

DURHAM COUNTY COUNCIL

ENVIRONMENT AND SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Environment and Sustainable Communities Overview and Scrutiny Committee** held in the **Council Chamber, County Hall, Durham** on **Friday 22 July 2022** at **9.30 am**

Present:

Councillor B Coult (Chair)

Members of the Committee:

Councillors J Elmer (Vice-Chair), E Adam, L Brown, J Charlton, G Hutchinson, R Manchester, C Martin, D Nicholls, R Potts, J Purvis, J Quinn, D Sutton-Lloyd and S Townsend

Co-opted Members:

T Cramond and P Walton

Also in Attendance:

Members of the Adults, Wellbeing and Health Overview and Scrutiny Committee and the Economy and Enterprise Overview and Scrutiny Committee –

Councillors S Quinn and M Simmons and Co-opted Members R Morris, E Simons and A Stobbart

1 Apologies

Apologies were received from Councillors P Atkinson, L Fenwick, C Kay and T Stubbs.

2 Substitute Members

No substitute members were present.

3 Minutes

The minutes of the meeting held on 13 May 2022 and the Special joint meeting held on 16 May 2022 were confirmed as correct records and signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 Items from Co-opted Members and other Interested Parties

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

6 Fuel Poverty

The Committee considered a report and presentation of the Interim Corporate Director of Regeneration, Economy and Growth which provided an overview of the National Fuel Poverty Strategy and countywide fuel poverty programmes (for copy of report and presentation see file of minutes).

The Housing Regeneration Project Manager, Cliff Duff, introduced the presentation, explaining the figures in the report were subject to a two-year time lag and actual levels of fuel poverty were predicted to be higher than those reported. The Project Manager outlined the national and local context, informing the Committee that the percentage of households in fuel poverty in County Durham was 14.7%, with the county having the third highest level of fuel poverty in the north east.

Members heard that in April 2022, Ofgem (the Office of Gas and Energy Markets) increased the energy price cap for approximately 22 million customers leading to an energy price increase of £693 per annum for a typical household. Following this, the national fuel poverty charity forecast an approximate 54% increase in households in fuel poverty. A further energy price cap increase will take place in October.

The Project Manager explained that the Housing Solutions Team coordinates delivery of the corporate Fuel Poverty Strategy, overseen by the County Durham Energy and Fuel Poverty Partnership which promotes awareness and uptake of fuel poverty grants and the Committee received details of the various programmes of support.

The Warm Homes Campaign uses a variety of mechanisms to promote support available, ensuring those without access to digital formats are not excluded. 'Managing Money Better' offers advice to low-income households regarding managing fuel debt and it had assisted over 600 households during 2021-22. Financial assistance is also available through the Household Support Fund which provides fuel vouchers and assistance with the cost of boiler maintenance and the Warm and Healthy Homes campaign, which recently carried out work with GP surgeries to assist patients suffering from cold related illnesses, received the 'Energy Champions of the Year' national award for its work.

The Project Manager informed the Committee that the Energy Company Obligation (ECO) requires energy companies to supply grants to assist low income households to become more energy efficient. Details of ECO phase 4 are awaited and it is expected that grants available under ECO4 will be substantially higher than those offered in the previous phase.

Ian Conway, Interim Head of Development and Housing provided the Committee with information on developments to help to improve energy efficiency within Council buildings.

The Interim Head of Development and Housing explained that the introduction of Part L of the building regulations on 15 June 2022 requires new homes to produce 30% less carbon emissions. In addition, the Future Homes and Buildings Standard which will come into effect in 2025 will require all new-build properties to produce 75-80% less carbon emissions than houses built under the previous regulations. The officer highlighted that Durham County Council is looking ahead to the Future Homes Standard by fitting new Council buildings with low carbon technology heating sources. Furthermore, Policy 29, within the Council Plan, encourages sustainable design and the use of renewables. With regard to private rented properties, from 2028 homes let privately will be required to achieve a minimum Energy Performance Certificate rating of Band C.

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

In response to a question from Councillor Charlton as to whether the Council plays a role in ensuring social housing providers comply with energy efficiency standards, the Interim Head of Development and Housing clarified that registered providers are regulated by the Regulator of Social Housing.

Councillor Potts questioned the installation and running costs related to air source heat pumps in rural areas in particular and he asked whether, under the ECO4 scheme, there will be a requirement to install air source heat pumps, commenting that he was concerned that those already struggling financially would be unable to meet any extra costs associated with these measures. The Housing Regeneration Project Manager responded that there will be no requirement to install air source heat pumps under the ECO4 scheme and in respect of costs and efficiency, he acknowledged that, in some circumstances, air source heat pumps are more efficient when combined with other measures such as solar panels. Councillor Potts observed a lack of new-builds being fitted with solar panels and asked whether regulations are in place to ensure that new housing developments within the county are fitted with solar panels. The Interim Head of Development and Housing explained that developers comply with measures within national building regulations which do not require developers to include the provision of solar panels and carbon neutral forms of energy within new housing design.

Councillor Martin referred to the legislation for all properties to achieve a minimum energy performance rating of Band C by 2030 and asked what action the Council is taking to ensure all domestic properties achieve the requirement. The Housing Regeneration Project Manager explained that a SAP property database had been developed in order to identify properties in lower SAP bands, to target intervention in order to bring those properties up to Band C. The Committee heard that under the ECO4 regulations, in the drive to achieve the Band C rating, it is expected that to qualify for a grant, households will be required to improve their energy efficiency.

Councillor Adam questioned how those in fuel poverty would be able to afford to pay a contribution towards the grant funding available. The Housing Regeneration Project Manager responded that a small fund was available to assist and he highlighted that it is possible that client contributions may not be required under the ECO4 scheme.

Councillor Brown expressed her view that Policy 29 lacks effectiveness with regard to carbon neutrality and she suggested that the Committee should lobby Cabinet for a supplementary planning document in relation to Policy 29, which would require future new developments within the county to include solar panels and carbon neutral forms of energy.

In response to a request from Councillor Brown as to the current definition of fuel poverty, the Housing Regeneration Project Manager stated that historically, a household was considered to be fuel poor if it was required to spend more than 10% of its income on energy costs to heat living spaces to an adequate standard (with 'adequate' defined as 21°C in the main living area and 18°C in other rooms). More recently, the Fuel Poverty Strategy for England introduced a new definition of fuel poverty, the Low Income Low Energy Efficiency indicator (LILEE). Under this measure, a household is said to be in fuel poverty if the amount of money it would need to spend to keep the home at a reasonable temperature is above the national median level, and, if it spent that amount, the residual income would place the household below the poverty line.

Co-opted Member, Mrs Morris, observed actions to promote the installation of air source heat pumps and she queried why the same impetus was not being given to other energy efficiency measures such as solar panels. The Interim Head of Development and Housing explained that the Council's housing programme encourages all modern methods of construction and design. Mrs Morris then commented on the Seaham Garden Village project and questioned why this is the only project of its kind within the county. Mrs Morris also commented that soaring energy prices are causing hardship, not only for households but also for many small businesses and she asked what financial assistance is available to small businesses. In response, the Interim Head of Development and Housing advised that the Business Energy Efficiency Programme (BEEP) supports the county's small businesses to access advice on energy efficiency measures and grants.

In response to a query from Councillor J Quinn regarding the plans for the installation of low carbon heat sources in the new Council Housing Programme and clarification as to whether gas would still be available for cooking, the Interim Head of Development and Housing clarified that new Council homes will not be connected to gas mains and alternative mechanisms for cooking are being explored.

Councillor Elmer reminded members that in 2006 there was a national commitment to make all homes carbon zero by 2016 and at present, the target is to achieve an 80% reduction in carbon emissions relating to housing by 2025 and he expressed his disappointment at the shifting targets.

Councillor Elmer echoed Members' concerns that measures such as solar panels are not included in building regulations and he expressed his opinion that there is a need for a new metric to measure progress with regard to retrofitting measures such as installing insulation in all domestic housing in the county. The Housing Regeneration Project Manager suggested that the Insight Team may be able to assist to develop such a metric to be used for future performance monitoring.

Councillor Adams spoke of his concern with regard to the cost of living crisis and commented that he would like to see the Council make representations to Government for wages and welfare benefits to increase in line with inflation.

The Chair asked members for their views as to whether the request from Councillor Adam fell within the remit of the Committee. Members responded and confirmed that they felt this request was outside the remit of the Committee.

Councillor Manchester referred to the next steps outlined in the report and requested that Government be asked to consider reintroducing the feed-in tariff for solar panels. The Committee agreed this should be considered for inclusion in future correspondence when lobbying Government, as proposed in paragraph 61 of the report.

Following the discussion, it was agreed that the Committee should write to the Cabinet Portfolio Holder for Economy and Partnerships to request Cabinet to lobby Government to change the national building regulations, with a view to requiring developers to include solar panels and carbon neutral forms of energy and heating in future developments.

Resolved:

- a) That a further update on Fuel Poverty be included within next year's Environment and Sustainable Communities Overview and Scrutiny work programme.

- b) That the Committee request, that Cabinet lobby Government to change the national building regulations, with a view to requiring developers to include solar panels and carbon neutral forms of energy and heating in future developments.
- c) That the Committee request, that Cabinet when lobbying Government, as proposed in paragraph 61 of the report, ask that Government consider the reintroduction of the feed-in tariff for solar panels.

7 Climate Emergency Response Plan Two

The Committee considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided the second and final annual update on progress of the Council's first Climate Emergency Response Plan (CERP1). The report also presented the second Climate Emergency Response Plan (CERP2), for the period 2022-24 (for copy of report and presentation see file of minutes).

Stephen McDonald, Principal Climate Change Officer highlighted the Council's carbon emissions during 2020/21 were 44,319 tonnes of carbon dioxide equivalent (tCO₂e), marking a reduction of 58% compared with the baseline year of 2008/9. The Committee noted new targets set out in CERP2, which was adopted by Cabinet in June, are to achieve net zero by 2030 (against 2008/09 levels) by retaining the CERP1 80% actual carbon reduction target for Council emissions by 2030 whilst offsetting or further reducing remaining emissions and to achieve net zero by 2045 for countywide emissions.

Members noted CERP2 has further developed both Council and community-based actions to take forward the carbon reduction commitments over the period 2022-24. The Principal Climate Change Officer explained that within CERP2, there is a high level strategy containing four key principles and ten thematic areas including decarbonisation, transport connectivity and behavioural change. The Principal Climate Change Officer then provided details of some of the highlights of CERP, including the replacement of an oil-burning heating system with an air source heat pump at Woodland Primary School and the minewater heated housing development at Seaham Garden Village. Referring to the observation by Mrs Morris made earlier in the meeting that the minewater project at Seaham Garden Village is the only project of its kind in the county, the Principal Climate Change Officer commented that actions of CERP2 include investigating other locations in the county which are suitable for minewater heating systems. The Principal Climate Change Officer also spoke of the Scaling on Street Charging Initiative (SOSCI) project which has installed 153 EV fast chargepoint sockets in the county and he concluded the presentation by explaining the various engagement activities planned for 2022-23.

In thanking officers for the presentation, the Chair invited questions and comments from the Committee.

Councillor J Quinn referred to future plans for off-grid battery storage and the Principal Climate Change Officer highlighted the Annfield Plain Zero Carbon Depot which has a large-scale solar farm built to power the services that operate from the depot. In addition, air source heat pumps and battery storage will maximise solar energy generation on the site.

Councillor Potts raised concerns regarding the amount of plastic waste exported and the Principal Climate Change Officer referred to the plans for a waste-to-energy power station at Teesside.

The Chair informed the Committee that they will have the opportunity to consider strategic waste management in more detail at a future meeting of the Committee.

Councillor Adam referred to the reference in CERP2 to the development of 'green jobs' in a range of industries, with Business Durham working to attract investment in clean energy and he queried what the asks of Business Durham are. The Principal Climate Change Officer informed the Committee that quarterly meetings are held with Business Durham in this regard and Business Durham has a dedicated officer who is responsible for promoting sustainability.

Councillor Adam also referred to page 62 of CERP2 which highlights the promotion of low carbon food systems and farming practices and he asked whether the Council carries out discussions with the National Farmers' Union (NFU) in order to expand actions in this area. The Principal Climate Change Officer confirmed that a meeting with the NFU is scheduled for August to further develop this work. The Chair advised Councillor Adam that, due to time constraints, responses to the three further questions he had submitted in writing, prior to the meeting, would be passed to the service for a response to be provided.

Councillor Elmer spoke of the recent extreme weather events adding that CERP2 states there is a need to properly measure scope 3 emissions and he raised concerns that some scope 3 emissions are not measured, such as the grey fleet, waste incineration and the Council's approach to investment in aviation. He urged the Council to develop metrics to analyse scope 3 emissions. The Principal Climate Change Officer responded that the Council is looking to procure a software package which will enable more efficient monitoring of scope 3 emissions.

Mr Walton, Co-optee, asked whether developers are encouraged to use reclaimed materials in housing developments. The Principal Climate Change Officer agreed to look into Policy 29 for clarification to be provided. Mr Walton also asked whether recycled products are used in asphalt and concrete and the Climate Change Officer responded that he was aware that projects had been trialled and he would provide further details as to the current position. Referring to the future of bus transportation and electric buses, Mr Walton asked if there is collaboration with neighbouring authorities to enable integrated services across authority boundaries. The officer confirmed that the Council engages with neighbouring transport authorities to ensure future plans will have a regional perspective.

Mr Walton also asked whether there is information available as to whether the Government is planning to change the regulations with regard to energy from waste and the Chair responded that an update will be provided within the waste management report to be considered at a future meeting.

Councillor Charlton referred to the SOSCI project and commented that 153 fast chargepoints seemed relatively low for the size of the county and raised concerns regarding the amount of properties that lack the facilities required for electric vehicle charging.

The Principal Climate Change Officer informed the Committee that the SOSCI project has a focus on installing charging points in areas with a high proportion of terraced housing and he referred to pilot schemes to investigate the use of gulleys, covers and ramps across footpaths. He added that working is being undertaken with disability groups to ensure that measures are accessible and do not cause trip hazards. The officer commented that the Committee will be updated on progress in due course.

Councillor Nicholls requested that as many site visits be arranged as possible, for example to view the retrofit project at Woodland Primary school and the various waste management facilities, to enable Members to gain a better understanding of the processes involved.

Resolved:

- a) That progress against CERP1 projects have helped to achieve 58% Council reduction in tCO₂e from 2008/9 and countywide a 54% reduction (2019) in tCO₂e from 1990 levels be noted.
- b) That the delivery of the CERP2 action plan be monitored, with further updates included in the Committee's 2022/2023 work programme.

8 Performance Management Report Quarter 4 2021/2022

The Committee considered a report of the Corporate Director of Resources which provided an overview of performance in and to the end of quarter four, January to March 2022 (for copy of report and presentation see file of minutes).

The Corporate Strategy Manager presented progress towards achieving the key outcomes of the Council's corporate performance framework and highlighted key messages to inform strategic priorities. The Committee noted the significant financial challenges facing households, including the rise in national insurance, inflation which is rising faster than wages and energy price increases.

The Corporate Strategy Manager highlighted that within the visitor and tourism sector, some areas were returning to pre-pandemic levels, including libraries and parks and whilst Durham's bid to become City of Culture was unsuccessful, the Council remains committed to deliver much of the planned programme. Members heard that during the quarter, the amount of household waste collected had stabilised, that there was a smaller proportion of waste diverted from landfill and the contamination of kerbside recycling continues to increase. The Committee noted that incidents of fly-tipping are returning to pre-pandemic levels. In terms of carbon emissions, the latest data released for 2019 shows a reduction across the county of 54% on 1990 levels, with the greatest source of emissions being heat and transport.

In response to an observation from Councillor Nicholls that the 'what3words' app for the reporting of fly-tipping was not working, the Corporate Strategy Manager confirmed the issue would be followed up with the Service.

Councillor Adam referred to the impact of the reduction in visitors to the county during and after the pandemic and asked how this had adversely impacted jobs within the county. The Corporate Strategy Manager responded that the decrease in visitors had resulted in tourism and hospitality sector job losses, however the impact on jobs within the Council had been limited due to the furlough scheme which had safeguarded jobs.

Referring to fly-posting, Councillor Sutton-Lloyd spoke of incidents within his division and asked what enforcement powers are available to the Council. The Corporate Strategy Manager confirmed that the Council has enforcement powers, including the seizure of vehicles and trailers, if necessary.

Councillor Elmer referred to the approximate 10% increase in municipal waste since 2018 and commented that it was difficult to see how the Council's policies to grow the economy and reduce waste could be achieved alongside each other, when a growing economy will inevitably lead to an increase in waste. The Corporate Strategy Manager responded that the report on strategic waste will enable the Committee to explore this issue in greater detail at a future meeting.

The Chair referred to the efforts to tackle contamination rates and asked for information as to the number of notices issued and the cost and impact of the actions, in comparison with previous years. The Corporate Strategy Manager commented that the number of notices issued in the last 12 months was 7,700, a reduction on the figure for the previous year which was 8,300, with the caveat that figures during the time of the pandemic were not representative and therefore the 2019-20 figure of 17,000 notices issued was a more accurate figure. He explained that notices are issued in a staged approach with first stage letters being a mild approach as it is appreciated that some householders may simply require educating with regard to their recycling habits. Of the 17,000 letters issued in 2019-20, 13,200 were stage 1 letters, 3,000 were stage 2 and 800 were stage 3 letters.

With regard to administrative costs, the Corporate Strategy Manager stated they were difficult to measure as the officers involved also carry out other duties, such as educational work and promotional activities. He confirmed that follow-up work is undertaken and door knocking is carried out in respect of targeted households.

Resolved:

That the report be noted.

9 Refresh of the Work Programme

The Committee considered a report of the Corporate Director of Resources which outlined the proposed work programme for 2022/23 (for copy see file of minutes).

Introducing the report, Diane Close, Overview and Scrutiny Officer, explained that the report referred to the high level and key strategic documents that underpin the development of the work programme, including the County Durham Vision 2035 and the Council Plan 2022-2026. It was highlighted that some of the items from the previous programme had been brought forward into the proposed work programme, in response to Members' requests that further updates be brought to future meetings of the Committee. The Committee noted that the proposed work programme includes scheduled meetings and special meetings, some of which are joint meetings with the Economy and Enterprise Overview and Scrutiny Committee to consider cross-cutting issues. In addition, the proposed programme also includes a workshop in relation to CERP2, to which all Overview and Scrutiny members will be invited. The programme also includes visits to various waste facilities and a visit to various Durham County Council nature reserves and parks, currently planned for spring of 2023.

The Overview and Scrutiny Officer drew attention to paragraph 17 of the report which suggested that the various thematic Overview and Scrutiny Committees may wish to consider undertaking a focused piece of work in relation to Medium Term Financial Plan (MTFP) 13, to identify further efficiencies or areas of income generation. Ed Thompson, Principal Accountant for Neighbourhoods and Climate Change, delivered a presentation outlining the process for the development of the MTFP13 explaining the suggested role for Overview and Scrutiny Committees and the timeframes. Members heard that the MTFP13 was presented to Cabinet in July and the forecast savings shortfall had increased significantly, with a savings shortfall required in 2023/24 of £21.9 million, therefore savings options were required to be considered. Whilst it is hoped that additional Government funding will be provided, this will not be known until the draft Local Government financial settlement is received in December 2022. The proposed process would provide an opportunity for thematic scrutiny committees to explore opportunities for efficiencies or to carry out research in significant areas.

However, it was noted that carrying out the work could impact on the Committee's ability to undertake any other review activity during the work programme and detailed work into specific budget areas could take a number of months. Furthermore, any higher level options to be submitted to Cabinet for consideration in the development of the 2023/24 budget would be required by the end of November 2022.

In discussing the issue, Members stated their views that the Committee should not carry out the proposed MTFP13 work as there are key areas within the Committee's remit, for example, waste management, that should be areas of focus.

Members raised concerns regarding the restrictions on timeframes included in the proposal and commented that the proposed work was best placed within Cabinet's remit and the role of the Overview and Scrutiny Committees should be to scrutinise the decisions made by Cabinet. Members also commented that when focusing on areas pertaining specifically to the remit of the Environment and Sustainable Communities Overview and Scrutiny Committee, this may lead the Committee to identify areas for savings and efficiencies which would be highlighted to the relevant Service Grouping for consideration during the budget process.

Members at the meeting, through a show of hands, agreed their decision that the Committee should not carry out the proposed focused piece of work in relation to MTFP13, to identify further efficiencies or areas of income generation.

Resolved:

- a) That the comments of the Committee on the proposed work programme for 2022/23 be noted.
- b) That the work programme for 2022/21 and the flexibility it offers to respond to emerging issues be agreed.
- c) That the committee does not undertake the focused piece of work in relation to MTFP 13 and that a topic for in-depth or light touch review activity be identified during delivery of the 2022/23 work programme.