

STRATEGY AND RESOURCES EXECUTIVE ADVISORY BOARD

14 June 2021

- * Councillor Ruth Brothwell (Chairman)
- * Councillor Will Salmon (Vice-Chairman)

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| * Councillor Jon Askew | * Councillor Diana Jones |
| * Councillor Christopher Barrass | * Councillor Steven Lee |
| Councillor Richard Billington | Councillor Masuk Miah |
| Councillor Graham Eyre | * Councillor Maddy Redpath |
| * Councillor Angela Gunning | * Councillor Catherine Young |

* Present

Councillors Tim Anderson, Jan Harwood, Julia McShane, George Potter, John Redpath and John Rigg were also in attendance.

SR9 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Graham Eyre.

SR10 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary or non-pecuniary interests.

SR11 MINUTES

The minutes of the meeting of the Executive Advisory Board held on 26 April 2021 were confirmed as a correct record, and would be signed by the Chairman at the earliest opportunity.

SR12 NET ZERO CARBON EMISSIONS TRAJECTORY REPORT

The Lead Councillor for Climate Change introduced a report by the Association for Public Service Excellence (APSE) Energy which was before the Board for consideration. APSE Energy was APSE's local authority energy collaboration arm and the report provided the findings of the carbon footprint calculations and trajectory towards the Council achieving net zero carbon by 2030, in accordance with the commitment in its Climate Emergency Declaration of 23 July 2019.

The report explained that the Council had been recording its carbon emissions since 2008/09, which was the baseline year utilised as a reference point to track performance. The trajectory baseline carbon footprint year was nominated as the financial year of 2019/20, which was the reference point on which to base current emissions and to forecast the pathway to net zero carbon. The carbon footprint was categorised into scopes, which covered:

- Scope 1 (direct) emissions from activities owned or controlled by the Council, such as those from combustion in council owned or controlled boilers, furnaces and vehicles.
- Scope 2 (indirect) emissions associated with purchased electricity, heat, steam and cooling as a consequence of the Council's energy use that occurred at sources that the Council did not own or control.
- Scope 3 (other indirect) emissions resulting from the Council's actions that occurred at sources the Council did not own or control and were not classed as Scope 2

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emissions. These included business travel by means outside the Council's ownership or control, and disposing of the Council's own waste and purchased goods in the supply chain.

The carbon footprint from Scope 1, 2 and 3 emissions within the Council's operations equated to 8,613 tonnes of carbon dioxide equivalent (CO₂e). It was estimated that a budget of £6.6million was required to reach net zero carbon by increasing energy efficiency in buildings, generating power and developing a tree planting scheme. £26.6million capital was required to upgrade the vehicle fleet to electric, largely due to the 43 refuse lorries. It was estimated that these initiatives would financially benefit the Council by £1.6million annually by 2030. It was predicted that there would be 3,407 tonnes of CO₂e from hard to reduce sources that would require offsetting through a solar farm and a tree planting scheme.

The Climate Change Officer gave a presentation in support of the report which outlined the following areas:

- Context
- Purpose and contents of the Trajectory Report
- Carbon footprint
- Net greenhouse gas emissions 2019-20 and emissions trend
- Emissions relative to previous years and change in scope emissions over time
- Energy consumption
- Recommendations for data gathering
- Pathway methodology
- Interventions for reducing gas and electricity usage
- Heat pumps
- Achieving net zero carbon
- Tree planting
- Linear decarbonisation trajectory
- Cumulative cost savings and forecast capital costs
- Next steps

The following points arose from related questions, comments and discussion:

1. In terms of procurement, carbon emissions were included in a miscellany category in related documentation. Procurement could be influenced to reduce carbon emissions by procurement managers stating in specifications the associated carbon credentials being sought with regard to the goods or services being purchased. This would assist with judging the awarding proportions in tenders. As this could be a complicated procedure for managers, work was being undertaken to facilitate the process.
2. It was confirmed that the Council would not be able to achieve its target of net zero carbon by 2030 without offsetting some carbon emissions. In the case of trees offsetting carbon emissions, each mature tree could store approximately 4 tonnes of CO₂e and this should be taken into account when trees were felled in the Council's estate. The removal of trees also adversely affected ecology and biodiversity, which were experiencing similar emergencies to the climate. As a large number of trees were required to effectively offset carbon, identifying a sufficiently large planting site locally was a challenge and locations further afield may be required, particularly as carbon emissions were trans-boundary. The amount of tree canopy cover had been suggested as a means to measure the number of trees locally, and a better understanding of the canopy cover in the Borough was sought with a view to increasing it. In order to measure the tree canopy in the Borough, it would be necessary to undertake a satellite survey and make a scientific calculation to estimate

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the number of existing trees and their collective level of carbon sequestration. Although grassland and vegetation were often identified as suitable areas for tree planting, this was not necessarily the case as they, together with marshland, wetland and flood plains, sequestered carbon and provided key habitats supporting diverse eco-systems. It was necessary to plant the correct species of trees in the right habitats and manage them to ensure successful planting. The Woodland Trust had advised that, in addition to new planting, a large proportion of the funds provided for carbon sequestration was spent on managing woodland to protect valuable ancient trees. Sequestering carbon on the scale required would not involve tree planting in urban areas as large amounts of land would be required, beyond the already wooded nature of the Borough, and sourcing the necessary land locally would be a challenge. However, there may be planting opportunities in other parts of Surrey and the County Council was operating a trial to identify sites for putting aside for renewables and sequestering. Scotland was a popular site for offsetting schemes owing to the amount of open space and low density of population whilst other models looked abroad where costs were lower.

3. As the specific details, such as location and scope, relating to tree planting associated with new residential developments were unknown, the Climate Change Officer would liaise with planning colleagues in this regard.
4. Carbon sequestration was an ongoing net cost whilst other carbon reduction measures such as insulation represented an initial investment which would lead to revenue generating savings in time when the payback period had passed. There was a need for the Council to focus on utilising the energy it consumed in a more efficient and effective manner such as use of renewable resources for example photovoltaic panels, having a renewable energy contract, insulation, and improved management measures such as lighting controls. It would not be feasible to undertake retrofitting at the Millmead complex owing to the age, architecture and structures in place. Once the carbon hierarchy had been pursued, attention would turn to carbon sequestration to offset against difficult to tackle or non-cost effective areas.
5. It was suggested that placing a blanket Tree Preservation Order across the Council's entire wooded estate may assist to protect trees at risk as a result of developments. Although this was outside the remit of the Climate Change Officer, he indicated that he would be interested in discussing such matters further with the Parks and Countryside Leader who spent a significant amount of his time on protecting trees, presumably in urban areas where residents sought felling for reasons of light or interference.
6. The Council was aware that the Future Homes Standard 2025 would deliver highly energy efficient new homes that were zero-carbon ready without fossil fuel heating systems such as gas boilers. The Standard also applied to the replacement of gas boilers in existing homes, which would be discontinued from that date. However, this would have minimal impact on the Council's own asset trajectory. The Council was working with partners to improve understanding of the future of heating systems. Trials of replacing gas with hydrogen in existing systems were taking place and it was felt that air source heat pumps were the way forward for new properties although there would be infrastructure challenges in retrofitting them in older residential properties. As numerous residential developments were expected to be constructed in the near future, it was hoped that developers could be encouraged to install heat pumps in new homes built prior to the 2025 deadline. However, as much planning policy was set at a national level, the Council had limited scope to influence change other than by linking with neighbouring authorities to lobby the Government where current arrangements did not align with long term targets. The Climate Change Officer liaised with planning colleagues in such areas.

The EAB agreed that the following views should be taken forward:

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- Further thought should be given to the weighting attached to climate and environmental issues in the Council's procurement policies.
- The adoption of a firmer stance towards the imposition of planning conditions seeking higher environmental standards in new homes should be considered.
- Collaboration between the Climate Change Officer and planning officers / groups concerning tree planting associated with new residential developments should be encouraged.
- Consideration should be given to introducing a Borough wide blanket Tree Preservation Order across the Council's entire wooded estate to protect trees.

SR13 CONTRIBUTING TO REVIEWS OF THE LOCAL COUNCIL TAX SUPPORT SCHEME

The Lead Councillor for Resources introduced a report which provided members of the EAB with information regarding the Local Council Tax Support (LCTS) Scheme to enable them to feedback views in respect of the Scheme. Officers would utilise this feedback to inform the annual review to create the 2022 Scheme in addition to the proposed separate fundamental review of future options.

Following a consultation press release in September 2020, councillors had indicated that the EAB should consider the 2022 Scheme and officers proposed in their annual report to the Executive on 24 November 2020 that this would occur in May or early June 2021 before any modelling or forecasting took place to allow the EAB to have input at an early stage.

The report and accompanying presentation provided the EAB with further information regarding the complexities and challenges of the current LCTS Scheme and its component parts, and recommended that councillors expressed their views in respect of key areas they would like officers to either leave untouched or look at in more detail.

In his introduction, the Lead Councillor commended the Revenues and Benefits Lead and her team for undertaking the challenging administration of the numerous Government grants designed to support businesses during the pandemic in addition to the team's core functions. However, the proposed fundamental review had been paused owing to Covid-19 and the resulting diversion of resources into related initiatives. Attention was drawn to the issues before the EAB for debate which included whether all residents should pay a contribution towards their Council Tax demand regardless of their personal circumstances.

The Revenues and Benefits Lead presented the report and expanded upon the review of the LCTS Scheme and the fundamental review. There was a statutory requirement to undertake an annual review of the LCTS Scheme, which had taken place each year since 2013 when the Scheme had been introduced, and the outcome of the current review would be considered by full Council in December 2021 for implementation on 1 April 2022. The fundamental review of the Scheme would be an in-depth area of work focusing on establishing whether there was an improved option to deliver the Scheme moving forward. This would include comparing Guildford's Scheme with those of other local authorities to identify best practice and it was anticipated that the outcome would be reported to a future meeting of the EAB, possibly in 2022, for consideration.

The current LCTS Scheme was based on the Council Tax Benefits Scheme which existed prior to 1 April 2013. Although 80% of local authorities had asked residents to pay a contribution to their Council Tax bill by 2018 irrespective of their circumstances, this Council continued to provide a 100% discount and 71% of the current working age claimants in the Borough were in receipt of the full discount.

Comparisons had been made to 2020 against the schemes of the other Surrey borough / district councils and some local authorities outside Surrey, which had revealed similarities

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with differing details. In recent years local authorities had considered alternative models such as a band of discount scheme which placed applicants into different bands according to their income and / or circumstances and allocated a percentage discount accordingly. This approach was felt to be simpler to administer. The main challenges and risks facing this Council were whether to continue with a working age scheme based on the Council Tax Benefits Scheme which continued to be statutory for pension age claimants, or to move to a discount based working age scheme, separating the administrative costs of assessing the LCTS scheme and Housing Benefits, and the difficulties associated with modelling change and accessing data.

The presentation accompanying the report featured examples of different categories of claimants; modelling and forecasting challenges to achieve a balanced scheme that was simple, fair and affordable; and discussion prompts concerning areas to leave untouched and areas to look at in more detail.

The following points arose from related questions, comments and discussion:

- Although Universal Credit (UC) had not significantly influenced the Council's LCTS scheme, the basis of which had been formulated in 2012 and taken effect from April 2013 when UC was in its infancy, the Council had sought to mirror some changes the Government had made to UC. The fundamental review was being driven partly by the roll out of UC, which was electronically assessed each month and, as it was taken into account as an income to qualify under the LCTS scheme, this could result in some claimants having their Council Tax payments recalculated every month. It was felt that this was an area to leave untouched in order to avoid the onerous and time consuming need for monthly LCTS recalculations.
- The alternative model of a band of discount scheme being considered by other local authorities constituted a Council Tax discount rather than a benefit scheme. This approach, which could consist of numerous income bands linked to types of household, would form part of the fundamental review.
- In terms of designing an LCTS scheme that was simple, fair and affordable, the current scheme was not considered to be simple and it was questionable whether it would be affordable in the long term. However, the scheme could be deemed to be fair owing to its complexity that enabled it to be tailored to assist in all household circumstances. Whilst a simpler scheme was sought, this would need to be balanced against fairness and affordability with a view to achieving the best combination to meet local needs.
- As LCTS Scheme calculations could be complex, possibly involving conversions between weekly, monthly or annual payments, they were based on five decimal places in the interests of accuracy featuring one final rounding of the figures to determine the ultimate amount.
- Although the Council Tax Benefits Scheme and the local banded discount scheme constituted the two main underlying models upon which LCTS Schemes were based, there was the potential for up to 300 varying individual schemes across the country as every Council Tax collection authority had the ability to set its own scheme to reflect local circumstances.
- With regard to opportunities for joint working and alignment of LCTS Scheme processes with other local councils, particularly Waverley Borough Council, there were some existing common elements in Surrey schemes such as applying a 100% discount. Although past work had taken place with a view to agreeing a consistent scheme across Surrey whilst allowing for minor local variables, this had proved to be challenging. In the event that closer working with Waverley developed, it would be beneficial for the fundamental review to explore Waverley's scheme in detail to identify any potential for pursuing a partnership approach.

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- There was no evidence, such as substantial complaints, to indicate that the LCTS Scheme was not meeting the needs of claimants / recipients. Whilst the LCTS Scheme process was complicated, this was also the case with other benefit schemes and it was anticipated that claimants in receipt of other benefits in addition to the LCTS Scheme were accustomed to such complexity and did not consider it grounds for complaint. There was a local Council Tax Hardship Fund which operated in parallel to the LCTS Scheme and people disadvantaged by the local scheme rules could apply for a hardship award, the eligibility for which was determined on the basis of assessment of applicants' personal income, expenditure and circumstances. The Hardship Fund was traditionally under spent each year and this undersubscription indicated that there was not a particular issue with the LCTS Scheme failing to meet residents' needs.

Having agreed that the main point to be fed back from the Board's discussion was that the calculation of Universal Credit under the LCTS Scheme should be an area to remain untouched in the interests of avoiding onerous and time consuming monthly recalculations, EAB members were invited to submit any further views directly to the Revenues and Benefits Lead, who was thanked for her report, presentation and work.

SR14 EXECUTIVE FORWARD PLAN

The Executive Forward Plan was noted.

SR15 EAB WORK PROGRAMME

In response to concerns expressed by some EAB members regarding progress with developing several Supplementary Planning Documents and reviewing the Local Plan, the Strategic Services Director advised that review work in respect of the Local Plan had commenced and officers were preparing a related business case and timetable which would be shared with councillors at the earliest opportunity.

In terms of future work programming, there were several project mandates coming forward which would be scheduled for consideration at future EAB meetings when further details were known. The Chairman undertook to give future work programming some further attention.

SR16 EXCLUSION OF PUBLIC AND PRESS

The EAB

RESOLVED

That, under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act; namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

Following the exclusion of the public and press, the Board moved to a second (Part 2) meeting to consider the following item which contained exempt information.

SR17 SAVINGS STRATEGY UPDATE PRESENTATION

The meeting received and considered a briefing note presented by the Resources Director in respect of the General Fund Savings Strategy as at May 2021 which provided the

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background to the Savings Strategy, identified the associated workstreams and provided a progress update in respect of the workstreams.

The meeting finished at 9.21 pm

Signed

Date

Chairman