

REPORT TO EXECUTIVE

Date of Meeting: 30 November 2021

REPORT TO COUNCIL

Date of Meeting: 14 December 2021

Report of: Leader of the Council

Title: Changes to the role of the Chief Executive & Growth Director and Strategic Management Board

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks Members' agreement to deploy senior capacity to the leadership of the Net Zero Exeter 2030 Plan with the proposal that Chief Executive & Growth Director lead Exeter City Futures CIC for two days a week and is supported in this role by the Director for Transformation working up to three days a week. This would be for a 12 month period. The report also captures changes in reporting lines for Strategic Management Board as directors support work on strategic priorities including responding to the Medium Term Financial Plan.

2. Recommendations:

That Executive recommends and Council approves:

- (1) that the Chief Executive & Growth Director be seconded for two days per week to head up the work of Exeter City Futures CIC in support of the Net Zero Exeter 2030 Plan, commencing on 2 January 2022;
- (2) that the Director of Transformation be seconded for up to three days per week to Exeter City Futures, to design and lead the programme of change in support of the Net Zero Exeter 2030 goal, commencing on 2 January 2022; and
- (3) that the arrangements will be reviewed in twelve months;
- (4) that, in addition to the work currently being undertaken to establish the carbon base line position of the City Council estate and operations, work be commissioned to establish a carbon budget for the city of Exeter which will show the base line position for the city, the various sectors within the city contributing to carbon emissions, together with the required targets to achieve Net Zero and the implications for carbon emissions in pursuing proposals set out in the Net Zero Plan. This will help the City Council and its partners understand the impact of pursuing a course of action and the scale of change required to achieve Net Zero Exeter.

(5) Members to note changes in reporting lines for members of SMB; and

(6) that Strata Service Solutions Ltd be requested to consider the amendment to its constitution so as to allow for the officer representation on its Joint Executive Committee to be the Chief Executive or his nominee of the three constituent authorities (rather than the Chief Executive)

3. Reasons for the recommendation:

3.1 Council declared a climate emergency and gave a commitment to make Exeter carbon neutral by 2030 before knowing how to achieve the goal; members therefore defined what mattered but not how it would be achieved. The Net Zero Exeter 2030 Plan answers the question of how, and this pointed to the costs and scale of the task in getting to Net Zero. However, given the immediate financial challenge caused by Covid-19 Members pragmatically took a staged approach to the question of responding to the Plan.

3.2 The first step was to endorse the Plan, and to commend it to other stakeholders in the city, inviting all organisations to consider the role they can play in realising this goal. The Liveable Exeter Place Board was requested to consider the Plan with a view to adopting it as the blueprint to achieving the Exeter Vision 2040 with its commitment to a Net Zero Exeter by 2030. This was done and the Place Board weaved the commitment to Net Zero throughout the Build Back Better Recovery Plan.

3.3 For the second step, Members accepted that they would consider the implications for the Council's finances, resourcing, structures and reporting mechanisms within the Council to deliver the actions set out in the Plan.

3.4 This report sets out proposals for supporting and leading the work in the city to deliver the necessary transformation captured in the Net Zero Exeter 2030 Plan. The proposal is for the Chief Executive and Growth Director to lead the work of Exeter City Futures CIC (ECF) in pursuance of the Net Zero goal in a shared role alongside CEO of the City Council; and for the Director of Transformation to support and work with the CEO on city-wide transformation in respect of Net Zero and in identifying and responding to some of the challenges we face in meeting the goal.

3.5 Many Councils have shared their Chief Executive, close to home Councils such as South Hams and West Devon, Taunton Dean and North Somerset, and in the past East Devon & South Somerset, have had shared CEO arrangements.

3.6 Rather than sharing the CEO with another Council, the proposal is that the CEO lead the work which involves a number of the Council's strategic partners represented on the Exeter City Futures CIC Board, namely: Devon County Council, the University of Exeter, Exeter College and the RD&E. ECF is a mature vehicle for addressing challenges facing the city of Exeter and the City Council has in the past funded the Programme Director to lead this work on behalf of the partners.

3.7 Net Zero Exeter 2030 is one of the Council's key strategic priorities. The Council has declared a Climate Emergency and a degree of urgency needs to be injected into the work in support of this agenda. The City Council cannot achieve a Net Zero Exeter on its own, the Plan requires the support of partner organisations and a shared endeavour. Exeter City Futures CIC was set up by partner organisations in support of the city's vision

to be a leading global city in addressing the challenges of climate change. The Net Zero programme and the role expected of Exeter City Futures requires a variety of skills associated with private and public sector partnerships. At this early stage in the programme there is definitely a challenge around leadership, the tasks associated with building the programme of delivery requires skills that are typically expected of leaders in the public sector working on strategic issues that require system architecture, municipal entrepreneurial activity, and soft and hard skills associated with project management, collaborative skills and building a campaign. The CEO & the Director of Transformation have a good grounding in the specific issues facing the city in addressing the challenge of Net Zero and enjoy positive relationships with the city's institutions and business networks which gives confidence that the city can accelerate progress and gain traction with the Net Zero plan.

3.8 A number of Council officers work on aspects of the plan in their day to day duties, these include officers working on: the Council's energy needs, requirements through the planning system, retrofit housing programmes, skills, building energy networks, recycling and waste initiatives, encouraging active life styles, cycling provision, air pollution and community infrastructure. A one off pot of funding has been identified to support the City Council's own contribution to the Net Zero agenda. The Net Zero team under Dave Bartram, Director, is focused on the City Council's carbon emissions.

3.9 The work supporting Exeter's Net Zero ambition needs a different approach, one that recognises the carbon emissions of the city require a raft of initiatives set out in the Net Zero Plan, and that no single organisation can solve the problem on its own. There are a handful of key institutions in the city that can make a significant impact on the transformational agenda to get to Net Zero. A number of these key institutions sit on the board of the Exeter City Futures CIC: the University of Exeter, Exeter College, Devon County Council, the RD&E, Oxygen House and the City Council.

3.10 Exeter City Futures produced the Net Zero Plan and has been working consistently in support of the Net Zero Agenda, however it is clear that the team is in need of additional support from the partner organisations to make progress in line with the Plan. As a community interest company CIC it provides a vehicle for the partner organisations to take joint actions on behalf of the city of Exeter.

3.11 The Plan and the major work streams captures the level of investment required to achieve a net zero Exeter, it states it could require £750m to £1bn to achieve the goal. Such a programme is unlikely to be funded through conventional approaches, certainly not at the pace that is required. The City will need to explore options to secure investment to deliver at scale. The City Council has shown a willingness to innovate and pilot projects, our anchor institutions such as the University of Exeter and the RD&E have also shown a willingness to innovate in pursuit of Net Zero Exeter. The Civic University Agreement makes it explicit that Innovation and Net Zero is a strategic priority for the university. It is imperative therefore that the City Council capitalise on this intent with clear leadership in furthering this agenda at pace.

3.12 In the original report on Net Zero Exeter the Chief Executive sought, and was given, authority to begin exploring opportunities to bring investment to support the city in this

ambitious programme. This remains the task but requires a wider remit beyond the city Council.

3.13 Hitherto the City Council funded the secondment of the MD for ECF, that funding came to an end in 2021. There has been a recognition from the partner organisation that something different has to happen to give momentum and confidence to the programme. It is easier to redirect the CIC and to give it momentum than to start again.

3.14 The City Council has limited capacity or funding to support the Net Zero agenda, and against the background of the MTFP the Council needs to be creative in solving what is a significant challenge. Net Zero is one of the three outward facing Council priorities, but the Council has a modest budget and therefore relies on innovation, bidding for pots of funding and partnership work to make progress. In the absence of an obvious alternative for leading the city wide programme, the Leader and CEO have explored the idea of the CEO stepping in and leading the Exeter City Futures team to give impetus to the Net Zero Plan. The Director of Transformation has the required skills to design systems architecture of the type required in bringing lots of organisations together in pursuit of a shared purpose. The work in support of Wellbeing Exeter and the Sport England local delivery pilot demonstrate leadership in moving from purposeful goals such as supporting wellbeing and health outcomes and designing processes and change programmes to outcomes that realise those goals.

3.15 Both the CEO and Director Transformation have built up an extensive network in both the public and private sector as well as the community and voluntary sector. Both are able to reach into the city's organisations to support our shared agenda.

3.16 There are a number of priority actions identified in the Net Zero Exeter plan 2030, such as:

1. 100% of electricity consumed by the city shall be generated from clean sources. (2.1);
2. Exeter shall be engaged in multi-authority strategic planning to exploit the maximum potential for renewable generation (solar, wind, geothermal). (2.2);
3. All domestic homes in Exeter shall achieve energy performance ratings of C+ following completion of a widespread programme of retrofit to reduce energy demand and costs. (3.3);
4. A programme of domestic retrofit to the highest efficiency standards has been delivered across Council owned properties using programme such as EnergieSprong (or equivalent). (3.5);
5. A network of work and healthcare hubs shall exist in Exeter's travel-to-work area contributing to a reduction in the need to travel into the city for work or health.(5.8);
6. Exeter's bus network shall comprise only Ultra Low Emission Vehicle (ULEV) Buses and use non-fossil fuels. (7.1);
7. All public sector fleet vehicles in Exeter shall be ULEV / non-fossil fuel.(7.2);
8. Exeter's taxi fleet and private hire fleet shall be in the ULEV category / non-fossil fuel. (7.3);
9. All private cars in Exeter shall be in the ULEV category. (7.4); and
10. Exeter shall have a comprehensive network of electric vehicle charging points (including on-street) which supports transition to electric vehicles, with priority for shared vehicles. (7.5)

These are the type of targeted actions that will form the focus of the work of the CEO and Director of Transformation over the next 12 months.

3.17 Some will return a bigger carbon saving than others, and the costs to achieve the goals will vary markedly. Other organisations sitting on the board of ECF may take responsibility for some of these actions as there may be a natural fit with their work, but part of the job will be to explore these matters. Clearly there is a natural fit for the City Council to lead on the retrofit programmes, but the key issue is the scale of the endeavour requires a coalition of partners in pursuit of the goal and this will require innovation, partnership working and a broad range of technical, commercial and policy considerations.

3.18 The Devon Carbon Plan is making good progress and the corporate world is making strides with firms signing up to Environmental, Social and Corporate Governance goals. The organisations working together on the Liveable Exeter Place Board have signed up to the Vision to make Exeter Net Zero 2030. There is therefore a willingness to support the goal and a spirit of collaboration for the work ahead.

3.19 Members will be aware that funding was established to help progress the Net Zero agenda and we began by focusing on the Council's own carbon emissions. The Net Zero team is working with the South West Energy and Environment Group (SWEEG) managed by the Centre for Energy and the Environment at the University of Exeter. The report that has been commissioned will determine the City Council's carbon output and an action plan developed to reduce the City Council's carbon output. This report will be the City Council's own Net Zero Plan and build on work already completed by the Corporate Energy Team to understand our baseline carbon output. In a similar fashion it is important that we establish a baseline carbon position for the City of Exeter as a whole. This will need to address all the sectors in the city contributing to carbon emissions. This work will enable Exeter City Futures and the City Council to understand how progress is being made at city level, the contribution specific programmes and actions can make to reduce carbon emissions. This will be important in assisting decision makers on policy matters and informing businesses and the community on progress. Clearly it will be important that members can assess performance and effectiveness of initiatives. It will be important that all the key partners supporting Exeter City Futures and the Goal of Net Zero think about how resources can be identified to produce annual reports on progress and enable city wide conversations at the Liveable Exeter Place Board and beyond regarding progress in delivering the Exeter 2040 Vision and the commitment to a Net Zero Exeter 2030.

Matters for members to note regarding the Strategic Management Board

3.20 Members will be aware that the Interim Deputy Chief Executive is leading the internal transformation of the organisation to meet the demands of the MTFP in a programme we have called One Exeter. To support her in the leadership of this programme the reporting lines of the Director of Finance, the Director Corporate Services and the Corporate Manager for Executive Support will be changed to report to the Interim Deputy CEO. The arrangements for the Interim Deputy Chief Executive will be aligned to match the changes with the CEO role so that both roles extend to the end of 2022. During this time work will continue on addressing the challenge of the medium term financial plan and this will inform a raft of issues associated with the design of services and the

structure of the organisation. The Deputy CEO is leading on this work with the support of a Programme Steering Group and the Operational Management Board. The Deputy CEO will retain line management of Council Housing & Development Services, Housing Needs and Homelessness and Customer Access. The interim arrangements whereby the Programme manager for the One Exeter Programme reports to the Deputy CEO will continue. The line management of the Service Lead HR is shared on an interim basis between the Director Corporate Services and the Deputy CEO. This work underpins the Council corporate priorities of Delivering Value for Money Services and A Well Run Council.

3.21 The Liveable Exeter programme was led by the Project Director. He recently left to join Mid Devon as Director of Place. Liveable Exeter is a key corporate priority for the City Council and it underpins the Net Zero Plan and the other Council priorities of Building Great Neighbourhoods and Active Lifestyles. The Liveable Exeter programme is presently being worked into the preparation of the new local plan. The integration of the Liveable Exeter programme and the Planning Service is therefore urgent and necessary. Therefore instead of recruiting to a like for like post as Project Director the Council will be recruiting a Director of Planning and Development and this will ensure the integration of the Liveable Exeter programme into the main stream city development service and reflect its significance to the strategic direction of the City Council. The new Director will report into the CEO and Growth Director.

3.22 The task of the new Director will be to assemble the team to progress the programme and the Local Plan, as well as support the Liveable Exeter Place Board's work in realising the Exeter 2040 Vision.

3.23 Funding is already in place for addressing some of the capacity issues associated with the Liveable Exeter programme, and members may recall that authority was already given to recruit a number of roles to the team. Members have also earmarked a reserve to fund support for the Council's work with property and Exeter City Living. Members will be familiar with a number of proposed property transactions, a large part of the Liveable Exeter programme requires the City Council to proactively support assembling land and unlock constraints in bringing forward sites. Getting ahead of the programme in terms of land assembly is a necessary requirement to demonstrate the strategy is sound. To assist this task the City Surveyor will now in relation to the programme report directly to the CEO and will work closely with him on all aspects of development including support to him as the shareholder representative to Exeter City Living. The City Surveyor will still formally line report to the Director of Finance, albeit in practice he will work day to day with the CEO on these strategic priorities.

3.24 The CEO is presently acting as temporary director lead of the Sport England Local Delivery Pilot. This work relates to the Council's key corporate priority to support Wellbeing and Active Lifestyles. From the 2nd January 2022 this work will be led by Jon Paul Hedge, Director. This will allow the Director for Culture & Leisure Services to address the leisure estate, and activities within our facilities, alongside the work we do to support physical activity in our communities and in public spaces. This is an exciting opportunity to redefine movement and to be innovative in the ways we support our residents get active. This will be alongside the existing responsibility for culture, tourism, marketing and comms.

3.25 Other changes that will be made in support of this report relate to the Director of Transformation role. Currently the Director of Finance sits as the Council's director on the Strata Board, from the 2nd January the Director of Transformation will now be the city Council director on the Strata Board, and she will also replace the Director of Culture & Leisure Services on the Board of the Exeter Science Park. This will address capacity issues for directors and will bring different skills to the board of each company and help both companies in their next phase of the journey they are on. The Interim Deputy CEO will replace the CEO in supporting the Strata Joint Executive Committee. This latter point would be subject to approval by Strata Service Solutions Ltd for this, as it would need a change to its current constitution which stipulates that officer representation on the JEC is restricted to the Chief Executive of the three constituent authorities. .

4. What are the resource implications including non-financial resources?

4.1 The recommendations and decisions that have been taken are met from existing budgets. There are two earmarked reserves to support both work on Net Zero and Liveable Exeter. In addition Homes England and MHCLG have provided capacity funding for elements of the Liveable Exeter Programme. The fundamental premise of the approach that is being recommended is that the City Council by working with other institutions can bring greater resources to the shared goal of a net zero city than otherwise could be found from within the City Council. Retrofit is a good example of how a city wide approach may bring greater benefits in terms of investment, procurement advantages, supply chain and labour/skills development benefits.

5. Section 151 Officer comments:

5.1 Whilst there is a small financial implication from extending the role of the interim Deputy Chief Executive, it is considered that this can be funded from existing earmarked reserves. The Council set aside £1 million to support the Net Zero agenda, which will enable the Council to direct resources as it requires.

6. What are the legal aspects?

The Council is required to have a robust officer structure to support and provide resilience to the functions of the authority. The arrangements detailed in this report ensure that this capacity is maintained

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer, other than that detailed in recommendation 6 pertaining to the arrangements for Exeter City Council representation on the Strata Joint Executive Committee

8. How does the decision contribute to the Council's Corporate Plan?

The City Council's Corporate Strategy has 5 priorities:

- Delivering Net Zero Exeter 2030;
- Promoting Active & healthy lifestyles;
- Building Great Neighbourhoods;
- Providing Value for Money Services; and

- Leading A Well-Run Council.

This report and its recommendations are principally designed to progress the Net Zero Exeter Plan, but have implications across all corporate strategies.

9. What risks are there and how can they be reduced?

9.1 The key risk associated with this report is the impact on the City Council in losing the capacity of two key members of the Strategic Management Board for significant periods of time while they head up this programme of work. Steps have been taken to minimise the impact, the Interim Deputy Chief Executive is now leading on the City Council's internal transformation programme called One Exeter designed to meet the challenge of the medium term financial plan. This will ultimately look at the design of the structure of the Council on the basis that the Council will no longer look the same when the financial gap of £7m has been addressed. The Director of Finance and Director Corporate Services, plus the Corporate Manager for Executive Support will now report into the Interim Deputy Chief Executive. This helps with progressing the One Exeter programme and removes direct reports to the CEO. All officers are working in a fashion that reflects the challenges we are facing and understanding that the organisation will invariably look different as a consequence of the work involved in One Exeter. The recommendations of this report make it explicit that the arrangements will be reviewed in 12 months.

9.2 More generally with the Net Zero agenda that this report is designed to address, it is worth taking stock: The Council is a district Council with a modest budget, steps have been taken to identify capacity within the Council to progress work on the net zero agenda in respect of the City Council's own carbon footprint. This report seeks to address the work that needs to be done in support of a whole city transformation and therefore it requires the support of many institutions, businesses, voluntary groups, individuals, government, and investors.

9.3 The Net Zero Exeter 2030 plan captures the actions and scale of investment required. It is self-evidently the case that the City Council on its own cannot realise the goal, indeed some of the actions required will need to be pursued at a wider geography such as the greater Exeter travel to work area, and some actions will need to be at county, if not regional, geography. There is a risk that co-operation is not forthcoming, also there are tensions between urban and rural needs. This is noticeable when addressing the needs of travel and the actions required to support less private cars in the city. There are also risks associated with unintended consequences and these will need to be brought out in the individual risk assessments for the actions.

9.4 The risks are many and varied, ranging from the obvious that other organisations do not engage with the work and that it is put in the too difficult to do tray. Individual businesses and organisations will have established business case considerations that may be at odds with the strategic goal of net zero; this is understandable and familiar. At national level the Government has financially supported the adoption of some technology and reduced resistance to adoption by subsidising costs. There can be a resistance to pursuing something that may be obvious but where standards are not mandated, therefore there can be a perception that others will benefit down the line and therefore they sit back for others to lead. Government policy on a wide range of issues will have a significant impact on the success of the programme.

9.5 Exeter City Futures has been working in pursuance of the low carbon agenda for a number of years and it has built up a good understanding of the challenges to making progress at pace. Behavioural shift is a challenge but we have seen with Covid-19 how behaviour can shift and it points to accelerated changes in the area of home working and commuting.

10. Equality Act 2010 (The Act)

10.1 In delivering the commitment for a carbon neutral Exeter there will be a positive impact on the health and wellbeing of the residents of Exeter, community safety, the environment and the economy. Achieving the target will offer benefits including reduced air pollution, congestion and road fatalities, and improved health outcomes from more active travel and cleaner air. However, individual initiatives and programmes will need to take into account the impact of the Equality Act.

11. Carbon Footprint (Environmental) Implications:

11.1 No direct negative carbon/environmental impacts arising from the recommendations. Indeed, the report is designed to support the goal of making Exeter Net Zero.

12. Are there any other options?

12.1 There are a wide range of options but the obvious two are: Business as usual, there is no statutory obligation to lead a city wide Net Zero agenda and the Council could do what most Council's do, focus on the carbon emissions from their organisation. The Council could fund on a temporary basis a secondment to lead the programme under ECF. This was tried in the past and made progress but clearly has not proven to be the complete answer.

Councillor Phil Bialyk, Leader Exeter City Council

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
Net Zero Exeter 2030 Published By Exeter City Futures

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