
Scrutiny Committee: Climate Emergency Review Group

Commentary and Response to recommendations

January 2021

Foreword

The world is in the midst of a climate emergency, which is accelerating faster than expected, threatening humanity and the world's natural ecosystems.

The 2015 Paris Climate Change Agreement commits nearly every country to keep global temperatures "well below" 2C above pre-industrial levels and to "pursue efforts to limit the temperature increase even further to 1.5C". The world's eyes will be on Glasgow in 2021, and the UK's leadership of COP26. Crucial to the success of the summit will be the UK's cities showing their path to zero carbon and net-zero.

Here in Oxford, we are ambitious about rapidly creating a Zero Carbon city and our ambition is accompanied by action. We recognise that climate justice is one and the same with social justice and economic justice, and our solutions to climate change will help to create happier, fairer, and confident communities. This has taken on an extra level of significance as we are seeking to recover from the global pandemic by addressing runaway climate change.

Oxford's track record is a strong one, but strong track records can always be strengthened. As a Council we face outwards to a significant extent, for instance, hosting Oxford's Climate Change Citizens' Assembly and hosting a Youth Climate Summit in recent years. With the conclusion of the Scrutiny Committee's Climate Emergency review group, we are happy to encounter new proposals to achieve our shared aims, and we thank Councillor Howlett for chairing this group and supporting decarbonisation of the council and our city.

Our response to the recommendations of the review group is different in format to the usual responses to Scrutiny committee or review group recommendations. Our response is written in the style of a white paper, so that the Council can clearly express our underlying thinking about our current vision and strategy, spotlight what we have done so far and intend to do and explain how the group's recommendations build on this record and further our vision.

Councillor Tom Hayes

Deputy Leader and Cabinet Member for Zero Carbon Oxford and Green Transport

Introduction

1. While there is no “safe” level of climate change, scientists say that 1.5 degrees is associated with less devastating impacts of global heating. In 2019, the global average temperature was 1.1. Degrees Celsius above the pre-industrial period – leaving a rapidly narrowing window for action.
2. The world is already seeing the impacts of climate change, with the increased frequency and magnitude of extreme weather events from heatwaves, droughts, flooding, winter storms, hurricanes, and wildfires.¹ The last decade was one of exceptional global heat – with retreating ice and record sea levels. The year 2019 was the hottest year on record so far.²

The role of Oxford

3. Globally, cities contribute significantly to the problem of climate change. While occupying a small percent of the world’s landmass, they have an enormous carbon footprint. Cities are both a big part of the climate change problem and integral to its solution.³ The city of Oxford is no different.
4. Oxford has a relatively dense population and role as a centre of commerce, culture and world class teaching, research, and innovation. This means Oxford can play a key role in efforts to deal with the climate emergency. Oxford is already playing a leading role, galvanizing action within the city boundary and beyond.
5. The narrative set out below provides the context to the responses to the recommendations of the Scrutiny Review Group which are set out in Part 2 of this document.

Part 1 The Context

Buildings as a key emitter

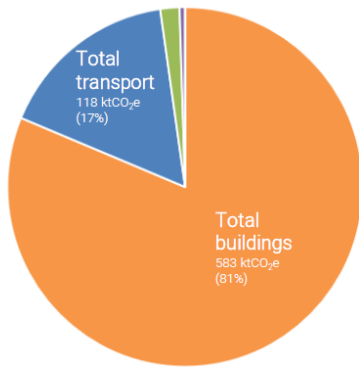
6. In Oxford, as in the rest of the UK, buildings are a key source of carbon emissions that need to be tackled if we are to meet international and national targets and avoid significant impacts on our climate and all the challenges that presents.
7. The focus of the Review Group on this area of work is therefore welcomed as prompt to think about what the Council should and could do to play an active role in speeding up the rate of change and improvement. The process itself has led to significant debate amongst officers and lead members as to how to advance our plans and priorities for action.
8. The work done by Anthesis for the City Council ahead of the Citizens’ Assembly on Climate Change estimated that some 81% of emissions in the city came from buildings, with 29% and 26% coming from residential and institutional buildings, respectively. These statistics underline the importance of the need to tackle emissions from buildings.

¹ <https://www.unenvironment.org/explore-topics/climate-change/facts-about-climate-emergency#:~:text=The%20facts%20you%20need%20to,average%20global%20temperature%20on%20Earth.>

² Ibid

³ <https://www.c40.org/ending-climate-change-begins-in-the-city>

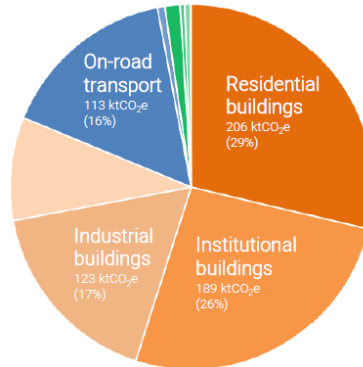
Chart 1: 2016 SCATTER Direct & Indirect Emissions – Summary, ktCO₂e



Buildings - 81%
 Transportation - 17%
 Waste - <2%
 Agriculture, Forestry, Land Use* - <1%

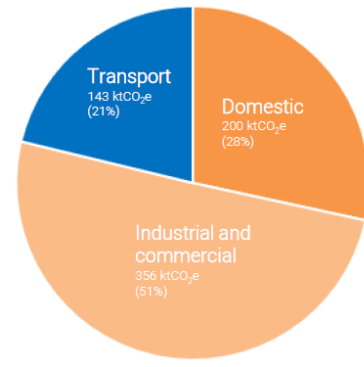


Chart 2: 2016 SCATTER Direct & Indirect Emissions – Sub-sectors, ktCO₂e



Residential buildings – 29%
 Industrial buildings & facilities – 17%
 On-road – 16%
 Waterborne navigation - <1%
 Solid waste disposal - <1%
 Agriculture – <1%
 Institutional buildings & facilities – 26%
 Commercial buildings & facilities – 9%
 Rail – 1%
 Wastewater – 1%
 Livestock – 1%

Chart 3: 2017 BEIS Direct & Indirect Emissions – Summary, ktCO₂e



Domestic - 28%
 Industrial and commercial - 51%
 Transport - 21%

9. The council owns and, in several cases, occupies and operates a wide range of buildings. The Council’s Asset Register puts the value of these assets at around £1 billion. This is a significant resource but also indicates the scale of challenge for a local authority with a net budget requirement of £23.4m in 2021/22.

10. In broad terms these assets can be categorised as

- Operational buildings and depots;
- Housing stock, occupied by tenants, owned by the City Council or its wholly owned housing company OCHL;
- Investment properties often let on long commercial leases to third parties to secure an income stream to support services and develop the local economy.

11. Whilst all are “buildings”, their type, use, and occupation are quite different, which impacts on the council’s ability to drive change.

The Council’s ambition in respect of Climate Change

12. In 2019 the Council declared a Climate Emergency and set a vision for moving the Council’s operations to Net Zero by 2030. The Council also commissioned a Citizens’ Assembly on Climate Change, the first to be held by a UK city, to explore the key question of whether Oxford as a city should seek to reach Net Zero ahead of the national 2050 target.

13. The Oxford Citizens’ Assembly advised that Oxford should aim to reach net zero ahead of this national target and should seek to identify a target date which balances Oxford’s unique and privileged position with not putting too much onus on the individuals and businesses of Oxford ahead of national initiatives and market developments. That work is progressing and will report in February 2021.

14. To meet that challenge, the council has maintained a data rational approach, appointed a Scientific Adviser, and commissioned further analysis to inform possible pathways. The

council has also announced the intention to hold a summit of key stakeholders to accept the advice of the scientific adviser and form a Zero Carbon Partnership to oversee Oxford's journey to net zero.

15. In December 2020, the Council joined the UK100 group of organisations who have committed to achieving net zero within their organisations by 2045. The Zero Carbon Oxford summit will be asked to consider that date and whether an even earlier date is achievable.
16. To date the ambitions of the council have been allied to the ambitions of the Low Carbon Oxford Partnership whose aim was to achieve a 40% reduction in carbon emissions across the city by 2020 from a 2005 base. It has recently been confirmed that this target has been met. That target being met reflects local contributions and action at a national level, principally the de-carbonisation of the electricity grid.
17. The City Council went beyond this and set a target of a reduction of 5% per annum which has been met, steered by the council's Carbon Management Plan. This progress is reflected in the most recent Green House Gas Emissions, part of which is reproduced below, which demonstrates that the City Council reduced its footprint by 40% since 2014/15. Of those emissions around 61% are from operational buildings (i.e., where the Council pays the bill).

tCO2e	2014/15	2015/16	2016/17	2017/18	2018/19	% reduction since 2014/15
Total gross emissions	9,703	9,286	8,955	8,572	7,741	20.2%
Renewable energy purchase (REGO)	-	-	-	1,922	1,997	
Total net emissions	9,703	9,286	8,955	6,650	5,744	40.8%

Roles and responsibilities of the local authority

18. A local authority has many roles in respect of achieving net zero carbon. The Council will have to embrace them all in due course but needs to prioritise its actions for the greatest return and progress.
19. These roles and responsibilities are headlined below more will be said about each of them in the detailed sections below.
 - i) Management of own building stock
 - a. Operational
 - b. Housing
 - c. Investment
 - ii) Regulatory
 - a. Local Planning Authority

- b. Building Regulation Authority
 - c. Enforcement of Housing and health standards
- iii) Supporting and encouraging tenants and occupiers where the council is the landlord
 - iv) Supporting occupiers of private sector housing and commercial stock
 - v) Campaigning and lobbying for legislative and fiscal policy changes
- vi) Taking part in pilots and trails of new approaches and technologies. Good current examples of these being
 - a) Office for Low Emission Vehicle funded projects to install electric vehicle charging points
 - b) Energy Super Hub Oxford
 - c) Local Energy Oxford

20. Convening activity across the city through partnership activity to deliver a net zero carbon city.

Prioritisation of action across the council's own stock

21. In response to the Citizens' Assembly's recommendations and subsequent commitments the council has commissioned the updating of its information held about its buildings through revision of stock condition surveys including more targeted energy information.

22. This information will enable strategic planning and optimisation of actions in respect of that stock. In general, however, the following matrix sets out the thinking about prioritisation as that deeper strategy is developed.

23. When deciding where to direct resources the council will, as well as the carbon benefit to be derived, consider: -

- a) The amount of control that it has over a building
- b) The quality of information available to make informed decisions
- c) Who benefits from savings in energy expenditure, do they help make the business case?
- d) The amount of capital budget available to fund such works
- e) Access to external funding

	Control	Data	Savings flow to OCC	Capital Funds for Investment	Access to External Funding
Operational Buildings	High	High	Yes	Limited	Yes
Housing Stock	Medium	Medum	No	Some	Yes
Commercial Stock	Low	Low	No	Limited	No

Prioritisation Grid

24. Current plans are set out in the council’s Carbon Management Plan, which is due to be published in February 2021.
25. The revised carbon management plan focuses on how the Council will achieve zero carbon emissions by 2030 across its estate and operations. Reaching zero carbon will require a doubling of the current rate of carbon emission reductions to ca10%/year and mean addressing the difficult and/or expensive areas like the electrification of heat and fleet vehicles (i.e., stopping burning fossil fuels in the form of gas and fuel). In the absence of a fully decarbonised electricity grid, the Council will rely on green electricity purchase and local renewable energy generation to provide zero carbon electricity to power electrified heat and fleet vehicles. The transition to zero carbon will also mean that, year on year, the Council reduces its purchase of both green gas (as boilers are replaced with low/zero carbon heating technologies and approaches) and of offsets (as fleet vehicles are electrified).
26. As an interim step the council proposes to purchase renewable gas for all its sites and offset remaining emissions during 2021. The council will in effect be net zero for scopes 1 and 2, but will continue to drive that all important reduction in overall energy consumption
27. The carbon management plan deals primarily with Scope 1 emissions (gas and fuel use), Scope 2 (electricity purchased from the grid) and to a limited extent Scope 3 (for transmission and distribution of grid electricity, water consumption and business travel). These are the council’s operational emissions – where the council pays the bills for its consumption and they can be more directly measured and reduced.
28. The Council is also responsible for other Scope 3 emissions which are less directly measurable, such as emissions from the goods and services the council procures, municipal and commercial waste sent to landfill and staff commuting. The targets outlined in the plan do not address these Scope 3 emissions. However, council will work to quantify and better understand them as they will be significant. This work will also be aligned with development of a wider, consistent approach, across the city, to tackling these Scope 3 emissions through the Zero Carbon Oxford partnership.
29. Zero carbon by 2030 represents a significant step-change in the Council’s ambition and requires a doubling of current effort. Business as usual - with a 5% year on year reduction target - will only get us about half of the way to zero carbon by 2030.

30. It is estimated that the capital cost of the transition of the council's operational buildings alone will cost more than £30m. The plan points to the need to secure external funding to support the plan. Recently the government announced the £1b Decarbonisation fund. The council has engaged actively with the first round and reflecting the preparatory work carried out in recent years to have project ready bids has secured more than £10m. When implemented during 2021 this will make a significant impact on the journey to net zero for operational buildings. However, more remains to be done, which is reflected in the detailed responses below.
31. The Council has this year, following the Citizens' Assembly and the council aim to explore becoming a net zero carbon organisation by 2030, been reviewing its policy position in respect of its property holdings as part of the review of the asset Management Plan. The sections below headline the approaches to be proposed as policy in the revised plan which is expected to be reported on in the near future.
32. In the sections that follow there is a position statement about each of the building types, what has been achieved to date, what is in progress, steps being further considered in the light of the scrutiny review and other developments, the current Carbon Reduction Plan, and an outline of the policy position to be posed in the revised Asset Management Plan.

Housing

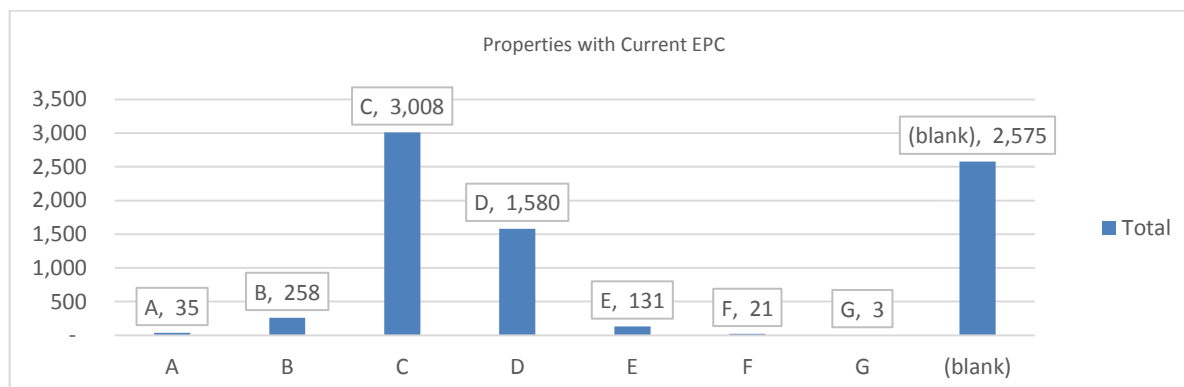
33. One of the Council's opportunities to make a direct contribution to this agenda is in respect of housing—it is a landlord of circa 7500 social housing units and has a wholly owned housing company with a currently agreed business plan to deliver almost 1900 new homes over the next 10 years with 75% of these being retained in Council ownership

The City Council as Housing Landlord

34. The City Council has invested heavily over the last 10 years in its housing stock to increase energy efficiency and tackle fuel poverty. Investment programmes have included:
- a) 270 Cavity wall, 57 external wall and 2013 loft insulations benefiting a total of circa 2340 homes
 - b) Carried out a programme of solar PV installs in Rose Hill and Barton including the ERIC project which piloted battery storage benefiting circa 80 units
 - c) Scoped whether a heat network utilising waste heat from Heyford Hill Sainsburys was possible with Bioregional
 - d) Converting approximately 100 homes with inefficient electric heating systems to modern gas central heating systems.
 - e) Implementing a rolling programme of boiler replacement and whole system replacement
35. To inform a future targeted investment programmes to secure carbon reduction we have used a carbon asset management programme, CROHM, alongside an extensive EPC and building survey approach to:
- a) Check and update existing data to improve accuracy to the required standard
 - b) Set confidence levels for data
 - c) This enables us to work out what energy efficiency measures can be applied to different properties
 - d) Target the worst performing homes (E, F and G in EPCs)

- e) Establish an investment programme to meet a target of 95% of homes to be EPC level C or above by 2030
- f) We will also, as our data and understanding grows be able to apply for external funding to accelerate progress.

36. The table below provides a summary of stock numbers by EPC rating. It should be noted our data is incomplete and surveys are continuing -



37. The table below shows the number of properties which will require some intervention/ investment works to achieve the EPC target and an indication of the programme of works required and estimate of costs.

No of Properties	Type of Works	Project Investment
437	Upgrade of Central Heating	£1,105,542
150	A rated combi Gas Boiler*	£568,050
30	Air Source Heat Pumps	£234,750
450	Cavity Wall Installation	£256,000
100	External Wall Insulation	£904,321
651	Secondary Heating	£111,570
2400	LED Lighting	£129,600
1173	Upgrade Loft insulation (300mm)	£452,605
907	Hot Water thermostats	£145,120
203	Photovoltaics	£2,030,000
382	Minor other improvements	£200,000
	Total Investment	£6,137,558

38. With regard to the investment required to achieve net zero carbon, we are still reviewing possible options to establish what improvements are required to the building fabric to these properties, so they are zero carbon by 2050.

39. It is recognised that this is a cost effective means of driving improvement to EPC, it does not reduce carbon emissions that much. Alternative forms of electrically fuelled heating will be required, which is likely to be more expensive to install.

40. The Council recognises that not all its stock is appropriate for retrofit. It is the case that some of the worst performing stock is uneconomic to retrofit in comparison to demolition and

new build. To better understand this and to inform our asset strategy a further survey was commissioned of particular stock types.

Resident Engagement

41. Council tenants' involvement in decisions made that effect their homes is a key principle for the Council. The Review Group recognised the need for convenience for tenants for work taking place. Both the Housing Service and ODSL both seek to minimise inconvenience to tenants. This is also important in terms of business efficiency for ODSL.

Increasing investment

42. The Council, in considering its 21/22 - 24/25 MTFP, has substantially increased carbon reduction funding allocating £7.2 m over the next 4 years and £50m over the next 10 years.
43. In addition, the preparatory work with respect to planned programmes will mean the Council be well placed to access central Government funding programmes as they come on stream. The Council will continue to explore all avenues that could lever in additional funds including levying separate charges on residents in lieu of reduced energy bills. We are currently exploring in more detail the Nottingham City Homes / Energiesprong model as proposed in recommendation 1 but have not concluded yet if it is a funding model that can deliver at scale.

Investment Programme delivery

44. The 2021/22 budget going forward represents a significant step change and the delivery model will need to cater for both increased capacity and capability in respect of new technologies.
45. The Council benefits from a positive and proactive relationship with Oxford Direct Services Ltd (ODSL) as a wholly owned company. In turn ODSL seeks to leverage commercial opportunity to further develop the company's skills and reach.

The City Council as Housebuilder and Developer

46. The Review Group is right to recognise the examples of building homes to zero carbon standards in the UK. Oxford City Council has sought to learn from examples of best practice, especially within the UK. The Council's wholly owned housing company, Oxford City Housing Ltd (OCHL), is bound by the Oxford City Council local plan, new developments are required to go 40% further than government building regulation targets on carbon emissions. In addition, the Shareholder acting behalf of the Council has approved OCHL's business plan includes an ambition to exceed the target with a stretch target of 70%.
47. Reflecting that Oxford is regularly listed as being the least affordable place to buy a house in the country and that there are currently around 3000 families on the waiting list for social housing, Oxford City Council has a corporate priority for more affordable housing in the city.
48. The Council and OCHL have a difficult task to optimise both environmental standards, financial return to the Council and maximising the availability of housing, particularly housing that is truly affordable.

49. Evidence is that there is currently no premium in value terms to homes built for private sale to environmental standards, but societal behaviours could well change going forward. The Council is looking to review the business case as to the value of properties purchased by the HRA when whole life costing is considered which has the potential to help the viability of schemes built to the equivalent of a passivhaus standard. In the meantime, trade-offs will need to be made by elected members on behalf of the Council and in acting as the client and Shareholder of OCHL as each scheme is brought forward for approval.
50. Greencore Construction, based in Oxfordshire, was set up in 2013 with the aim of helping self-build projects and small developers to build high performance, low carbon buildings using natural materials. As Review Group noted, Greencore Construction hopes to develop net positive construction projects and were keen that we learned from such experts in the market.

NON-RESIDENTIAL BUILDINGS

OPERATIONAL BUILDINGS:

Stock profile and key statistics:

51. Buildings covered under the Council's zero carbon footprint include all sites where we pay the energy bills. This includes our offices, swimming pools, sports facilities, car parks and public conveniences.
52. Operational Buildings account for about 73% of the Council's core carbon footprint (with fleet vehicles accounting for the bulk of the remaining emissions).
53. Zero carbon means in this context means:
- Not burning fossil fuel (hence gas boilers being replaced with efficient electric heating such as heat pumps) to give a zero-carbon *ready* building.
 - When grid electricity generation is completely derived from non-carbon sources then the building itself becomes zero carbon.
 - In addition, further opportunities are also taken to improve insulation wherever possible.
 - However, wherever feasible a fabric first approach will be our priority
54. The table below ranks the biggest emitters of CO₂ in our operational buildings which informs the decarbonisation programme:

Rank	Site	tCO ₂ e
1	Leys Pools & Leisure Centre	760
2	Hinksey Outdoor Pool	518
3	Oxford Ice Rink	422
4	Ferry Leisure Centre	406
5	Oxford Town Hall	263
6	Barton Leisure Centre	261
7	Cowley Marsh Depot	174
8	St Aldate's Chambers	136
9	Horspath Depot	119
10	Rose Hill Community Centre	84

What has been achieved to date?

- a) Over the period 2014/15 to 2019/20 the Council's underlying CO_{2e} emissions (which includes those from operational properties such as offices, depots, leisure centres, business travel and fleet vehicles) have decreased by 23.5%.
- b) Our emissions (after the purchase of Renewable Energy Guarantee of Origin) electricity during 2014/15 to 2019/20 have reduced by 45.8%.
- c) The Council now generates the equivalent of over 10% of its annual electricity consumption from Solar PV installed on its operational buildings.
- d) All sites are supplied with renewable electricity, as are small sites for gas from renewable sources. Subject to approval in the budget large sites will also receive renewable gas before the end of 2021.
- e) The council operates state of the art energy monitoring and reporting systems, with half-hour monitoring of large sites.
- f) Fusion Lifestyles, the council's leisure centre operator, is working with the Council to reduce carbon emissions. The service contract requires Fusion to work with the council to achieve a 5% per annum improvement. The Council has installed a range of Salix funded carbon reduction measures in leisure buildings including LED lighting upgrades, swimming pool covers, insulation and installation of Solar PV.
- g) In addition, OCC has a £1m revolving Salix loan fund (with 50% funding secured from government) to finance the implementation of carbon reduction measures, with a 10-year payback period or less. This is then recycled and used on other energy efficiency/carbon reduction projects. Salix and other funded measures have included LED lighting upgrades, insulation, boiler upgrades and solar PV.
 - i. The council has now been successful with two bids to the **Public Sector Decarbonisation Scheme (PSDS) grant:**
 - ii. 1st PSDS to install water source heat pumps, battery/thermal storage, and floating Solar PV systems for Hinksey Pool.
 - iii. 2nd PSDS bid to:
 - Install heat pumps replacing gas boilers at Blackbird Leys pool, the ice rink, Town Hall, Barton leisure centre and Rose Hill community centre.
 - Invest in a portion of a local solar farm, meeting a significant part of the increased electrical demand arising from the shift away from burning gas for heating. It also includes thermal and battery energy storage at each site to maximise the effectiveness of the heat pump/PV approach.

These successes reflect years of prior feasibility work to provide fundable projects. Much of such development work goes unseen until such time as funding is identified to progress the project.

55. Funding Gap:

- a) To achieve the 2030 goal of becoming a net zero carbon organisation in respect of Council buildings will require a doubling of the current rate of CO₂ emissions reductions to c.10% per year over the next 9-10 years at an estimated cost of £22m - £25m for the

operational portfolio. Currently this is unfunded: both PSDS and Salix have been considered. More detail can be found in the Carbon Reduction Plan 2021.

- b) In addition to capital costs any investment will also require additional specialist internal resource to deliver it. Building capacity and skills in this area is a key challenge.

56. Proposed Actions New Builds & Refurbishments:

- a) We will propose what basic standard of measurement is appropriate for new build and refurbishment projects in the Asset Management Plan (E.G. BREEAM / NABERS and the target level within that standard.) (Note: Passivhaus is another standard which applies to both residential and non-domestic projects. For new build and refurbishments if planning permission is required then the Oxford Local Plan stipulates minimum BREEAM Excellent or equivalent.)
- b) The new Asset Management Plan (AMP) (2021/2031) will thus provide a strategic framework to achieving Zero Carbon by 2030 by illustrating our commitment to this important agenda.

57. New Builds:

- a) The working assumption is that future new builds will achieve at least the “nearly zero” requirements of Building Regulation 25b.
 - a. (<https://www.legislation.gov.uk/uksi/2010/2214/regulation/25B>)
- b) The Council’s internal business case for all major capital projects (>£500k) will consider and cost for zero carbon (shadow cost) to allow it to make informed investment decisions and to go beyond building regulations where possible and where budget is available. To inform this process, we will establish an appropriate threshold / return for the additional costs. These emerging standards will be tracked and assessed for suitability and compliance with the Local Plan requirements.
- c) Where zero-carbon is not possible the working assumption is that we will future proof all new builds to ensure they can become net zero in the future.

58. Refurbishments:

- a) Business Cases will need to include a similar shadow pricing to that for new builds to achieve as close to zero carbon as possible, and at the very least must consider all future proofing opportunities.
- b) OCC will consider and cost a zero-carbon option (shadow price) in all business cases for refurbishments of its assets.

COMMERCIAL PROPERTY:

Stock profile and stats:

56. The investment commercial property portfolio consists of 234 assets of which 166 are retail.

57. The City Council’s Carbon Reduction Plan does not extend to these properties as the council does not occupy the buildings or pay the bill or indeed have a high degree of control of premises on commercial leases.

58. We have a challenging “base case” for our commercial property as Salix funding is not available and any savings from efficiencies would not flow to the council, undermining what

are already likely to be weak business cases. However, there are things we can do now and what we will look to do in the future.

59. To date OCC has obtained Energy Performance Certificates (EPC)/MEES data for:

Commercial Properties (in scope):	217
Total Properties with EPC's:	214 (98.6%)
EPC's to be Finalised:	3 (1.4%) during 2021

60. There are 17 assets out of scope due to the nature of their lettings e.g., ground leases or with pay-back periods more than the 7-year criteria. The completion of this process provides key data and an outline ranking and prioritisation properties

What has been achieved to date?

61. EPCs / Repairs and Maintenance Stock Condition Surveys:

a) EPC Ratings / numbers of commercial properties:

a. A = 1; B = 9; C = 4; D = 70; E = 61; F = 5; G = 10

- b) For the properties below the current target 'E' rate = 15 (7%); works have been commissioned on 4 properties and revised EPC's are being obtained. works are also being reviewed for the remaining 11 which will be complete during 2021/2. In all cases we will meet the existing minimum of EPC E, wherever possible we are seeking to future proof by achieving EPC B.
- c) All but 3 EPCs are complete; these are due to recent tenant vacations and will be completed during 2021.
- d) From April 2023, EPCs will apply not only to all new lettings but also to all existing commercial leased properties.
- e) Government is considering proposals to move to a higher 'B' Rating. As a result, data obtained from the initial EPC surveys is being reviewed & a business case will be presented to OCC (during 2021) to address this issue and with an indicative costing.
- f) Works that must be undertaken by OCC (as landlord) to achieve a Zero Carbon solution are likely to remain within the existing 7-year EPC payback period.
- g) Stock condition surveys have been commissioned for the whole commercial portfolio which will further inform on energy efficiency.

Funding Gap:

- h) We do not yet know how much it will cost to future-proof or align the commercial property portfolio to EPC 'B'. The condition surveys and projections from the EPC data will inform the cost, but it is expected to run into millions of pounds.
- i) Retrofits on commercial properties are always more expensive than new build projects. Additional external grant funding will be explored and applied for as appropriate. (Note that Salix cannot be used at present as it is only applicable where OCC is the bill payer). It is possible however that the Government may introduce additional funding opportunities to achieve its sustainability agenda.
- j) We do not know the cost of the work, but any investment will also require additional specialist internal resource to deliver it.

Proposed Actions: Opportunities on existing assets:

- k) The new Asset Management Plan (AMP) (2021/2031) will be aligned with the Zero Carbon agenda subject to each business case and funding availability and within the constraints of an historic portfolio.

- l) We will consult with our commercial tenants to understand interest and appetite to ascertain their 'buy-in' to the Zero Carbon agenda and what measures they are undertaking in their businesses to add to this agenda.
- m) We will secure advice to help explore new funding models e.g., if OCC is able to adjust rents reflecting its investment how this will affect the rental income flows etc.
- n) We will explore the principals of 'Green Leases' on all new lettings and will also secure agency advice regarding new lettings in respect of sustainable energy and if we are able to direct tenants to use sustainable solutions without an equal loss of income.
- o) We will provide 'welcome packs' for all new tenants signposting them to renewable energy sources.
- p) We will obtain specialist commercial advice on future portfolio operating models and leasing approaches of commercial assets to inform whether additional costs could be passed onto tenants and/or use of Salix e.g., OCC pays the bills or recharges our tenants in a service charge type arrangement. If this becomes possible additional internal resources would be required to administer this process.
- q) Wherever possible OCC will look to encourage tenants wanting to make improvements to their properties to reflect the Zero Carbon agenda.
- r) In addition, we will seek opportunities to ensure future proofing is included in advance of the 2023 date where we are planning repairs and maintenance projects.
- s) OCC has contacted, other authorities (e.g., Bristol, Birmingham and Cambridge with similar portfolios) to ascertain how they are reacting to the Zero Carbon Agenda. This best practice will be incorporated into future planning to reduce carbon.

New Builds / Refurbs:

- t) Where OCC brings forward either new build or refurbishment of its commercial assets it will explore the business cases for future proofing zero carbon through electric boilers or MEES / EPC 'B' rating. This commitment is in advance of any central Government requirements.
- u) OCC will also consider and cost a zero-carbon option (shadow price) in all business cases for new developments or refurbishment of its assets.
- v) We will agree a methodology to assess what is an acceptable additional threshold of cost and return to make informed investment decisions.
- w) We will agree what basic standard of measurement is appropriate for new build and refurbishment projects (E.G. BREEAM / NABERS) and the target level within that standard.
- x) OCC will actively review opportunities for carbon offsetting initiatives on its land assets e.g., tree planting, exploration of solar etc.

The City Council as Planning Authority and other Regulatory Services

- 62. The Review Group noted the opportunity to influence the energy-efficiency standards of buildings developed through its powers as a planning authority, and through its provision of Building Control services. The Council can exert influence on property owners through its licensing capabilities also.
- 63. The planning process is governed centrally by the Ministry of Housing, Communities and Local Government who determine the National Planning Policy Framework (NPPF). The local plan is 'examined' by a Planning Inspector. The examination will assess whether the plan has been prepared in accordance with legal and procedural requirements and if it is sound. The Inspector will also consider the evidence provided by the planning authority to

support the plan and any representations which have been put forward by local people and other interested parties, including developers. A local plan must be evidenced based the planning authority, in Oxford's case, Oxford City Council.

64. The Review Group noted the improvement set out in Oxford's Local Plan of a 40% improvement in energy efficiency on Building Regulations. Whilst the Review Group noted the Citizen Assembly's ambition in this area, assembly members set no date for a 'net zero' city. The Urgency was sought however assembly members recognised the challenge of reaching 'net zero'.

Planning

65. At present Local Plans are required to be reviewed every five years, however the Government has put forward a range of proposals for planning reform in 2020. The Review Group examined the role of supplementary planning documents (SPD) however they recognised an SPD for carbon reduction would take a significant amount of resource and cannot go beyond the requirements of the Local Plan. Further the Review Group also recognised that Government has also consulted on Building Regulations and the Future Homes Standard this year.
66. The Council, as part of ensuring successful implementation of the new Local Plan, will be working on Technical Advice Notes to provide guidance on how some specific policies can be implemented. One of these will relate to the new policies around carbon reduction with a particular focus on relationship between policies e.g., advice to show that things can be done in historic environments.

Regulatory Services

67. It is noted that The Review Group anticipated the potential for the Council to drive up standards through having a tougher set of standards more rigorously applied. However, following discussion on the topic this was shown not to be feasible for two key reasons: the market in which Building Control operates, and legislative risk.
68. As was noted, the Council's Building Control service is only responsible for approximately 60% of the inspections undertaken in the City. This is because the Council's service must compete against private sector providers; indeed, several rules on Council services have the effect of putting the Council at a disadvantage versus the private sector. The Council's own unique selling point is not on price, but on the overall level of service and ancillary services to which it has access.

The City Council as Communicator, Convenor, and Influencer

69. The City Council itself is only directly responsible for circa 1% of the emissions within the city. The Review Group supported the view that, capacity and resources be directed towards setting a positive example and working in partnership to galvanise change across the city as part of a shared ambition. The Review Group recognised examples best practice in this regard including the EV Summit. This was initially established with seed funding from the City Council and is now run by Green TV. After three years Oxford has sufficient national and international pull for this event to be run commercially.

70. The Council welcomes the support of the Review Group that the key areas in which the Council can use that influence is in its roles as a communicator, convenor, and influencer. A key step in this will be when, following the Citizens' Assembly the Council holds a summit of key stakeholders in February 2021. As well as setting out an overall ambition and direction for the city it is intended that a Zero Carbon Oxford Partnership will be formed. That partnership will support various work strands to co-ordinate and drive work across the city.
71. Post the summit the Council will receive a report back and a Zero Carbon Oxford Plan will be proposed. This will confirm an initial target date for the city to achieve net zero, the carbon budgets to achieve this and an action plan.
72. It is recognised that engagement needs to go far beyond those key stakeholders. A key message from the Citizens' Assembly was the need to bring everyone in the city to a higher level of awareness and engagement.
73. The Review Group noted the theme of sharing information on the climate emergency with young people. There are several initiatives either in or near Oxford that provide excellent resources. During December 2020, an initial Youth Climate Summit was held. Further engagement flowing from this is being considered.
74. Whilst the City Council has the political legitimacy to convene work to become a zero-carbon city, as the review Group noted, there are many other groups and resources already operating successfully in their field.
75. The Review Group found as was noted at the Citizens Assembly on Climate Change that there is in Oxford a lot of work already being done to tackle the Climate Emergency, but that that work is not widely known. The Oxford Together on Climate Change website seeks to address that. Communication about the challenge the climate change represents and what can be done individually, locally, nationally, and internationally will be a key element of our work going forward and we intend to work with partners and stakeholders on this building on their knowledge, expertise, and networks.
76. The Council's consultation budget includes addition resources to support these elements of enegement.

Lobbying central government

77. The Review Group supported the view that the council should remain active in lobbying and campaigning. The Review group considered that it would be possible to have a long shopping list of proposals to be made to the Secretary of State, but that this is a well-defined suggestion that would make a tangible and wide-scale difference.
78. The key areas being pursued by the Council at present are around: -
- a) The date for the withdrawal from sale of vehicles with internal combustion engines
 - b) The need for the introduction of regulations requiring all new homes to be built to zero carbon energy
 - c) Active engagement in the consultation around standards to be imposed through Building Regulations and housing acts.

- d) The need for capital funding and fiscal incentives to support the improvement of buildings and homes
- e) Support for the move towards renewable energy and local smart distribution grids.

79. In recent months there has been progress towards the Council's views both in terms of policy and in funding both nationally and locally.

Responses to Individual Recommendations

80. Recommendation 1: That the Council accepts the principle that it is possible, at no detriment to tenants, to use current tenants' spending on heating, for investment in energy-efficient housing instead. Furthermore, that it revisits the specifications for its proposed housing developments to include income from a 'comfort plan' akin to that charged by Nottingham City Housing for Council tenants in ultra-high efficiency homes.

81. Whilst it is accepted that this is a desirable outcome, the means to achieve this at scale have yet to be identified. Information has been sought from Nottingham City Homes to inform our thinking on this and understanding about how to achieve this at scale. Officers will report back on this to the Cabinet Member.

82. Recommendations 2: That for its new-build affordable rent housing (as opposed to social rent) the Council includes energy bills within its rent.

83. See response to recommendation 1.

84. Recommendation 3: That the Council:

- a. **invests in Oxford Direct Services to ensure that it has the skills, equipment, and expertise to deliver the required retrofit services. These must be suited to the variety of retrofits it will encounter in retrofitting the Council's own housing stock by 2030. Even where there is not necessarily a business case to do so, that the Council work to develop within its own supply-chain the capacity to deliver those services**
- b. **regularly market tests the level and type of demand for retrofitting to lead investment decisions in Oxford Direct Services. Particularly attention should be given in those areas where its relationship with the expertise within the Council may give it a competitive advantage, such as heritage conservation.**

85. ODSL has been in dialogue with Abingdon and Witney College about its requirements for both apprenticeships and short courses. Abingdon and Witney College has received specific funding through the Growth Fund to develop a training facility which is aimed at meeting this need. <https://www.oxfordshirelep.com/news/article/abingdon-and-witney-college-secures-funding-bicester-skills-centre-oxlep-local-growth>. Both the Council and ODSL have been consulted about this development along with other employers in the industry.

86. ODSL is seeking to develop this work as an area of expertise and is discussing opportunities with partners in the development of their supply chain. This has been included in the Draft Business Plan 2021/23 for ODS.

- 87. Recommendation 4: That the Council approaches the retrofitting of Council-owned properties with a view to securing the greatest overall carbon reduction in the shortest amount of time in the most cost-effective way, and that as part of this it develops a set of standard packages of work that can be undertaken simultaneously to ensure energy efficiency measures are also delivered at least inconvenience to the tenant.**
88. This recommendation is accepted. The proposed principle for guiding retrofit work is one which the Council has already approved. A 'sweet spot' needs to be found that balances the practicality of delivery, resident disruption/ convenience, value for money of delivery and carbon reduction levels.
89. The approach will be to assess those property types that are the worst performing and balance that against the factors identified above to secure the most effective programme. As identified elsewhere in this report, a small number of properties may be beyond economic improvement.
90. In addition the void standard is to be enhanced to include energy efficiency and carbon reduction works, to take advantage of the position when properties are vacant.
- 91. Recommendation 5: For properties for which it is uneconomic to retrofit to zero carbon standards, that the Council reviews the business and whole-life carbon case for maximising the use of the land (for example by demolishing existing buildings and constructing zero carbon replacements at increased density).**
92. This recommendation is accepted. This is in line with the approach proposed for assessing the best course of action for different building types. Obviously, another factor to consider is the views of tenants.
- 93. Recommendation 6: That the Council:**
- a) monitors and develops a strategy, including increasing the practicality to tenants of the retrofitting offer, to reduce the high refusal rate for energy-efficiency improvements in Council-owned properties, and**
 - b) identifies retrofitting champions amongst its own tenants and those in other accommodation who are willing to talk about their experiences of retrofitting to those interested in following suit.**
94. The recommendations are accepted. The idea of tenant champions will be incorporated into the existing tenant ambassador scheme.
95. The Review Group examined several areas of good practice including support to residents on adopting low-carbon lifestyles, providing information on bus routes, raising awareness of nearby low-packaging shops, and drawing attention to the amenities available in the area.
- 96. Recommendation 7: That the Council undertakes post-occupancy energy evaluations for the City Council's commercial stock.**
97. As commercial property becomes vacant, we already undertake a post-occupancy survey which includes evaluations for energy efficiency. At present for commercial buildings to be let they must have an EPC rating of E. From April 2023, EPCs will also apply not only to all new lettings but also to all existing commercial leased properties; Government is

considering proposals to move to a higher 'B' Rating. As a result, we are seeking opportunities to ensure future proofing is included in refurbishments in advance of the 2023 date where we are planning repairs and maintenance projects. In addition, we have commissioned a condition survey for the whole portfolio which will inform and help us to develop a programme to work towards an Energy Performance Certificate (EPC) 'B' rating where this is possible. It should be noted that much of the existing commercial portfolio may present challenges to reach a 'B' rating due to its age and nature of the buildings.

98. Recommendations 8: Where possible, the Council will include within lease agreements requirements for commercial property tenants to use renewable electricity, monitor usage and make the information available to the Council to guide the Council's energy improvement decisions.

99. We will consult with our existing commercial tenants to understand their appetite for the Zero Carbon agenda, what measures they are undertaking in their businesses and signposting them to energy saving initiatives. For SME's there are organisations, such as the Low Carbon Hub, to help deliver energy initiatives for carbon improvements. In this way we will be able to suggest to tenants that they use renewable energy sources, monitor their energy use, and provide that information to us for monitoring purposes and to guide our decision-making processes. We will also encourage our tenants who are looking to make improvements to their properties to do so reflecting the Zero Carbon agenda. However, due to the nature of commercial property leases for the existing tenants we cannot alter lease terms or introduce new requirements without tenants' agreements to such changes.

100. We will explore the principals of 'Green Leases' on all new lettings. We will also secure agency advice on new lettings in respect of sustainable energy and if we are able (without a loss of income), we will require tenants to use sustainable solutions. Additionally, we will provide a welcome pack for all new tenants signposting energy saving initiatives.

101. We will secure advice to help us explore new funding models and obtain specialist commercial advice on future portfolio operating models and leasing approaches of commercial assets to inform whether additional costs could be passed onto tenants and/or use of Salix e.g., OCC pays the bills or recharges our tenants in a service charge type arrangement.

102. In addition, we have contacted other local authorities with similar commercial portfolios to ascertain how they are reacting to the Zero Carbon Agenda. This best practice will be incorporated into future planning to reduce carbon within the commercial portfolio.

103. Recommendation 9: That the Council undertakes a review of the energy efficiency of its non-domestic stock, including community and sports facilities as well as its commercial portfolio, and develops a plan on how it intends to bring these in line with the Council's goal for the City to be carbon-neutral by 2030.

104. As part of the condition survey work already underway, the council will review the energy efficiency of its operational and commercial portfolios.

105. The new Asset Management Plan (2021/2031) will provide the strategy for the environmental sustainability themes (which includes the goal for the operational portfolio to be carbon neutral by 2030 wherever possible).

106. It will also provide an annual monitor for the Minimum Energy Efficiency Standards (MEES) April 2023, which will apply to all existing lettings not just new ones, together with its programme for achieving EPC Grade B, subject to business case.
107. The Council has commissioned condition surveys for the whole commercial portfolio, and this will provide essential data with an indicative cost. This will result in a business case being presented during 2021 for the necessary upgrades to the building fabric. It should be noted however, that many properties are older retail and hospitality assets, and carbon reduction may prove to be more difficult and have the potential to be expensive to deliver.
108. The Council has already identified its top eleven least energy efficient buildings and is addressing these incrementally, for example installing heat pumps as a replacement for fossil fuel gas boilers in Blackbird Leys Pool & Leisure Centre.
109. Community and sports facilities owned by the City Council, where the Council pays the utility bills, or are subject to agreements with FUSION are covered as part of the Carbon Management Plan. These are already factored into the Council's programme moving to achieve a net zero carbon position by 2030.
110. We will continue to explore various funding models, take expert advice, and ascertain where we will be able to utilise Salix funding for these improvements or such other government funding initiatives such as Public Sector Decarbonisation Scheme grant.
- 111. Recommendation 10: That the relationship between OCHL and Greencore Construction be cultivated to:**
- a) allow learning for OCHL on high standard/low-cost green build approaches, and to develop a business case on how the Council might replicate similarly energy efficient homes at similar prices**
 - b) allow informed political support for Greencore Construction's plans for the building of 500 climate positive homes in Oxfordshire.**
112. In developing our understanding and delivery model, the Council and OCHL is working in collaboration with a range of organisations and is already in discussion with Greencore Construction about several sites and have introduced them to ODSL for some new smaller sites. There is the need to continue to investigate whether the model could result in low-cost options for sites that are under consideration.
113. As with any new contractor that the City Council seeks to partner there is the need to see the finished product and not stretch contractor capacity beyond their immediate capabilities. It is suggested that a phased approach is adopted including performance gap modelling. The Review Group will be aware of performance gap issues which can cause problems for tenants and potentially cost more. There is increased optimism about building performance as knowledge increases however there is still the need to be mindful of occurrence of building performance in 'real life' rather than modelled approach. OCHL is currently in the process of establishing a framework of MMC/ Off site manufacture suppliers to support the 'fabric first' approach
114. As was noted by Review Group, 50% of the OCHL housing developments are being built for private sale, so it is important to consider their design. The Council can maintain a positive influence over the emissions from these building after they pass into private ownership. Review Group commended Passivhaus standard. Passivhaus provides a high

level of occupant comfort while using limited energy for heating and cooling, through a fabric first construction that can be certified through a rigorous quality assurance process.

- 115. Recommendations 11: The Review Group makes the following recommendations:**
- a) That private homes built through the Council's companies are electric-only and built with a 'fabric-first' Passivhaus approach, ensuring that, if not fitted initially, on-site renewable energy can be easily retrofitted at a later date.**
 - b) Council will ensure that its wholly owned companies develop KPIs around the rate of heat transfer through a structure (u-values) and the airtightness of the properties they develop to Passivhaus levels and these KPIs will be reported regularly to the shareholder.**
116. The recommendations are agreed to as aspirational targets - the route to achieve these is set out below.
117. All new developments are now supplied only with electricity connection which means that high levels of insulation combined with electric heating must be achieved. Whilst this is a step forward it is not the same as achieving Passivhaus standards. OCHL are examining the Passivhaus standard whilst evaluating other cost priorities.
- 118.** Oxford City Housing Ltd (OCHL) is bound by the Oxford City Council Local Plan, new developments are required to go 40% further than government targets on carbon emissions, while balancing other policies within the plan. OCHL's current business plan includes an ambition to exceed the target with a stretch target of 70%.
119. OCHL is currently reviewing targets within the business plan refresh for 2020 and intend to discuss further with the shareholder the trade-off between making an appropriate return for the council and achieving low carbon homes. The 'fabric first' approach is a good principle that is fully endorsed. OCHL has commissioned some exemplar sites such as the bungalows at Bracegirdle Road, being delivered by ODSL. These will be used as learning and stretch projects to speed up the transition to higher standards.
120. The Council as shareholder will work with OCHL to further explore the appropriateness of developing KPIs to measure this.
- 121.** As the Review Group noted, human behaviour within buildings is central to performance. Smart metering may be a support for some owners or tenants.
- 122. Recommendation 12: That the Council includes super-smart metering within the homes OCHL builds.**
123. The Government requires all energy suppliers to install smart meters into all homes by 2024. Smart Metering Equipment Technical Specifications or SMETS sets the standards for smart metering. The newest generation of smart meters are SMETS2. SMETS2 are cross compatible across energy suppliers.
124. SMETS 2 standard meters are installed in all new developments requiring connection to the grid.
125. The supply chain for low carbon construction as the Review Group noted is far from optimal. Current experience shows that local suppliers are not able to provide materials in the volumes required.

- 126. Recommendation 13: That the Council**
- a) partners with other significant purchasers of sustainable building materials to develop a group-buying syndicate.**
 - b) supports at OxLEP and other suitable fora the suggestion for developing an eco-business park in Oxfordshire.**
127. There needs to be both the creation of a pipeline of work and a matching supply chain.
128. We are exploring this through two routes. Firstly, through support for the Cosy Homes project which is seeking to achieve both in the domestic market. Second, we are seeking to collaborate across public bodies who have made bids under the decarbonisation fund.
- 129.** We will raise the issue from b) through our involvement in the Clean Growth Group of the LEP.
130. The Council notes and agrees the Review Group experience of feedback on how well-placed Oxford, and the Council, is to engage in and deliver, in partnership, projects of national significance in terms of low carbon housebuilding. Also noted if the concern in relation to pilot projects and it is agreed that a 'first of many' approach should always be sought.
- 131. Recommendation 14: That the Council ensures its tenants and purchasers of Council-built homes are supported as much as possible to engage in low-carbon lifestyles, such as through welcome packs providing information and potentially discounts at local food coops, bike shops and bus passes.**
132. This recommendation is accepted. This proposal will be developed in consultation with tenant champions and ambassadors.
- 133. Recommendations 15: That the Council prioritises, in partnership with other bodies, one flagship project of national significance around zero carbon building, and that it prioritises the learning from the flagship project to inform and improve future construction of zero carbon buildings.**
134. Since the Review Group report was published, ODSL has commenced work on building eight zero carbon council homes across three sites in Oxford. The new homes will be zero carbon for regulated energy use, lighting, space, and hot water heating. Two one bedroom and two two-bedroom retirement homes will be built on a site between existing homes in Bracegirdle Road and Chillingworth Crescent. Garages behind Mortimer Drive will be replaced with two one-bedroom and one two-bedroom single-storey retirement homes. A further two-bedroom single-storey retirement home will be built in Broad Oak. All the homes are wheelchair accessible
- 135. Recommendation 16: That the Council will develop TANs to support the implementation of the Local Plan. One of these should include advice relating to Local Plan Policy RE1: Sustainable Design and Construction.**
136. This recommendation is accepted. The Council will produce a Technical Advice note on Sustainable Design and Construction which will include Policy RE1 to support the plan policy and provide further guidance. This is committed within the Local Development Scheme agreed by Cabinet in July 2020.

137. **Recommendation 17: That the Council will seek to bring forward an SPD for the West End, which will include some advice on sustainable design and construction in this area.**
138. This recommendation is accepted. An SPD for the West End will be included in the Local Development Scheme which was agreed by Cabinet in July. This will include an overview of the scope of this document, which will include some advice on sustainable design and construction in this area linked to the Oxford Local Plan 2036 under which this SPD will sit.
139. **Recommendation 18: That the Council in its drafting for the Local Plan 2040 includes zero carbon targets for new non-domestic property.**
140. This is a complex area given there are a range of external factors will be at play. The Local Plan will seek to build upon Local Plan 2036 and seek to deliver policies that continue to go further on these issues national policy allowing. There is still a role for a range of bodies to lobby government in relation to what is required nationally and allowed for locally. Developers need to be encouraged to go beyond what is viable. Finally, government is seeking to change the planning process for the future.
141. The Review Group perception is that the Council at present struggles to balance the needs of sustainability and heritage, with heritage considerations being given excessive weighting in decision-making. Seeking a balance is also complicated given the legislative framework around listed building consents and conservation areas.
142. **Recommendation 19: That the Council**
- a) **takes measures to ensure that in situations where conservation and building efficiency are in conflict, Conservation Officers will hold a presumption in favour of efficiency, particularly in situations where there is no or low visual impact**
 - b) **takes the earliest opportunity to state its position regarding the balance between sustainability and heritage, and explicitly confirms the presumption in favour of sustainable development, with Cambridge City Council's position being considered a good example.**
143. It needs to be recognised that there is a statutory obligation to place great weight on the preservation of designated heritage assets such as listed buildings and conservation areas. This is a legal requirement and while it does not mean that change cannot occur to such assets it is a significant material consideration that needs to be weighed in the balance. Therefore, it is not possible to hold a presumption in favour of efficiency over the impacts on the significance of such assets, as it will depend on the specifics of the case.
144. The Council is preparing a TAN looking at heritage and climate change – listed in LDS agreed by cabinet in July 2020. This is to take a proactive approach building on best practice to make clear to applicants the opportunities and interventions that are possible as there are many. Officers attend regular training, and this area continues to be a focus to ensure staff are up to date on best practice.
145. Various funding mechanisms were discussed by the Review Group around incentivising energy efficiency including Community Infrastructure Levy (CIL) and s106 payments.

- 146. Recommendation 20: That the Council explores options by which it might incentivise developers to build homes that reach zero carbon standards, including exploring the legality and practicality of introducing a reduced CIL level, s.106 contributions and other charges for zero carbon homes.**
147. It is not possible to use CIL and S106 as an incentive in this way. CIL is set and must be paid accordingly but there are reviews of the planning obligation regime nationally. There is a need to evidence the necessity for change in this area for the next Local Plan within the national policy context which may have changed by then.
148. The building regulation changes may offer the best opportunity to achieve a major shift by having a more aspirational national standard to build to that hopefully can be added too if evidence supports it locally. However, national planning changes may remove the ability to have local standards in this way. This was also mooted in the Future Homes Consultation.
- 149. Recommendation 21: That the Council**
- a) develops a mechanism by which innovative sustainability solutions proposed at the pre-application stage can be reviewed by specialist officers.**
 - b) considers how it can provide greater support throughout the Planning service to those applicants wanting to build according to best practice.**
150. The pre-application process already involves the relevant specialist services where necessary and has set up specialist briefings to provide these services with greater insight into schemes. Oxford has piloted and trialled a range of innovative solutions.
151. Oxford has a rich heritage environment there is still scoped to further develop skills in relation to heritage and low carbon approaches.
- 152. Recommendation 22: That the Council ensures that its conservation officers receive training in eco building approaches to historic buildings including visiting good examples in Oxford and elsewhere.**
153. Officers are seeking out training and this will be built into officer CPD objectives to increase knowledge in this area. Some training has already been attended. All officers will get further training as Government standards, guidance, regulations, and legislation changes going forward.
- 154. Recommendation 23: That the Council promotes its Building Control service on the basis of the service level it provides, particularly with regards to access to advice, help, and assistance around sustainability and heritage.**
155. The Council's Building Control Service can use this approach as a means of promoting its services and expertise in this area. Oxford has a very high number of rented properties. A House of Multiple Occupation (HMOs) is defined as being 'rented out by at least 3 people who are not from 1 'household' (for example a family) but share facilities like the bathroom and kitchen'. To offer such a property for rent it is a legal requirement that a licence be held, and which is granted in Oxford by the Council. At present, 4321 properties are licensed (though this figure represents only 82% of the estimated total number of HMOs in the City.)

- 156. Recommendation 24: That the Council investigates the viability of amending its voluntary HMO landlord accreditation scheme to incentivise HMO landlords to provide properties of EPC rating band C or higher.**
157. Agents and landlords are currently incentivised to join the accreditation scheme through lower HMO licencing fees and one of the criteria for membership is to currently ensure properties have an EPC rating of 'D' or higher. This is based on a current legal requirement for a minimum of 'E', so the scheme is going above minimum statutory standards. Energy efficiency will form part of the annual scheme review and the viability of moving to the EPC rating band C will be considered.
158. In addition to its licensing of HMO landlords, the Council is in the process of developing proposals to put to central government for permission to implement a selective licensing scheme. A selective licensing scheme would cover, subject to several limited exceptions, all non-HMO rental properties within the City.
- 159. Recommendation 25: That the Council investigates the potential within a selective licensing scheme means of encouraging landlords, possibly through reduced fees, to provide more energy-efficient rental accommodation.**
160. Discounts for a selective licensing scheme have been proposed for those landlords and agents who are members of the accreditation scheme as above. The case law regarding licensing fees restricts the Councils ability to charge lower fees purely based on the EPC rating of the premises.
- 161. Recommendation 26: That the Council actively engages as a convener stakeholder involved with sustainable building, or those it would wish to see become involved, and as part of this convenes a zero-carbon building summit akin to that run on electric vehicles**
162. It is very likely that one of the key working groups emerging in the Zero Carbon Oxford partnership at the Zero Carbon Oxford summit will be around buildings. This proposal will be put to that working group.
- 163. Recommendation 27: That the Council as a shareholder of its own construction company and a major stakeholder in other construction projects uses its position to increase the number of local apprenticeships available in energy-efficient construction methods.**
164. This recommendation is accepted. Beattie Passivhaus has links with local training provider Toolshed and they work to train and develop young people. This will be explored however this may need to be developed when resources are less pressured unless addition resources are deployed to achieve this.
- 165. Recommendation 28: That the Council joins, promotes and supports the website of Oxford Together on Climate Change**
166. This recommendation is accepted. Work is already underway to promote the website and seek to provide content.

- 167. Recommendation 29: That the Council works to create hands-on opportunities for children and young people during its development and retrofitting of properties to allow children and young people to learn about low-carbon housing.**
168. This recommendation is accepted: it is the sort of initiative that is proposed to be explored with the additional resources included as bids in the Council's Consultation budget
- 169. Recommendation 30: That the Council informs applicants to the to-be ringfenced portion of its grant funding budget for voluntary and community responses to the Climate Emergency of alternative funding as a matter of course, including that from the Low Carbon Hub small grants pot.**
170. Without change to our intent, the Council is revisiting the work we have done to review the grants programme due to the pandemic. A prospectus for such grants could be developed and the council could assign a portion of the grants pot to that prospectus. We will liaise with the Low Carbon Hub about appropriate sign posting to their grants.
- 171. Recommendation 31: That the Council supports the ongoing efforts of the Parish Council Forum to hold workshops for all parish councillors within the district and immediate neighbours on ways in which the councils might be able to support each other in helping deliver local projects to reduce carbon emissions.**
172. A parish council workshop was planned for March 2020 however it had to be postponed because of the COVID-19 situation. The Cabinet member for Zero Carbon Oxford will be participating in a parish council meeting on this topic in early 2021. A virtual event will be delivered in 2021 on local action.
- 173. Recommendation 32: That the Leader writes to the relevant Secretary of State proposing that Stamp Duty levels be adjusted according to environmental standards.**
174. Stamp Duty Land Tax is a matter for the Treasury. The Leader has liaised with Anneliese Dodds MP, Shadow Chancellor of the Exchequer who has written to Rishi Sunak MP, Chancellor of the Exchequer.
- 175. Recommendation 33: That the Council investigates the potential to map ecosystem services and natural capital at a district and sub-district level and quantifies the resources required to take a strategic approach to identifying what sorts of ecosystem and natural habitat are required where and in what quantities.**
176. The Council notes the view of the Review Group that there is a lack of information available to the Council which puts environmental and biodiversity concerns at a systemic disadvantage. There are range of co-benefits around the natural environment for residents and visitors to Oxford.
- 177. Recommendation 34: That OCHL work with biodiversity partners on its housing developments, to inform the biodiversity-enhancing work undertaken, and to monitor its effectiveness.**
178. OCHL will as a minimum meet the Local Plan requirements for net biodiversity gain in significant developments. Support in reviewing additionality over and above the

requirements can be provided by the Ecologist. The Council's consultation budget includes for additional resources for biodiversity work.

179. Recommendation 35: That the Council as shareholder to Oxford City Housing Company requests a report to be made to detail how OCHL will abide by the Council's own Biodiversity Technical Advice Note, particularly pages 31-33 (ecological enhancements) and 34-39 (enhancements for species). Detailed reporting to be given on the use of swift bricks, hedges instead of walls and fences, the installation of bat boxes, and how greenery planted will prioritise native species, drought

180. This will be considered at a Shareholder meeting and will be for Shareholders to decide on.

181. Recommendation 36: That the Council consults with residents of Council accommodation with communal garden areas over their views on whether they would welcome activities to support greater biodiversity, including, amongst other things, swift boxes, tree planting, pollinator-friendly planting, reduced cuts and the removal/creation of holes in walls and fencing.

182. The Great Estates Programme already includes environmental and landscape improvements but will be further enhanced to achieve greater biodiversity in consultation with residents.

183. Recommendation 37: That the Council investigates the feasibility of wildflower verge planting and a reduced cutting schedule, and if it is found to be deliverable to consult with residents on their interest in the Council delivering such a scheme.

184. This proposal was investigated as part of the budget preparations for 2021/22. On balance the view taken is that the cost of such a scheme is disproportionate to the real biodiversity benefits obtained and that any investment would be better linked to natural resource mapping at targeted areas of the city where there were identified deficits.

185. Recommendation 38: That the Council reviews its management of Shotover Park and develops recommendations as to how it can further foster the biodiversity it supports.

186. Shotover Park, situated on the southern boundary of the City, is a site of Specific Scientific Interest as an area of national importance for wildlife. It is subject to a management plan, approved by and under the supervision of Natural England. In addition to the work undertaken by the Council multiple groups of volunteers also work to preserve the wildlife. Those groups are routinely consulted about those management plans and how the area could be improved.

187. Recommendation 39: That the Council redesignates Headington Hill Park as an arboretum and adjusts its management and biodiversity practices concerning it accordingly.

188. Headington Hill Park was originally an arboretum, it has a higher concentration of rare species of tree than other parks run by the Council. Current management plans, which consider Headington Hill to be a park rather than an arboretum, which has a broad range of habitat management better suited to the natural resources of the area. Over an extended

period of time this will see the range and nature of trees change. The key driver for new planting will be about adopting species suitable to the changing climate as part of the evolving mitigation plan for the city.

189. Recommendation 40: That the Council develops a ‘how to’ resource for interested community groups and individuals wanting to engage in tree planting but do not know where to start, including where to access expertise.

190. This recommendation is accepted. There are some excellent resources online from a range of sources including the Royal Horticultural Society on tree planting. The Council will develop material for signposting to online and consider what further support can be given to tree planting within the city. For example - two ‘tiny forests’ in consideration for the next year, “Tiny forest” is small, circa 50 fast growing trees, designed to mimic native woodland.

191. Recommendation 41: That the Council facilitates landscape improvements and tree planting with community groups by making ODS machinery and staff operatives available.

192. The Council has signalled its support to the idea of doubling the tree cover in Oxfordshire by 2045. To maximise the biodiversity impact of this pledge it is vitally important that it follows the principles of natural resource mapping. Planting trees does not always produce the best biodiversity outcome in any location. It is important therefore that resources are directed to that mapping work so that a strategic plan can be agreed across Oxfordshire.

193. The council will continue to support the work with volunteers to plant bulbs, trees, and shrubs to boost biodiversity. As an example, approximately 5000 snowdrop and bluebell bulbs were planted in spring 2020. Volunteers also planted trees, hedging and shrubs on the Oxford Canal near Frenchay Road. The Waterways project also ensured 750 waterside marginal plants were planted and new bird-nesting boxes, insect-hotels, hedgehog and toad habitats and kingfisher-posts were installed.

194. Recommendation 42: That the Council expresses its support for the recovery of nature and zero carbon housing at the Conference of Parties 26 meeting in Glasgow in November 2020 via its UK100 representative.

195. The City Council is exploring its own interactions with the COP26 summit. In addition, the Council will work with UK100 and supports a proposal put to the Growth Board that Oxfordshire together makes a submission to COP 26 setting out what has been achieved, what more is possible and the linkages to our low carbon economy potential. This could prove to be the basis of international and national funding bids. If approved by the Growth Board in February a small financial contribution from the City Council is likely to be required.

196. Recommendation 43: That the Council devises a policy which balances the delivery of efficient and accredited offsetting with tangible local benefits. Specific consideration to be given to investing in ‘pure’ carbon-offsets and donating the spread figure between the price of those and ‘co-benefit’ carbon-offsets to the Lord Mayor’s Climate Fund.

197. This recommendation is accepted. An offsetting policy will need to be developed as part of the work programme in 2021/22.

198. **Recommendation 44: That the Council introduces a corporate target on the number of miles driven by staff per month in commuting to work and seeks similar targets to be instituted for its companies.**
199. This work will be required as we seek to address the Council's scope 3 emissions. It will be existing initiatives which seek to limit private vehicle use by staff, such as incentivising bus and cycle use.
200. **Recommendation 45: That the Council, and its companies, use the opportunity of central government's removal of the £1000 Cycle to work cap to support staff in the purchasing of electric bikes through statements of support, internal awareness-raising of the Cycle to Work scheme, and organising trial opportunities for electric bikes.**
201. This recommendation is accepted – information will be communicated to staff.
202. **Recommendation 46: That the Council undertakes a review of how it can reduce work-related petrol/diesel miles, including exploring the potential for use of electric car club vehicles as an alternative to pool cars for staff travel. Also, whether it can include an offset option for staff wanting to contribute towards mitigating the carbon impact of their work journeys, and for a similar undertaking to be implemented in its companies.**
203. The City Council's commuting carbon footprint is baselined at approximately 820tCO₂/y, (covering the City Council and ODS). This assumes commuting every weekday (with allowance for bank holidays, leave, sick leave), with data from the south east for modes of travel pre-pandemic. If post-COVID-19 onset, working-from-home averages 4 days per week, this would reduce by c.560tCO₂e. (The Council encourages sustainable travel by: Cycle-to-work Scheme; mileage for using bike for workplace travel; interest free loans to buy public transport season tickets; ability to work from home/flexible. The potential for maintaining a more flexible approach to working is being explored which should lead to reductions in both commuting and office space-based emissions.
204. The Council has a plan for the electrification of its fleet, by mid-2021 35% of the fleet will have been converted and the first electrically powered refuse freighter will be in operation.
205. The Council's staff work related travel is already heavily geared towards bus and cycle travel. The remainder of these scope 3 type emissions will need to be picked up in the next phase of the council's carbon management plan.
206. **Recommendation 47: That the Council records and reports on the number of 20p per mile cycling payments made and engages in promotional activity to increase the proportion of work-related cycle journeys made including consideration of the financial impact of increasing the rate to 45p per mile.**
207. Records from payroll show that there are very few mileages claims for cycling. Anecdotal evidence is that staff do not feel the necessity to be compensated for journeys by bicycle. Therefore, this is not seen as a priority for action.

- 208. Recommendation 48: That the Council consults with stakeholders on the feasibility of ‘shower and change only’ memberships at Council-owned gyms and leisure centres.**
209. This will be raised with the Council’s leisure service provider. However, it should be noted that at present we are going through the phased re-opening of facilities and the focus is on base service provision at a price that the council can afford.
- 210. Recommendation 49: That the Council continues to give its support to County Council applications for Controlled Parking Zones.**
211. This recommendation is accepted, this work is already underway and is reflected in the council’s consultation budget. The City Council is a funder and partner of the County Council’s CPZ scheme and linked schemes such as Connecting Oxford.
- 212. Recommendation 50: That the Council audits the workforce skills and capacity required to deliver the Council’s commitments on Climate Change.**
213. This is particularly apt in the areas of buildings and housing and is being followed up in that context including the transfer of knowledge during the de carbonisation grant projects.
- 214. Recommendation 51: That the Council begins to model the carbon effects of its proposed policy decisions using data modelling akin to the Centre for Digital Built Britain.**
215. This recommendation has been considered and the following are the practical and affordable steps that are considered appropriate and deliverable at this stage.
216. The revised Carbon Management Plan commits to exploring carbon budgeting to see what benefits this might bring to the programme to de-carbonise those buildings where the council is the customer for the energy on the site.
217. The Board Member has also proposed that the council introduces a review of the environmental policy to be included in all key decision reports to put to the Cabinet.
218. More widely the council is commissioning, the modelling of carbon budgets for the city and 5 yearly reporting replicating the work of the CCC at a local level to inform and guide the progress of the Zero Carbon Oxford Partnership.
- 219. Recommendation 52: That capacity-building to act upon learning is included within bids for grant funding.**
220. This recommendation is accepted. Projects across the City Council are developed and delivered using Prince 2 methodology or equivalent. Lessons learnt exercises are recommended to be undertaken along with regular sharing of project updates and learning. Recent reviews have pointed to the need to build capacity in project assessment and management related to carbon improvements in buildings.
- 221. Recommendation 53: As part of its carbon monitoring and reduction, the Council includes estimates of energy use from Council housing, rather than simply their communal areas.**

222. This would require modelling and data work to gain insights into energy use by tenants and would need new, additional resource. This will be considered when the data from the condition survey is being used to draw up the carbon reduction strategy for the housing stock.
- 223. Recommendation 54: That the Council will require companies from whom it procures services to measure the carbon cost of their activities and that the Council includes those costs within its carbon reporting.**
224. We need to do some soft market testing as to whether typical suppliers can meet or adapt to meet this requirement. It is possible to signal such a requirement as being a factor that would be considered in the scoring of the quality element of bid. This will be considered further at the next iteration of the procurement strategy.
- 225. Recommendation 55: That the Council reviews its investment criteria to enable investment in energy cooperatives, possibly through Social Impact Bonds or other means.**
226. The Council annually reviews its Treasury Strategy and makes recommendations to Cabinet and Council for any changes. Its investment strategy must by law follow SLY principals of Security, Liquidity, and Yield to protect the Council's financial position which is even more important in the current global pandemic. Whilst the council will continue to examine various institutions in which to invest for return, property funds and Low Carbon Hub.
- 227. Recommendation 56: That the Council considers the 31 recommendations made by Ashden on actions Councils can take in light of the Climate Emergency alongside those made in this report.**
228. The 31 recommendations work which was jointly produced by Friends of the Earth and Ashden has been in use by Oxford City Council in its work since 2018. We have made very good progress towards implementing the recommendations. The city council in leading the cross county group of local authorities regarding the climate emergency has promoted the framework as a good place to start to other authorities and we have shared our good practice with them.

CONCLUSION

The Scrutiny Review Group expended considerable effort to bring a range of views and experience before the city council. A wide range of recommendations were made that were timely as they coincided with the updating of the Council's Asset Management Plan and revision of the Carbon management Plan in a form that provided a framework for the delivery of the Council's ambition to become a net zero carbon organisation.

This response provides an opportunity to provide an overview of the Council's thinking across these and other plans and to consider in detail the issues raised during the review and recommendations made.

This page is intentionally left blank