

Title of Report	Executive Response to the Overarching Scrutiny Panel Investigation into Net Zero
Key Decision No	Non Key Decision
For Consideration By	Cabinet
Meeting Date	23 October 2023
Cabinet Member	Cllr Mete Coban, Cabinet Member for Climate Change, Environment and Transport
Classification	Open
Ward(s) Affected	All
Key Decision & Reason	Not required
Implementation Date if Not Called In	
Group Director	Rickardo Hyatt, Group Director, Climate, Homes and Economy

1. **Cabinet Member's introduction**

- 1.1. I welcome the review recommendations from the Scrutiny Panel (SP) as a result of its in depth examination of the Council's plans to achieve net zero. When this review started in October 2021, the Council was already delivering key practical activities associated with achieving net zero, however, the investigation by the SP has enabled a broader cross-cutting review across a wider range of the Council's services.
- 1.2. During the period of the review, a number of key plans and strategies have been put in place that provide the framework for action since a Climate Emergency was declared in 2019, in particular the [2023-2030 borough-wide Climate Action Plan](#) (CAP) and [three-year Council Implementation Plan](#) (CIP), amongst others. There are also new pieces of policy and strategy work in train, such as the development of an Economic Development Plan, a new Housing Strategy and an updated Sustainable Procurement and

Insourcing Strategy that will all have clear actions that link to Council and borough-wide plans to achieve net zero, endeavouring to work with businesses in our supply chain, as well as more widely.

- 1.3. Many of the responses to the recommendations indicate that whilst there is clearly more to do, work has already started in a number of key areas at pace as the Council seeks to embed the organisation wide approach to net zero and further support cross-cutting benefits such as enabling a larger local green economy with more skilled jobs to support that.
- 1.4. The Council also continues to lead in a number of areas, such as transport, and I am pleased to note the recent successes at the [British Parking Awards 2023](#) where the Council won three awards in recognition of its commitment to providing a public service and improving the streets of East London. The Council was named Parking Team of the Year, won the School Streets Award, as well as the Communication Award for its [Parking & Enforcement Plan](#) (PEP), which was adopted in October 2022.
- 1.5. Announcements by the Government recently declaring an intention to delay actions on net zero in a number of emission areas are extremely disappointing and short-sighted. In particular, those pertaining to the phasing out of petrol and diesel vehicles, gas boilers and implementing increased regulatory standards to improve the energy efficiency of properties within the private rented sector. All these actions undermine previous signals as to the seriousness of the Government's intent and may force the private sector and others to review future investment decisions that support and accelerate the path to net zero within the UK in areas that are already progressing too slowly, such as transport and housing. Accelerating plans to switch to electric vehicles and heat pumps have wider benefits in the long run, with the potential to save people money and improve people's health.
- 1.6. The full impact of these decisions, alongside others such as the recent approval of the Rosebank oil and gas field can only undermine our standing internationally. The details will be the subject of more extensive analysis by independent organisations, such as the [Climate Change Committee](#), but it is already evident that an extended period of reliance on gas will be more expensive than going low-carbon and provide little comfort to those already experiencing fuel poverty and living in poor quality energy inefficient homes.
- 1.7. Despite this news, the Council is continuing with the roll out of its electric vehicle charging programme, the largest in the country and I hope to be able to make further announcements regarding external funding applications for

work supporting improving our social housing portfolio, amongst others, shortly.

- 1.8. Looking to the near future, the Council is gearing up for the next Public Sector Decarbonisation Fund bidding round, which is now open, with the caveat that applications will be subject to eligibility. Round 2 of Hackney Light and Power's [Community Energy Fund](#) will be launched on the 19th October 2023 and the Council will be starting work imminently with neighbouring local authorities to develop a Local Area Energy Plan that identifies the utility infrastructure that is needed to support the transition to net zero.
- 1.9. Whilst the challenges may continue, the ambition, commitment and long term vision of the Council to create a greener Hackney remains unchanged.

2. Group Director's introduction

- 2.1. This report requests approval of the Executive response to the recommendations of Scrutiny Panel Overarching Review into Net Zero, which can be found in Appendix 1.
- 2.2. These recommendations seek to further strengthen the Council's response to the climate and ecological crisis across a wide range of topic areas including: monitoring, governance, leadership, investment & finance, housing & corporate property, transport, energy plus education, skills & economic development, all with a focus on net zero.
- 2.3. Since this review began in October 2021, the Council has progressed a number of key commitments which now provide the framework for future carbon emission reductions, both borough-wide and for the Council, noting that for the Council this is based on what it can control or influence.
 - **Climate Action Plan:** The Hackney [CAP 2023 - 2030](#), was formally adopted at Cabinet in May 2023. It is the first holistic borough-wide plan to address the climate and ecological crisis, bringing together the various strands into one overall document. This is underpinned by the CIP which sets out the key actions for the Council for the next three years to deliver the goals and objectives of the CAP and was an item at Full Council in July 2023 alongside the annual update on progress with the Council's decarbonisation commitments;
 - **Updated Council net zero target:** The Council's existing target for its own greenhouse emissions requires a 45% reduction by 2030 based

on a 2010 baseline and 'net zero' by 2040. The Council rejoined the UK100 membership network on 17th May 2023. As such the Council now has a revised 'net zero target' of 2030 for territorial emissions that fall within the current UK100 scope; and

- **Other relevant plans and strategies:** The PEP 2022-27 was formally adopted at Cabinet in October 2022. Key elements of the PEP seek to implement measures to reduce the impact of highly polluting vehicles, encouraging cleaner alternatives. The [Green Infrastructure Strategy 2023-2030](#) was formally adopted at Cabinet in June 2023. Green infrastructure is integral and essential to the Borough's resilience, meeting its future challenges and the delivery of its wider strategies, both at a community and individual level. The [Hackney Local Nature Recovery Plan 2023-2030](#) was formally adopted at Cabinet in June 2023 and identifies a number of nature recovery areas alongside practical actions for their improvement.

- 2.4. The review recommendations are also well timed so as to be able to inform a number of tasks which are underway and include preparing a draft Economic Development Plan, updating the Council's Transport Strategy and supporting plans, as well as adopting an updated Sustainable Procurement and Insourcing Strategy, amongst others.
- 2.5. Since the completion of the review report, officers across the Council have participated in further scrutiny commission sessions that are assessing the Council's response to net zero in specific areas.
- 2.6. It should be noted that a number of review recommendations may require additional funding which has currently not been confirmed and will therefore need to be considered as part of the Council's medium term financial planning and budget setting process.

3. **Recommendations**

- 3.1. **That Cabinet approves the Executive response, found in Appendix 1, to the Scrutiny Panel Overarching Review into Net Zero.**

4. **Reason(s) for decision**

- 4.1. Hackney Council is required to produce an Executive response to the Scrutiny Panel Overarching Review into Net Zero. The response draws on work underway or planned and is in line with principles, values and priorities held by Hackney Council.

5. **Details of alternative options considered and rejected**

- 5.1. Scrutiny Reviews follow a set process that involves recommendations and responses by officers resulting in a report to Cabinet and hence there are no alternative options to be considered.

6. **Background**

Policy Context

- 6.1. The climate and ecological crisis is already having visible effects on the world - the earth is warming, rainfall patterns are changing, and sea levels are rising. These changes are leading to increased extreme weather events, such as flooding and drought, are risking the supply of natural resources and are having a detrimental impact on human health. In Hackney, this is being seen first-hand, with a number of major floods being experienced in recent years - most notably in Finsbury Park and Stamford Hill.
- 6.2. Internationally, policy and decision makers are beginning to act. The Paris Agreement underlines the need for net zero, requiring countries and territories like the UK to transition to a state in which the greenhouse gases going into the atmosphere are balanced by removal of greenhouse gases out of the atmosphere. Achieving net zero requires changes that are unprecedented in their overall scale, and meeting the national net zero target is considered one of the biggest, most complex and cross-cutting challenges that the UK faces.

Climate Action Plan

- 6.3. Reaching the UK's net zero ambitions requires all tiers of government, businesses, institutions and communities to work closely together. In response, the Council declared a climate emergency in 2019 and has been building its vision to transition to net zero resulting in the adoption of a borough-wide CAP 2023-2030 in May this year. Sitting alongside the CAP is a CIP, which provides a detailed set of key actions for the Council to undertake initially over the next three years and that contribute to delivering the goals and objectives within the CAP, considering where the Council has direct control and most influence to maintain momentum with its own climate response.
- 6.4. Although Hackney and the UK generally have made good progress in reducing emissions in specific areas over the last decade, it is recognised that faster and coordinated action will be needed to protect communities and

the environment from the effects of climate change. The CAP therefore sets out the ambitious, science-based changes that need to be progressed to achieve a borough-wide reduction in carbon emissions by 2030.

Net Zero Overarching Scrutiny Panel Review

- 6.5. The Net Zero Overarching Scrutiny Panel Review was established by the Scrutiny Panel in October 2021 to look at what may be needed to meet both national and local net zero targets and to assess how the Council could better meet its ambitions in a manner that is affordable, efficient and fair. Its key purpose was to play an active role in stress-testing and querying assumptions in the development of local climate action, particularly in light of the pandemic, whilst supporting the Council to engage with key stakeholders in the locality to better understand and align priorities.
- 6.6. The approach to the review reflected the scale of the net zero challenge and its cross-cutting nature. Through the Scrutiny Panel and thematic Scrutiny Commissions, it engaged, listened and learned from a range of organisations, businesses, industries and communities on a number of issues and policy areas, from decarbonising buildings, transport and waste, to supporting the delivery of clean energy projects, managing a transition to a low-carbon, circular economy and enabling green growth. The full report from the review is attached as Appendix 2.
- 6.7. The review was built from an amalgamation of work by the overarching Scrutiny Panel and the thematic Scrutiny Commissions: Health in Hackney, Living in Hackney and Skills, Economy and Growth. It gathered a range of qualitative and quantitative evidence to meet the aims and objectives of the review. Methods and sources used to gather this evidence were:
 - **Desktop research and analysis:** Desk-based research was used to help establish the national legislative and policy framework which guides the UK's transition to net zero and to review key national data and trends, academic research and policy analysis in relation to climate change and net zero;
 - **Engagement with local stakeholders:** A range of local stakeholders were engaged to establish local policy and practice in relation to climate change and net zero. As well as providing an opportunity to review localised data, engaging with local stakeholders facilitated a more qualitative assessment of climate action in Hackney;
 - **Comparisons with other local authorities:** To support comparative analysis of local climate action across the capital, London Borough of Harrow, London Borough of Waltham Forest, the Greater London

Authority (GLA) and London Councils were invited to contribute to the review. Their involvement helped the Council to compare and benchmark policy and practice and helped to identify additional good practice where relevant; and

- **Specialist contributions:** Expert independent analysis helped to gather further insight into the Council's path to net zero. This was provided through direct submissions to the review from Buro Happold, as well as desktop research and analysis.

Equality impact assessment

6.8. Hackney Council and its decision-makers must comply with the Public Sector Equality Duty set out in Section 149 of the Equality Act (2010), which requires us to have due regard to the need to:

- 1) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- 2) Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- 3) Foster good relations between people who share a protected characteristic and those who do not.

6.9. Having due regard to the need to advance equality of opportunity involves considering the need to:

- Remove or minimise disadvantages suffered by people due to their protected characteristics;
- Meet the needs of people with protected characteristics; and
- Encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

6.10. The implementation of the recommendations from the review should therefore pay due regard to the equality considerations to ensure that the Council is compliant with its statutory obligations under the Equality Act 2010.

6.11. The Council will continue to consider the impact on all protected characteristics during the ongoing development and implementation of the climate actions, including those associated with the review recommendations. Where appropriate, it will undertake additional

engagement with the community or more detailed equality analysis where negative impacts on specific protected characteristics have been identified.

Sustainability and climate change

- 6.12. 27 recommendations were set out in the Scrutiny Panel report, covering a wide range of actions aimed at promoting sustainability and addressing the climate crisis, with a focus on achieving net zero. They included measures related to monitoring, governance, community engagement, financing, the circular economy, energy efficiency, transport, waste management, education, amongst others, and support the objectives and delivery of actions set out in the CIP, as well as the 2030 goals identified within the CAP.
- 6.13. These recommendations will help the Council and the borough to reach net zero targets and, at the same time, can deliver societal impacts, also known as co-benefits.
- 6.14. Some potential co-benefits associated with these recommendations include:
- Actions related to transport, such as bus electrification and increasing electric vehicle charging points, will help to reduce emissions from vehicles, leading to improved air quality with benefits for public health;
 - Promotion of sustainable active travel options, such as walking and cycling, will encourage physical activity and reduce obesity rates;
 - Implementation of energy efficiency measures such as retrofitting buildings and electrification of heat using heat pumps may result in cost savings for residents, help to alleviate fuel poverty and create more liveable homes and workplaces in the longer term;
 - Transition to renewable energy sources, decarbonised heat and more circular economies may lead to job creation, the upskilling of existing job roles, and enable greener economic growth to the benefit of the whole community;
 - Better engagement in respect of the breadth of our communities will help to increase social equity and inclusion, addressing social justice issues; and
 - The implementation of green infrastructure such as sustainable drainage systems, tree planting may reduce the likelihood of surface

water flooding episodes, create new habitats for wildlife and support local biodiversity.

- 6.15. Co-benefits alongside key performance Indicators and targets for carbon reduction within the monitoring framework will enable the effectiveness of the Council's actions to be assessed, whilst providing insights to shape future decision-making and investments in climate projects.

Consultations

- 6.16. There is no requirement for a public consultation on the recommendations from this review, although a number of stakeholders have provided contributions to scrutiny sessions. Scrutiny Commissions are held in public with agendas, key content, recordings of sessions and minutes publicly available.

Risk assessment

- 6.17. Many aspects of the transition are inherently uncertain, hence it is likely that progress may be faster in some sectors than others. Even in the near term, there is high uncertainty whether projected emissions savings will advance as anticipated.
- 6.18. There are a number of key risks, both for the Council and more widely, which could impact on the success of implementing specific recommendations from the review noting that currently, not all the necessary infrastructure, finance, and regulation are in place to enable the changes needed, with a burgeoning impact of the cost of living crisis on current and future patterns of expenditure at both a personal and organisational level. The UK will only meet its emissions reduction targets if central government, regional bodies and local authorities, amongst others, work together to resolve some of these key barriers, noting that local authorities only have powers or influence over roughly a third of territorial greenhouse gas emissions in their local areas.

Finance

- 6.19. Local areas have a huge role to play in reaching net zero and have the ability to start implementation quickly, however, they do not have the funding they need. Central government must provide certainty on its long-term funding plans for key areas such as retrofit and energy efficiency. Without this, it is impossible for local areas to play their part in building the skills, capacity and engagement needed to meet the challenge.

Organisational change

- 6.20. The Council's ambitions for decarbonisation require leadership across the organisation and involve transformational work across almost all functions, rethinking how it works and identifying the skills requirements and resources to manage its climate response effectively. This, coupled with a desire to use the role of the Council in leading, shaping and influencing decarbonisation of the Borough, will place added requirements that will need to be effectively targeted, managed and resourced.

Policy gaps

- 6.21. There are estimated policy gaps associated with 57% of the future greenhouse gas emissions reductions required nationally, noting that this is before recent announcements by the government to delay a number of key net zero policies and targets. Embedding and integrating net zero and climate adaptation properly across the policy landscape is vital. Clearer responsibilities are needed between central government departments, regulators, the GLA, and local authorities for the actions and interactions on the path to net zero.

Skills

- 6.22. Workers will need to develop new skills to fill the needs of new low-carbon markets. However, evidence on skills requirements and current employment in key occupations (e.g. home retrofit coordinators) is limited. Availability of skilled workers therefore poses a risk for the net zero transition.

Stakeholder engagement

- 6.23. The success of the Borough's climate responses is dependent on the collective efforts of Hackney's stakeholders, central and regional governments, and the Council's civic leadership. This collaboration inspires change and addresses the climate emergency by connecting various organisations and communities.

7. Comments of the Interim Group Director Finance

- 7.1. There are no financial implications arising directly from approving the recommendation in this report. The Scrutiny report provides a set of recommendations to address the climate and ecological crisis, which will be implemented through the Council's Governance processes. As far as possible the recommendations will be delivered within the existing approved budget, both capital and revenue. Any recommendation requiring additional

resources should be fully assessed and considered as part of the Council's medium term financial planning (MTFP) process. It is important to note that the Council is facing a significant revenue budget gap over the medium term to 2026/27 and any recommendation giving rise to additional expenditure should be considered in the light of this financial challenge.

- 7.2. Included with the Council's approved capital programme of nearly £1bn in the three years to 2026/27 is an investment of £61m in projects which contribute to the Council's net zero target. The financing of the overall capital programme is included with the Council's MTFP. It is important to keep in mind additional capital projects without earmarked funding, such as grants or capital receipts, will need to be funded by borrowing which will impact our revenue budget and add to budget pressures going forward.
- 7.3. As stated above, taking forward the recommendations arising from this review should as far as possible be contained within existing budgets, both revenue and capital given the financial challenges facing the Council. Any recommendation requiring additional resources will need to be considered as part of the Council's medium term financial planning and budget setting process.

8. **VAT implications on land and property transactions**

- 8.1. Not applicable.

9. **Comments of the Acting Director of Legal, Democratic and Electoral Services**

- 9.1. The Scrutiny Panel / Scrutiny Commissions are empowered under Article 7 of the London Borough of Hackney's Constitution to undertake policy reviews generally and make suggestions for improvements.
- 9.2. There is currently no legal requirement for the Council to achieve specific carbon saving targets. However, the Council is under a general duty to have regard to the environment in all decisions it makes, and national government has set a legally binding target to reduce national carbon emissions to net-zero by 2050. Furthermore, the Mayor of London has set a target for London to be net zero carbon by 2030.
- 9.3. Within the Mayors Scheme of delegation, it is reserved to the Mayor and Cabinet to Respond to Overview and Scrutiny Reports. Within this report, Cabinet is asked to approve the Executive response (attached as Appendix

one) to the Scrutiny Panel Overarching Review into Net Zero. The Mayor and Cabinet are authorised to approve the recommendation set out in part 3.1 of this report.

Appendices

Appendix 1 - Executive response to the Scrutiny Panel Overarching Review into Net Zero.

Background documents

[Appendix 2: Full report from Overarching Scrutiny Panel Investigation into Net Zero.](#)

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