterprise within the north east. This will ensure local opportunities will be considered, if they meet the necessary requirements. The Chair commented that the Durham Pound is to be considered in more detail at a future meeting.

Resolved:

That the report be noted.

7 Environment and Climate Change Partnership Progress Update

The Committee considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided background information in advance of a presentation from Jim Cokill, Director of Durham Wildlife Trust and Chair of the County Durham Environment and Climate Change Partnership (ECCP) and Rich Hurst, Sustainability Education Development Advisor and member of the Food Durham Partnership (for copy of report and presentation see file of minutes).

The Chair of the ECCP introduced the presentation, outlining activity of the partnership over the past year and the plans for the future. Members heard how the partnership had promoted the climate emergency through engagement events relating to the three workstreams of Climate Emergency, Ecological Emergency and Place, Health and Community.

Referring to the Climate Emergency workstream, the Committee noted that the partnership had hosted the Durham COP 21 event with business sector representatives at which a new climate change agreement was signed.

The Chair of the ECCP informed the Committee that the Environment and Climate Change Partnership had developed an Environment and Climate Change Plan for 2022-25 which included a new priority to increase collaboration with the Health and Wellbeing Board.

The Committee noted that a second iteration of the Climate Change Strategy and Climate Emergency Response Plan has been produced which is scheduled to be considered by the Committee in the near future. Members heard that a number of projects are being supported through the workstream, including a loan scheme for businesses to trial an EV van before committing to purchase.

Referring to the Ecological Emergency workstream, the Chair of the ECCP spoke of the development of the Local Nature Recovery Strategy for County Durham to drive a co-ordinated approach and ensure that measures introduced to address climate change do not inadvertently adversely impact ecology.

Referring to the workstream for Place, Health and Communities, Rich Hurst, Sustainability Education Development Advisor updated the Committee on the 'Tree per Child' project which will work with approximately 70 schools across Area Action Partnerships on a three-year tree planting programme. The officer outlined the progress of the county's community food partnership 'Food Durham' which recently achieved bronze Food Places status. Information was also provided on the partnership's involvement in the development of a Dynamic Procurement Hub within the region, aimed at promoting opportunities for smaller, local suppliers to bid for higher value contracts.

Councillor Townsend referred to the good work being carried out in Shildon and Dene Valley and asked officers if there were more opportunities to encourage the community and local organisations to participate in allotments. The Sustainability Education Development Advisor replied that allotments are promoted widely through Food Durham's Growing Sub-Group and it is hoped that the new co-ordinator, who will be appointed in the near future, will drive this work forward.

Councillor Quinn expressed concern at the number of EV charging points placed in car parks located out of town centres which are not easily accessible and he asked if more could be done to work with parish and town councils in order to increase the number of locations. The Sustainability Education Development Advisor responded that he understood that publicly owned car parks must be used for the purposes of the programmes funded to deliver charging points and further information could be obtained from the Low Carbon Team. Councillor Stubbs referred to the increasing demand for EV vehicles and he expressed the view that he would like to see rapid charging points installed as part of the plan to install 100 new charging points throughout the county. The Chair informed the Committee that further information in relation to this issue would be available from officers in attendance at the joint meeting being held on Monday 16 May.

Councillor Elmer commented that he was reassured by the good work being undertaken and he added that emergencies such as the climate and ecological emergencies are often taken for granted until they have a direct impact and that may be too late. He expressed the opinion that partnerships have an important role to promote engagement within communities.

He highlighted that elected members and parish and town councillors are perfectly placed to identify influential people and organisations within their wards and by harnessing that, a powerful network could be created. The Chair of the ECCP agreed that engagement with communities is vital and engagement should showcase success stories in order to encourage participation.

In response to a question from Councillor Adam as to when the Climate Emergency Response Plan will be available, the Committee was informed the report is scheduled to be considered at the June meeting of Cabinet. Councillor Adam then referred to future projects and workstreams and commented on the recent focus on the cost of living emergency. He observed that work to reduce the amount of energy used in homes includes loans towards the cost of energy efficiency schemes and questioned how practical this will be at a time when a great number of people are struggling financially. Highlighting the future project aimed at the local area energy plan for the transition to a net carbon energy system, Councillor Adam questioned how measures such as the retrofit of wall cavity insulation, solar panels and air source heat pumps will be planned alongside the cost of living crisis. The Chair of the ECCP replied that measures are accounting for the cost of living crisis and work is being carried out to improve efficiency with regard to local energy plans and providers. He acknowledged that some measures are bound by national planning guidelines and therefore the council has a role to play to influence those policies. He commented that good partnership working will be key to assist the County Council to support individuals to access loan schemes.

The Sustainability Education Development Advisor referred to work with schools to install solar panels and he informed the Committee that an air source heat pump had been installed at Woodland Primary School. He added that these measures help to raise awareness within communities.

Mr Bolton asked if the partnership carried out work with parish and town councils which have an allotment function. Mr Bolton also referred to the partnership's involvement with the South of Seaham Garden Village and the Horden Minewater Treatment Scheme and asked if it was possible for the Committee to receive further information on these projects. The Sustainability Education Development Advisor informed the Committee that Durham University has a minewater research unit and part of the Durham 25 bid includes the investigation of minewater opportunities from an energy and agricultural aspect.

Councillor Adam referred to previous work carried out by the Committee to review the allotment policy and asked if an update was available on the implementation of the recommendations. The Chair informed the Committee that the Allotment Policy is included in the work programme for 2022-23 and an update will be requested regarding the South of Seaham Garden Village.

Councillor Charlton expressed concern at a number of beauty spots and small watercourses which require attention and she queried whether there were sufficient resources in place to maintain standards. The Chair of the ECCP informed the Committee that further government resources are being made available to increase resources in this area and the Local Nature Recovery Strategy outlines areas for improvement. In addition, biodiversity net gain in respect of planning requires developers to provide investment to increase biodiversity when developments take place. The Chair commented that Councillor Charlton's concerns would be passed to the Head of Environment.

Councillor Nicholls raised issues regarding unreliable public transport and the ageing bus fleet. He pointed out that his ward, like many in the county, comprises of terraced houses which are impractical for EV charging. He questioned whether data was available on the number of elected members and staff who regularly use public transport and whether more could be done to improve public transport standards. He acknowledged the situation was difficult as investment will be required to improve services, however, this will only be achieved if more people use public transport which they are unlikely to do if the service remains unreliable. The Chair of the ECCP confirmed that the climate emergency workstream includes representatives from transport companies and recognises that there is work to be done to change behaviour and improve investment in public transport. Councillor Nicholls responded that it would be helpful to know which bus companies are part of the partnership as some companies perform better than others. It was agreed that this information would be provided to Councillor Nicholls. The Chair informed the Committee that this issue would be explored further at the joint scrutiny meeting on 16 May.

Resolved:

That a further update from the Environment and Climate Change Partnership be included in the work programme for 2023/24.

8 Any other business

The Chair announced that co-opted members, Mr Bolton and Mrs Holding will step down at the conclusion of their term of office. The Committee placed on record their thanks to Mr Bolton and Mrs Holding who had made an outstanding contribution to the work of the Committee, having participated in many workshops and review groups over the years. The Committee wished them well for the future.