

Environment Scrutiny Commission

Wednesday 17 June 2020

7.00 pm

Online/Virtual. Members of the public are welcome to attend the meeting.

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Supplemental Agenda

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6.	Carbon offset update A report in response to the Commission's request for a briefing on the percentage of schemes utilising carbon offsets to meet targets, and how carbon offsets are used, is attached. Councillor Johnson Situ, Cabinet Member for Growth, Development and Planning and Simon Bevan, Director of Planning, will attend to present.	8 - 10



ENVIRONMENT SCRUTINY COMMISSION

MINUTES of the Environment Scrutiny Commission held on Tuesday 10 March 2020 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Leanne Werner (Chair)
Councillor Graham Neale (Vice-Chair)
Councillor Radha Burgess
Councillor Tom Flynn
Councillor Richard Leeming
Councillor Damian O'Brien
Councillor Michael Situ

OTHER MEMBERS PRESENT: Councillor Richard Livingstone, Cabinet Member for Environment, Transport and the Climate Emergency

OFFICER SUPPORT: Simon Bevan, Director of Planning
Pip Howson, Team Leader Transport policy
Chris Page, Climate Change Director
Julie Timbrell, scrutiny project manager

1. APOLOGIES

Councillor Tom Flynn gave apologies for lateness.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were none.

3. DISCLOSURE OF INTERESTS AND DISPENSATION

Councillor Radha Burgess declared that she lives near Champion Hill, which is an area under discussion in the School streets and low emission

neighbourhoods item.

Councillor Richard Lemming declared he championed and helped design the Healthy Streets Dulwich initiative, which is also under discussion in the School streets and low emission neighbourhoods item.

4. MINUTES

The Minutes of the open section of the meeting on 4 December 2019 and 20 January 2020 were agreed.

5. CARBON REDUCTION STRATEGY

Councillor Richard Livingston and the Director of Climate Emergency, Chris Page, provided an update on the Climate Emergency strategy development, and tabled a paper.

The chair invited questions and the following points were made:

- In a response to a question on how the strategy will promote changed behaviour the lead cabinet member said that this will be achieved through promotion and winning people's hearts and minds. Engagement and communication will be critical. There are examples of this; over the last year construction companies are recognising that if they want business they will need to change how they design and build. There are also residents who are understandably preoccupied with meeting basic needs such as food and housing so it will be important to make the strategy tangible, for example by referencing flooding and air quality.
- The cabinet lead said there is an intention is to integrate the wider ecological emergency, including biodiversity loss, into the climate emergency strategy, while keeping the strategy focused. This was also put forward by the Partnership Planning group.
- When asked if the Partnership Planning group will involve the Business Improvement Districts (BIDS) the Climate change Director said that there will be engagement with larger organisations, however the Partnership Planning groups is more led is by local residents and community groups.
- The Climate Change Director said a technical study is being commissioned to look at where carbon is being produced and where the strategy can make most difference.
- A member commented that the links between social and environmental justice are very important and asked if the council have a programme to tackle this, for example via air quality. She asked if the council will be recognising that those that contributed the least to emissions are frequently the people who experience

most harms, and vice versa, and if there was a programme that links deprivation and the targeting of resources to those in most need. The Director of Climate Change said officers are collating emissions data and there is an intention to overlay this with deprivation.

- A member referred to a 'Virtual Twin' AI programme, where the boroughs data can be imputed then recommended actions are generated.
- The cabinet lead and Climate Change Director gave assurances that there will be outreach with a comprehensive range of residents, not just the already converted, and this will include the most disadvantaged groups.
- A member raised concerns about the number of trees being felled and the amount of carbon in mature trees that is consequently lost. The cabinet lead said that mature trees are not felled unless absolutely necessary and whenever trees are removed more are added.

6. GREEN ENERGY ON ESTATES & COMMUNITY ENERGY

Dr Afsheen Kabir Rashid provided a presentation on Community Energy.

The presentation outlined how community led renewable energy is based on facilitating a decentralised model of empowering communities and community benefit companies. As well as the more obvious benefits of carbon reduction there are also the social benefits that come from visible solar projects in the community and the cooperative model that is used, and the ability of local community energy projects to mobilise and enthuse people.

The Repowering London highlighted these actions and opportunities to improve viability:

- The new finance model allows for a mixture of capital investment
- Carbon Offsets have been used to pump prime schemes in other local authorities
- Community buildings, such as schools and community centres, can be good sites for solar schemes as energy use is in the day, improving economic viability, and the social outcomes from working with school children are also high.

The chair invited the cabinet lead, Councillor Richard Livingstone, and officer lead, Martin Kovats, Community Projects Manager, to update the Commission on Community Energy. Councillor Richard Livingston said that introducing Community Energy has posed challenges with the end of the Feed in Tariff. Community Projects Manager said three pilots were conducted and the evaluations concluded that they were not viable, when

measuring solely economic benefits, and excluding intangibles. Officers are now looking more broadly as housing estates. Councillor Richard Livingston added they are looking at other sources of investment e.g. SIL, Carbon Offsets to improve viability.

Members noted that Hackney has many schemes and asked if this a result of more political will and investment Dr Afsheen Kabir Rashid said that these were small schemes dating from 2015. More recently they have been working in Lambeth and Kensington, and now the City of London. She advised that there is a need for collaborative relationships with councils and residents as these are long term projects spanning 25 years. She advised the council to consider schools, leisure centres, and local business as they are a good fit with the new finance model as consumptions of electricity matches energy generation. Southwark in a good place initiate schemes and once one project is in place it is easier to scale up.

Councillor Richard Livingston indicated that he could come back with a report in September on next steps.

7. MOVEMENT PLAN

A presentation was given at the meeting by Pip Howson, Team Leader Transport policy, and Simon Bevan, Director of Planning on both the Movement Plan and items outline under item 8:

- A Liveable Neighbourhood pilot around South Bermondsey station and the Bonamy & Bramcote Estates
- Dulwich Healthy Streets
- Walworth Low Emission Zone.
- Champion Hill Area

The chair then invited questions.

Members asked about the process for choosing initiatives that will deliver the Movement Plan. Officers said that they welcome contact from groups and local people. Dulwich is a community led scheme; officers have been working with local people for 5 years; officers wanted a Cycleway and residents were concerned with emissions. Different funding programmes come along that fit different criteria for initiatives. Walworth Low Emission Zone was able to meet funding criteria as was the Bonamy & Bramcote Estates scheme. Officers said the Movement Plan provides more of a strategic overview. Officers said that projects do need to bring various different strands together to realise an initiative.

A member asked how indices of deprivation influence decision making and how a school on a red route might benefit from a programme to reduce emissions and increase active travel. Officers referred to a work in Camberwell, and emphasised that they work with different groups to

ensure all voices are heard. Officers said that busy road and junctions do pose problems. Officers said the Movement Plan is about equity, and in bringing plans to Cabinet officers will be utilising evidence and community views to enable good decision making. Members agreed with the importance of working with communities, but in addition to this highlighted the importance of the Movement Plan having a more strategic focus that drives an operational plan, alongside with working with the community.

Members pressed the point on criteria used to make decisions and asked if Public Health information on deprivation, public transport availability, obesity, illness, air quality, etc. will be used to make decisions. Officers said when schemes utilise external funding the criteria is set externally, however the council set certain criteria internally. The Director of Planning commented that officers can take away the point about the importance of transparent criteria when prioritising schemes. Members emphasised the importance of an overall strategic plan, that is driven by data on need, and which sets out how the aims of the Movement Plan will be delivered.

A member asked if schemes on major roads, particularly those with schools and hospitals are prioritised. Officers indicated that the shift in thinking around car parking is helpful. The plans for the Old Kent Road scheme are due to be completed soon. The council is working with TFL. A recent draft was presented by Sally Crew, Transport Policy lead, to an encouraging reception by TFL, where it was praised as a bold design. The scheme includes a Liner Park, which has already been granted planning permission. Officers said the scheme will reduce traffic and increase active travel, including cycling. The scheme aims to deliver by 2030, with major work starting over a 1-5 years timeframe. This needs to be financially achievable. The Director of Planning said officers will be ready to share details of the plans in the summer, and emphasised that the improvements will come with the developments, rather than after.

The chair invited an audience member, Sandra Simpson, to comment on the Champion Hill scheme. She commented that the scheme covered about half her ward; however it is unclear how this small scheme fits into a broader and wider work to reduce traffic and emissions and raised concerns about unintended consequences of pushing traffic to other roads.

David Smith, grassroots South London air quality campaigner who blogs tweets and campaigns as Little Ninja was invited to contribute to the discussion.

He emphasised the importance of emissions on main roads and their impact on children. Schools, and runs to school, frequently use main roads, where emissions are frequently twice as high as side roads. He supports schools streets and Low Traffic Neighbourhoods, however he emphasised that the council ought to do more to tackle idling on main roads, and it is vital that when the council close side roads that this does not poison the main roads.

He stressed the importance of not just listening to cycling lobbies, and the importance of listening to other communities.

Officers responded by saying one of the challenges is that the council have authority over side roads, but we do have also to work with TFL on main roads. They added that there is also rising evidence of hedges that can tackle pollution more effectively on main roads and in a cost effective way.

Members asked if it would help if we drastically reduced parking in Low Traffic Neighbourhoods. He said a net reduction in journeys is important and a reduction in car ownership will help that. Alongside reducing car parking he said that it is important that the council increase cycles hangers.

8. SCHOOL STREETS AND LOW EMISSION NEIGHBOURHOODS

This item is minuted under item 7.

9. WALTHAM FOREST VISIT

The presentation was noted following the visit on 10 February by Commission members.

10. REVIEW: CARBON REDUCTION STRATEGY

The reports were noted.

11. REVIEW: AIR QUALITY

The headline report was discussed, with members making the following comments and undertaking to make more detailed comments via email:

- Importance of a positive vision;
- Ensuring traffic reduction on side roads, through schemes such as Low Traffic Neighborhoods, also reduce traffic on main roads;
- Public transport improvement to bus routes with TFL ought to be prioritized.

12. WORK PROGRAMME

Members requested that officers provide the outstanding reports on Carbon offsetting and car parking in order to inform the final reports.

Note on Carbon Offset Fund for Councillor Situ – Scrutiny

Purpose

1. Scrutiny committee have asked for further detail on Carbon Offset Payments and for an update on progress on spending the funds.

Background

2. The Climate Change Act outlines the action taken by the UK to become a low carbon economy and to reduce emissions by 100% by 2050 (compared to a 1990 baseline). The Act initially recommended a target of an 80% reduction. This target was increased in 2019 under the recommendation of the Committee on Climate Change to 100%^[i], to ensure that the UK continues to be responsible for an appropriate share of global action to limit global surface warming to around 2°C above pre-industrial levels by 2100.
3. The act references and regulates the following greenhouse gases^[ii]:
 1. Carbon Dioxide;
 2. Methane;
 3. Nitrous Oxide;
 4. HydroFlurocarbons;
 5. PerFlurocarbons; and
 6. Sulphar Hexafluoride.
4. The Act also establishes the supporting framework of carbon budgets as a means of measuring progress towards the 2050 target, which must be produced every 5 years. There is a national amount that the country can omit and then the Climate Change Committee who are the independent UK experts monitor progress.
5. The climate emergency declaration was made at a Council Assembly on 27th March 2019. By declaring a climate emergency, the council set a target to achieve carbon neutrality by 2030.
6. The Council has been investigating all of the requirements of the Act which is 100% reduction on 1990 levels for the 6 gasses. The key requirement that has not been in place is the national requirement by 2050. The Council declaration goes further than the statutory target to bring forward the target date to 2030 and to include all of the emissions in Southwark rather than just those produced by the Local Authority. As far as we are aware we are one of the first Local Authorities to investigate what the Climate Change Act means and also the 2030 target. The performance of new development is an important element of the Council's Climate Emergency strategy to meet the Climate Emergency target of net zero carbon in Southwark. It would be preferable if the new zero carbon could be met onsite however all of the current developments have not been able to meet the London Plan policy or Southwark Plan policy or New Southwark Plan policy with the requirements onsite. Therefore the Council's strategy for the Climate Emergency relies on a very credible programme to ensure that the tariff is set at the appropriate level and that the Offset Fund delivers the net zero carbon requirement. In order to achieve this we have been carrying out a number of actions.

Policy justification

7. The first stage of setting out how to spend the Carbon Offset Fund has been to review the background policy at the International, National, London and Southwark scale. This then justifies the approach being set out in the New Southwark Plan policy which is currently being considered by Planning Inspectors. This forms the basis for the requirement of the Carbon Offset Funding for both residential and non-residential dwellings. At present we have been negotiating on residential dwellings however once the London Plan is adopted we may be negotiating on non-residential developments. Once the Southwark Plan is adopted if the Inspector supports the requirement we will be increasing the requirement for carbon reduction on non-residential properties. The London Plan, Southwark Plan and New Southwark Plan are all based on the current statutory target of net zero carbon by 2050. This is a recent statutory amendment from June 2019. We are not aware of any current published local authority strategy addressing the amended Climate change Act (2019), although the Draft London Plan has proposed a Net Zero Target by 2050 independently from national legislation.
8. The Council has now prepared a background paper setting out the policy background is available on the New Southwark Plan Examination in Public website.
9. This justifies our current approach linked to the current Statutory target (namely zero carbon by 2050 under the climate change act). Our requirement for the Carbon Offset of £90/tonne is based on the Current London Plan carbon rates.

Carbon Offset Spend

10. Alongside the policy development the Council needs to set out how we are going to spend the Carbon Offset funds. Now that we have the background assessment of the strategy and policy we are comprehensively assessing the most effective programme that can be introduced. We need to find out which policies to implement that have the most influence. This is because some could reduce a large amount of carbon but may not have much impact as there may not be many developments of that type whereas others may have less carbon reduction but the development may be more common so it would have a more significant impact. We need to work out the cost effectiveness of the measures which shows how the projects will reduce the carbon by the same amount or more than the £90/tonne which is the tariff. This will be presented to the Cabinet Member in the autumn for consideration.
11. Setting out how to use the modelling undertaken to date to identify what are the biggest remaining emissions sources forecast with existing policies, and rank these (i.e. an order of importance). It is likely to have a large component of existing building stock.
12. Identify what policy actions the council can take to mitigate these, and which require national policy intervention and the estimated impact of these, ranking accordingly (i.e. order of effectiveness).
13. Use both rankings to identify which local policies have the biggest local carbon reduction.
14. Evaluate the cost effectiveness of different potential carbon reduction measures. Ideally we would want equivalent or even greater carbon savings per unit investment than the carbon they were offsetting, but this may not always be possible. For

example external insulation of existing housing stock is typically an expensive way to save carbon.

15. Propose how we may monitor and measure the impacts of any projects funded by the fund.

16. Build an evidence base detailing:

1. What sectors we are focusing on and why;
2. Which local policies have the greatest carbon impact, and on which sectors;
3. What the council may not be able to influence through policy (i.e. may need a national intervention – e.g. further national grid decarbonisation outside the borough); and
4. What physical measures are available to undertake by the council as policies or projects, and how economically reasonable (i.e. is it a good utilisation of funds) it is to pay for these from the fund.

17. The initial analysis indicates the major greenhouse gas emissions sources within the London Borough of Southwark are:

1. Domestic Building Stock;
2. Industrial and Commercial Building stock; and
3. Transport.

18. Within the building stock emissions are dominated by Space Heating and Domestic Hot Water production. This is assumed to originate from the existing building energy demands, and natural gas energy sources. Further evidence is required to confirm these assumptions, to integrate transport energy use and policy goals into the wider energy policy, to determine appropriate local policy interventions versus necessary national policy interventions to achieve the national Statutory target, to map a pathway to achieving the national and any agreed local targets and to consider the sources and impact of other greenhouse gas emissions associated with energy production, consumption and distribution in the borough, and potential policy interventions to control these.

19. In addition to this further investigation is required into:

1. Appropriate Climate Change adaption for the Borough;
2. The deployment of Carbon offset funding raised through policy; and
3. Measuring and monitoring the impact of funds, where they are deployed.

^[i] Department for Business, Energy and Industrial Strategy, Minister. *The Climate Change Act 2008 (2050 Target Amendment) Order 2019*. Accessed 3 June 2020. <https://www.legislation.gov.uk>.

^[ii] Climate Change Act 2008, c. 27. Accessed 4 June 2020. <https://www.legislation.gov.uk>

NOTE: Original held by Scrutiny Team; all amendments/queries to Fitzroy Williams Tel: 020 7525 7102

Name	No of copies	Name	No of copies
		Julie Timbrell, Scrutiny Team SPARES	10
		External	
Electronic Copy Members <u>Councillors:</u> Councillor Leanne Werner Councillor Tom Flynn Councillor Radha Burgess Councillor Michael Situ Councillor Richard Leeming Councillor Graham Neale Councillor Damian O'Brien <u>Coopted member:</u> Jeremy Leach Reserves Members Councillor Peter Babudu Councillor Karl Eastham Councillor Renata Hamvas Councillor Eleanor Kerslake Councillor Lorraine Lauder MBE Councillor Adele Morris		Total: 10 Dated: September 2019	