

ECONOMIC DEVELOPMENT & MANAGED GROWTH SCRUTINY BOARD
9 March 2020

PUBLIC MINUTES

Present: Councillors: M Parker (Chairman), J Ryan (Vice Chairman), M Parker (Chairman), M Brain, T Hodgson, D Howell, M McLoughlin, W Qais, J Ryan, P Thomas and C Williams
T Hodgson, C Williams and M Brain

Members in Attendance: Councillor A Mackiewicz: CPH for Climate Change, Planning and Housing

Officers & Guests: Perry Wardle (Assistant Director, Growth and Development)
Paul Langham (Assistant Director, Business Systems)
Lesley Holt (WM5G)
Laurence Goldberg (WM5G)
Chris Holmes (WM5G)
Ric Reilly (WM5G)
Fiona Hughes (Chief Executive, SCH)
Richard Hyde (SCH Board Chairman)
George Daley (Policy Lead Advisor, Housing)
Lisa Whitton (Project Manager)
Ellie Howitch-Smith (Heat Networks Project Manager)
Joanne Foley (Finance Manager)
Alexander Heath (Group Manager, Programme Development)
Paul Rogers (Democratic Services)

The Economic Development and Managed Growth Scrutiny Board meeting commenced at 6:00 p.m.

TRIBUTE TO DR. ASHLEY LANE

The Chairman informed the Scrutiny Board of the recent passing of Doctor Ashley Lane, former Solihull Community Housing (SCH) Board Chairman. The Scrutiny Board Chairman noted that Doctor Lane had made many positive contributions to support the work of the Scrutiny Board over recent years and in delivering SCH's strategic housing objectives in the Borough of Solihull. On behalf of the Scrutiny Board, the Chairman passed on his commiserations to Doctor Lane's family. All those present at the Scrutiny Board meeting stood to observe a minutes silence in Doctor Lane's memory.

1. APOLOGIES FOR ABSENCE

Apologies were received from the Leader of the Council, Councillor I. Courts.

2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

Councillor D. Howell declared an interest in respect of agenda item 6 '*Solihull Community Housing Delivery Plan and Vision*', in her capacity as a Council representative on the Solihull Community Housing Board.

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3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

4. MINUTES

Having considered the Minutes arising from the Scrutiny Board meeting held on 15th January 2020, the Economic Development and Managed Growth Scrutiny Board:

RESOLVED:

To agree the Minutes arising from the Economic Development and Managed Growth Scrutiny Board meeting held on 15th January 2020 as a true record.

5. WM5G

Representatives from WM5G provided a presentation to the Scrutiny Board which detailed the remit of the WM5G organisation, what 5G is and how 5G will benefit Solihull and the West Midlands region.

The Assistant Director (Business Systems) informed Members that the main focus on the 5G network related to two areas of 5G, namely physical 5G infrastructure (masts/ towers) and secondly, aspects of exploiting the technology to benefit the region/economy and that it was essential to bear in mind these two distinct aspects to the implementation of 5G technology.

Having received a presentation from representatives of WM5G, Members of the Scrutiny Board asked a series of questions, which in summary included the following matters:

It was noted that large amounts of data were being collected through the 5G infrastructure and it was questioned who owned and was responsible for the data captured. Members were informed that the infrastructure providers only moved the data, whilst the originator/s of the data continued to own it. With reference to the transport implications arising, it was planned for road sensors to be rolled out across the region. The Regional Traffic Co-Ordination Centre would manage the experimental phase of the project with the objective of providing a useable legacy. The data made available would be used by the transport authorities, which would present an opportunity for other parties to use. However, it was recognised that a number of issues had to be worked through before any data could be used by other parties, such as privacy and GDPR (General Data Protection Regulation) considerations.

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The range of data across modes of transport and related infrastructure included bus, train and road data. WM5G are working with West Midlands Combined Authority (WMCA) and Transport for West Midlands (TfWM) to address questions of data privacy and security. It was confirmed that data capture arising through transport infrastructure schemes would lie with TfWM. The existing data and privacy policies in place with the WMCA would also be utilised to manage data to ensure no breaches of privacy or data usage protocols were broken. Members were advised that WM5G continued to work together with WMCA to ensure data compliance.

In terms of forward 5G coverage and gaps in coverage, a Member raised the issue of current broadband provision within the borough, which in some locations was erratic and sought clarification for:

- How future 5G coverage would be rolled out in semi-rural and rural locations within the borough.
- Whether the 5G programme would act as a facilitator for the roll-out of improved fibre optic services for currently poorly served locations in the borough.
- What additional wider infrastructure requirements were required for 5G, such as the erection of new masts and operators mast sharing.
- Was information available to address health concerns associated with 5G technology?

The Scrutiny Board was advised that fibre was the desirable option for 5G sites, but not essential. Alternatives were available, such as micro wave links, which could carry over a range of 5 to 7 kilometres. For rural communities in Solihull, micro wave links will provide the alternative option, which use a higher frequency and therefore carry a higher rate of data.

Members were informed that substantial upgrade works had commenced for 4G-5G, involving greater technologies and frequencies than previously, which led to the sites growing bigger and taller. Radio frequencies had to clear obstructions, such as tall buildings and tree canopies, in order to be effective. It was acknowledged that there were some infrastructure challenges associated with 5G roll-out, which would be addressed through collaborative partnership arrangements between local authorities, WMCA and WM5G.

Mast sharing between network companies was reported to be common amongst the 4 main network companies. This usually took the form of pairing of companies to share masts, however the scenario of all four operators sharing one mast would be ideal, although this would entail larger and taller infrastructure.

Regarding public health concerns, WM5G followed guidance from Public Health England and the World Health Organisation. The Scrutiny Board was advised

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that after decades of continuing research regarding health implications associated with mobile operations radio waves and infrastructure, there had been no evidence or link proven to exist between 5G and any health risks conditions.

Every communications site was constructed in accordance with guidelines from the International Commission monitoring non radiation ionising radio protection. With every planning application submitted the operator had to submit a certificate of compliance with the governing body. Of the sites recently tested by Ofcom, they were recorded at 0.37% of the allowable limit for non-ionising radiation.

A Member wanted to see 5G contribute to the inclusive growth strategy and did not wish to see any businesses or individuals left behind or not have the opportunity to explore the option of 5G, including across rural areas of the borough. It was questioned if small and medium sized businesses had an interest in 5G, but did not have the necessary knowledge or financial base to action, how would WM5G facilitate support for such businesses.

Members were advised that in the case of supporting businesses, the WM5G Application Accelerator would be applied. A public engagement exercise was scheduled for launch in support of the Application Accelerator, which would raise awareness of 5G and upskilling to facilitate use of 5G. Longer term engagement would seek to help individuals and organisations to develop their ideas associated with their business capitalising on 5G access. The Accelerator would be available for all to access. The focus areas of the Accelerator had yet to be confirmed, but it was envisaged would involve the education, health and transport sectors (amongst others). Work would be undertaken to define the locations for the focus areas across the West Midlands region, which would further help form the type of engagement to be delivered. The shorter term engagement would entail free access to the Accelerator for all interested parties.

Members were informed the Application Accelerators would also contain an array of business expertise within them. This would be beneficial to small and medium enterprises in having the means to access not only technological advice, but also business expertise.

The Scrutiny Board questioned why there was greater detail provided in the presentation slides than in the report itself. It was noted Members would have wished to have seen addressed directly within the report some of the 'myth busting' issues commonly raised in relation to erection of masts and related infrastructure, which would also have assisted in raising the operators credibility in addressing any such concerns directly.

Councillor McLoughlin questioned how operators and the Council would address the issue of potentially reducing the tree canopy in relation to increasing 5G signal coverage, its potential impact on wider public amenity as

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detailed in the Local Plan, such as tree provision and natural habitats and how the Council and partners would address this. Furthermore, it was posited that the issue of addressing any public concerns arising from the rollout of 5G technology, for example focussed on public health, bio-diversity and public realm, should be addressed directly in any community engagement/consultation materials provided by the operators.

WM5G representatives advised that reduction of the tree canopy was viewed as a last resort. In the case of 3/4G masts where the tree canopy had outgrown the height of the masts, options entailed either increasing mast height or undertaking some pollarding. It was reported that operators had a substantial ten year investment programme in place to futureproof future development which would ensure infrastructure went beyond the tree canopy. Ofcom guidelines would be adhered to, which include guidance addressing public consultation and engagement. WM5G advised that the organisation was working with operators to produce a Plain English guide addressing common issues of concern raised by residents which they would be happy to share with the Scrutiny Board once finalised.

The Vice-Chairman noted the economic potential 5G brought and that it was imperative that no part of the community was left behind in accessing the technology through accessibility issues. The Vice Chairman further questioned what engagement platform was in place to provide the Council with the ability to meaningfully engage with WM5G and operators concerning 5G infrastructure proposals. Members were advised that operators pro-actively engaged with the Council through its Planning functions. Operators had also presented to the Council's Planning Committee and were willing to continue such dialogue directly with the Council. The planning process itself also set statutory requirements around consultation which operators and the Council had to comply with.

The Scrutiny Board raised the scenario whereby operators appealed Planning Committee decisions which refused their infrastructure proposals and questioned how such cases could be addressed more positively in the future. It was further questioned how operators infrastructure expansion plans would be co-ordinated, for example to take account of the Council's significant tree planting programme across the borough. Public consultation and engagement exercises had to be genuine to be meaningful and properly engage with local communities.

Members were advised that the planning appeal process did serve the function of establishing boundaries for operators and that not all planning appeals were successful.

The Chairman noted the scope of the potential benefits 5G could facilitate in Solihull and the wider region once implemented in the field of health benefits, delivering Council Plan priorities such as inclusive growth and carbon reduction, connecting rural communities and supporting the delivery of Council

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services. The Chairman proposed that 5G be included in future editions of the Scrutiny Boards forward work programme in order to continue scrutiny of the 5G network as it developed further.

The Scrutiny Board sought clarification as to how the safety and security of data would be achieved. Members were advised that the automotive industry had been working with telecoms for at least 3 years using mobile data to potentially influence the behaviour of autonomous cars and/or car drivers. Work was being undertaken globally in this field, including security protocols associated with such technology. Nationally GCHQ were also involved with related research into security keys, cyber security and data assurance. As a subject matter it was an issue being addressed with the utmost importance. Any transport related developments would incorporate such protocols.

Councillor Williams commended the presentation put forward by WM5G, but queried the value added by the Scrutiny Board in considering the subject and felt that the potential for any further scrutiny of the subject should be taken only in the event that any significant issues.

Councillor McLoughlin stated that the scrutiny process should be used to inform and scrutinise decisions, rather than as means to provide briefings. Furthermore, Councillor McLoughlin raised concerns of potential duplication with the West Midlands Combined Authority and questioned the extent of scrutiny's influence on the subject when taking Government 5G infrastructure policy and guidance into account. Consideration of 5G was also felt to add little value in influencing the Local Plan, for example. Councillor McLoughlin requested that the Minutes reflect his dissatisfaction with the report brought before the Scrutiny Board, specifically its lack of sufficient detail to support the scrutiny function in fulfilling its remit.

Councillor Howell noted that the presentation had highlighted the significant role 5G may have to play in delivering inclusive growth for the borough and across the West Midlands region in future years and therefore a watching brief should be maintained for its possible inclusion in the Scrutiny Boards future work programmes.

Having considered the report, the Economic Development and Managed Growth Scrutiny Board:

RESOLVED:

- i. To note the issues and opportunities reported to the Scrutiny Board as arising from the WM5G programme;
- ii. To keep under review the future development and implementation of the 5G network in Solihull/West Midlands region as part of a future forward

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Work Programme for the Scrutiny Board (NB. Councillor Williams did not support this recommendation);

- iii. To receive the operators guidelines for its community engagement and consultation processes and statutory guidelines underlying infrastructure development and delivery; and,
- iv. To recommend to the Cabinet Portfolio Holder for Climate Change, Planning and Housing that the public engagement and consultation processes in place between residents, the Council and operators be reviewed to ensure their robustness and to request that the Cabinet Member responds to the Scrutiny Board regarding this matter.

6. SOLIHULL COMMUNITY HOUSING DELIVERY PLAN AND VISION

The report presented the draft Solihull Community Housing Delivery Plan 2020/21 and Vision Document 2020/25 for consideration.

The Lead Policy Advisor (Housing) informed the Scrutiny Board that the annual draft Delivery Plan detailed where SCH wished to allocate its resources in the coming year, priorities, strategic objectives and measuring performance and added value. Approval for the draft Delivery Plan would be sought from the Cabinet Member for Health and Adult Social Care on 31st March 2020. Accompanying the draft Delivery Plan is the SCH 5 Year Vision, which was before the Scrutiny Board for information only.

The SCH Board Chairman advised Members that the Delivery Plan was designed to be both accessible and challenging, whilst also being in line with the Council's aspirations, particularly in the areas of environmental sustainability, residents safety, homelessness and clarity around engagement with residents.

The Chief Executive (SCH) informed the Scrutiny Board that a rolling five year Management Agreement was in place, which was renewed annually provided SCH meets its obligations and delivers its performance objectives. The Delivery Plan is approved for the forthcoming year via the Council's scrutiny process and the Cabinet Member for Health and Adult Social Care. The 5 Year Vision was made available to the Scrutiny Board in light of it being so closely aligned with the SCH Delivery Plan. A Quarterly Monitoring Board convened quarterly, chaired by the Cabinet Member for Health and Adult Social Care, providing the Council with the means to hold SCH to account. Members were further informed that the SCH Delivery Plan and Vision would incorporate the Council's vision detailed in the refreshed Council Plan once finalised.

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Having received a presentation from the Chief Executive (SCH), Members of the Economic Development and Managed Growth Scrutiny Board submitted a series of questions, which in summary included the following:

The Scrutiny Board noted that the SCH delivery programme 2020/21 had programmed to bring forward 43 new homes, 29 of which would be shared ownership and 14 for rent. Members sought to clarify which single factor would be decisive in enabling higher housing number to be delivered in the borough.

In respect of the Delivery Plan content, the Scrutiny Board referenced the section '*Invest in greening the stock*' and noted the reference to '*collaborating with Solihull Council in the development of its low carbon energy framework and climate change declaration targets for 2030 and 2041*' referenced two targets; 2030 being the Council target and 2041 the WMCA target. Taking account of the nature of the partnership arrangement between SCH and the Council it was queried why the 2030 target could not take precedence in the Delivery Plan.

Regarding recommendations arising from the Government Building Safety Implementation Plan (Hackitt) and Grenfell Inquiry Report (Moore-Bick), the Scrutiny Board noted that Capital monies were available for building upgrade work and that in the event sprinkler systems were installed, the opportunity should be taken to further 'green' the existing housing stock.

Members were advised that two key factors determined expansion of the housing stock, notably land availability and finance. Increased funding/borrowing to support stock expansion would fall under the auspices of the Council. SCH was in constant dialogue with the Strategic Housing Framework Board, which specifically looked to bring forward housing development in the borough within the context of the Local Plan, funding and land availability.

With reference to greening the housing stock and the delivery dates of 2030 and 2041 respectively, the Chief Executive (SCH) stated that Capital investment was key to achieving the targets and required a partnership venture arrangements between the Council and SCH. In order to achieve the 2030 target, Members were advised SCH was working to deliver its greening the housing stock targets via the organisations Asset Management Strategy with a report scheduled for consideration by the SCH Board in June 2020 addressing the level of investment required. It was confirmed that all the recommendations arising from the Hackitt and Moore-Bick reviews would require implementation once all associated legislation had been completed and finalised. SCH was, however, undertaking considerable preparatory work in advance of the legislation and discussion would be held with the Council where investment requirements were identified.

On a point of information, the Cabinet Portfolio Holder for Climate Change, Planning and Housing advised the Scrutiny Board that the Council high rise buildings were insulated and fitted with bio-mass boilers. In respect of housing

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supply, the Local Plan stipulated a 40% affordable housing requirement. The Cabinet Member noted that it was immaterial to him whether the affordable housing was accessed via a social landlord, SCH or shared ownership, provided that housing was made available to residents on the housing waiting list. Any socially rented property would go through the SCH homes based letting scheme. The Cabinet Member expressed a preference for taking the option of new social housing stock being made available through developers than the Council borrowing excessively to fund Council housing and the purchase of suitable development land. However, the Cabinet Member did highlight that new, carbon zero homes were being developed with SCH in the borough on Council land. With respect to the zero carbon objectives of 2030 and 2041, the Cabinet Member provided clarification that 2030 deadline referred to Council operations and SCH operational delivery (i.e. internal operations), whilst the 2041 objective referred to the borough in its entirety, hence the requirement for both dates to be retained in the SCH Delivery Plan.

In respect of climate change and greening the housing stock, the Cabinet Member advised that Council had appointed an Officer in November 2019 to take forward the Council's borough-wide Energy Framework to meet the energy target 2041. The role entailed reviewing how the Council used its and SCH's assets to meet its climate change targets, energy generation and delivering the zero carbon target. The work stream would include review of greening the housing stock, reducing fuel poverty and reducing housing inequality.

The Vice Chairman sought clarification on areas of detail within the draft Delivery Plan including:

- The draft Delivery Plan made interchangeable references between 'customer' and 'tenant' and sought clarification why this was the case.
- Concerning the draft Delivery Plan Forward, it was stated *demand for social housing in the area remains high* and clarification was sought whether this referred to Solihull as an area or the wider borough. The Vice-Chairman noted that there was also a social housing need in the south of the borough, as there was in the north, and requested that the terminology within the Delivery Plan used be reviewed in this respect.
- The Forward referenced *tackling anti-social behaviour*, but failed to provide a rationale or any level of detail as to how this was achieved.
- Under Section 2 (Fact File), figures for the number of tenanted homes, leasehold properties and number of garages managed was detailed, but did not state the amount of land the housing stock was located on.
- The size of the SCH workforce was given in the Delivery Plan, but did not provide a breakdown of employee's roles or functions within the organisation.

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- Referencing the Delivery Plan target of achieving zero carbon by 2030, it was highlighted that no reference or detail was made within the draft Delivery Plan of the SCH carbon footprint currently; for example, the status of energy efficient homes within the housing stock. The Vice Chairman noted that it should be a baseline figure and evidence base for the current SCH carbon footprint should be provided, which would serve to establish future actions required to deliver the 2030 target.
- Referencing the draft Delivery Plan objective in 2020/21 to *use stock condition data to inform stock investment decisions and establish an options appraisal process to evaluate stock*, the Vice Chairman noted that in order to move forward effectively an established stock condition baseline should already in place.

In response, the Chief Executive (SCH) advised the Scrutiny Board that:

- All SCH tenants were customers, but SCH also had customers who were not tenants who accessed other services, hence use of the terminology.
- Reference to *area* in The Forward did mean Solihull, which would be amended accordingly.
- In terms of Anti-Social Behaviour and the level of detail provided in the draft Delivery Plan, the Delivery Plan was intentionally a high level document. It would be possible to provide greater details specifically for how the ASB service operated in a separate document with reference made to this within the Delivery Plan.
- Concerning the amount of land held in the Housing Revenue Account, the figure would be provided by SMBC and could be included in the Delivery Plan.
- Provision of a breakdown of SCH employees by division could be included in the Delivery Plan.
- Establishing a current carbon footprint baseline across SCH was a work in progress and would be taken forward during the course of 2020/21, leading to the supply of exact information in 2021.
- Information relating to stock condition was not currently available which could be drawn upon to make decisions about future levels of required investment. This work would be taken forward in 2020/21 in discussion with SMBC leading to investment planning.

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- The possibility of addressing the issue of loneliness and social isolation directly through the SCH Delivery Plan via locality working / partnership arrangements (particularly the health sector) and social prescribing was acknowledged.

Understanding the extent of social housing need in the Borough, the Scrutiny Board was informed that there were currently 2,500 families / individuals (the majority being couples, couples with children) recorded on the housing register. The Council also undertakes a Housing Needs Assessment to understand broader housing needs.

Members sought clarification as to how many homes SCH anticipated to be lost to the Right to Buy scheme on an annual basis and was advised 65, inclusive of apartments as well as family homes. The Scrutiny Board noted the tension between the availability of a decreasing housing stock and rising demand for housing. The Chief Executive (SCH) advised Members that it was important to see the bigger picture in respect of social housing provision. Social rented accommodation delivered through the Housing Revenue Account (HRA) was seen to be in effect Council housing. However, the picture in terms of affordable housing provision was considered to be much broader.

The Scrutiny Board questioned the difference for residents entering the social renting and shared ownership housing markets, set against their social circumstances. It was established that shared ownership was classed as a home ownership product, for which a mortgage was required and therefore in all likelihood denoted a different level of income required compared to social housing renting. Members were reminded that 'housing need' was in itself a broad definition, which included the need for low rent accommodation, affordable and social housing, all of which had a part to play. As regards the SCH Delivery Plan itself, housing provision and supply in the borough would also be framed as a partnership activity with SMBC as SCH did not own the HRA, did not borrow against the HRA or determine how the HRA was spent. The question of housing mix and provision therefore was one for the local authority to determine in partnership with SCH.

Members welcomed SCH's commitment to be carbon neutral by 2030, but noted that possessing a baseline showing the organisations current carbon status was key as well as articulating the actions to be taken in order to achieve the 2030 objective. The Scrutiny Board referenced Section 5 of the Delivery Plan (What we will deliver in 2020-2021) and the reference therein as to how SCH would deliver environmental sustainability and become net carbon zero by 2030. The Scrutiny Board recommended that Section 5 be drawn out further in the document and some further detail provided as to how SCH would deliver its environmental commitments leading to 2030.

Members welcomed the clarity of the SCH draft Delivery Plan in demonstrating that as well as acting as a housing and services provider, SCH was also a

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provider of opportunities for people, encompassing tenants, customers and social housing networks, which addressed some equalities issues across the borough, which could be drawn out further in the final Delivery Plan.

Addressing the detail given for the SCH workforce, the Scrutiny Board noted that the draft Delivery Plan omitted any reference to apprenticeships, which should be highlighted.

With regard to Section 6 (Finance, Governance and Risk) Members noted that under *Risk Management* it was stated that a review of the SCH risk management policy would be undertaken in 2020, but it was not stated when the last review had been completed, which should be given. Similarly, within Section 6, reference was made to an organisational review of procurement in 2020 and the implementation of a new health and safety management system to support staff, but no detail was provided in the draft Delivery Plan for the last procurement review undertaken or the current frequency of health and safety training for SCH employees.

The Chief Executive (SCH) confirmed that SCH did fund six apprenticeships, which could be referenced in the final document. The SCH Risk Management Policy had only very recently been reviewed and the date of the review could be included in final document version, as could the date for the last review of SCH's procurement review. Members were advised that health and safety training for SCH employees was continuous.

Having considered the report, the Economic Development and Managed Growth Scrutiny Board:

RESOLVED:

On discussing a proposed recommendation received from Councillor McLoughlin (detailed in i. below), Members of the Scrutiny Board could not agree to unanimously support the recommendation to go forward and therefore the Scrutiny Board took a vote, as follows:

For the recommendation: Councillors M McLoughlin, T Hodgson, C Williams and M Brain

Against the recommendation: Councillors M Parker, J Ryan, D Howells, W Qais, P Thomas

Subsequently, having lost the vote, the following Minority Recommendation was put forward from Councillors M McLoughlin, T Hodgson, C Williams and M Brain:

- i. To convey to the Cabinet Portfolio Holder for Health and Adult Social Care that the Economic Development and Managed Growth Scrutiny Board notes with concern the anticipated number of new build houses against the anticipated loss of housing units in the borough through the Right to

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Buy scheme when considered in relation to the Council's housing waiting list, and, therefore, recommends that consideration be given to what headroom is available within the Housing Revenue Account (HRA) specifically for the development of new build properties in the Borough of Solihull.

The Economic Development and Managed Growth Scrutiny Board:

RESOLVED:

- ii. To recommend to the Chief Executive (SCH) that detail for the anticipated delivery of new social housing units in the borough in future years and the figure for the Council's Housing Waiting List be included in the final SCH Delivery Plan document; and,

To recommend to the Chief Executive (SCH) that greater clarity be detailed in the final SCH Delivery Plan pertaining to the objective that by 2030 Solihull Metropolitan Borough Council will be carbon neutral and that greater clarity and definition be provided in the Delivery Plan between the 2030 and 2041 objectives.

7. SOLIHULL TOWN CENTRE LOW CARBON ENERGY NETWORK

The report was provided for the Scrutiny Board to update it on the key findings of the Detailed Project Development stage (Outline Business Case) of the Solihull Town Centre Low Carbon Energy Network.

The Project Manager introduced the report and provided a presentation for the Scrutiny Board. Members of the Scrutiny Board subsequently asked a series of questions of the witnesses present, which in summary included the following issues:

A Members of the Scrutiny Board noted that there had been some recent press coverage of the Solihull Town Centre Low Carbon Energy Network project, describing it as a gas power station, and invited Officers to respond to the press coverage and clarify whether there were opportunities to future proof cleaner ways of producing energy which were not reliant on fossil fuels in light of the Council's 2030 zero carbon target.

The Scrutiny Board was advised that in terms of the options considered, a gas CHP component had always been part of the options presented. This was attributable to the power demand on the heat pump regardless of where it secured its heat source from. A heat pump gave greater flexibility in terms of cost objectives for generating the electricity running the heat pump. In respect of risk, the project was supplying all the components of a heat supply, rather than just a gas component. It was competing with extremely low gas prices and was compelled to offer a product which was both competitive and affordable. As well as delivering its carbon savings, the heat network was compelled to

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generate revenues from heat sales, which were critical in the early stages of the project.

The benefit of a heat network was the ability to move forward fluidly as the energy market developed. Through connecting building together and expanding the network over time, the heat network has the ability to offer a product that individual buildings would find extremely difficult to deliver at a local point of use, which provides the heat network with a great opportunity. It was also highlighted that the heat network had the means to deliver carbon savings from day one of operation. A further benefit arising from the Council leading the heat network was that the Council could decide what it wanted to achieve from operating the network directly. Subsequently, from the outset reduction of carbon emissions were identified as a critical delivery component of the network. It had been found that one of the reasons why those customers approached in phase 1 of the project liked the scheme because it was supported directly by the Council. Therefore, the ambition to deliver carbon savings will be realised as the project goes forward.

Concerning the technical operation of the heat network, Members were advised that the Council had optimised the network to deliver an affordable source of heat to customers. However, the project was enabled to switch what was prioritised in terms of which heat source to increase the amount of carbon savings within the network. Flexibility within the system was in-built and could be used to incentivise the production of cheaper heat or greater carbon savings. The Council will control the key performance indicators for the operation of the contract for the heat network meant that it could set how the scheme is incentivised going forward, which was a key point.

Members of the Scrutiny Board welcomed the implementation of the heat network going forward and supported wide spread publicity and promotion of the heat network project going forward with residents and businesses throughout the borough; for example, entailing public displays and contact centres where the public could be advised of the benefits arising from the network and sign as a new customer.

The Scrutiny Board also reiterated the importance of performance indicators for carbon monitoring as part of the on-going project and the role good governance had to play in mitigating any risk over the course of the project and that regular project governance reviews should be undertaken.

Having considered the report, the Economic Development and Managed Growth Scrutiny Board:

RESOLVED:

- i. To note the key findings arising from the Outline Business Case as detailed in Appendix 1 to the report;

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- ii. To note the proposed commercial delivery model and procurement strategy as set out in Sections 3.44 – 3.52 in Appendix 1 to the report, such that commercialisation work may continue to move from Outline Business Case to Full Business Case;
- iii. To note the funding strategy as detailed in the Financial Case (sections 3.53-3.58 Appendix 1), the financial implications of the strategy (section 6.4) and the Council owned SPV financial model headlines (Private Appendix 2);
- iv. To recommend to the Cabinet Member for Climate Change, Planning and Housing that the Solihull Town Centre Low Carbon Energy Network project be publicised and promoted in Solihull's schools and colleges as an educational project; and,
- v. To put on record the Economic Development and Managed Growth Scrutiny Boards unanimous endorsement for taking the Solihull Town Centre Low Carbon Energy Network forward to the next project phase as outlined in the report.

8. EXCLUSION OF PRESS AND PUBLIC

The meeting was not open to the public during discussion of the following item because the report contained exempt information as defined in Schedule 12A to the Local Government Act 1972.

**9. SOLIHULL TOWN CENTRE LOW CARBON ENERGY NETWORK -
APPENDIX 2 PRIVATE**