

## Lancashire County Council

### External Scrutiny Committee

Tuesday, 16th July, 2019 at 10.00 am in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston

#### Agenda

##### Part I (Open to Press and Public)

No.	Item
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1.	<b>Apologies</b>
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2.	<b>Constitution: Chair and Deputy Chair; Membership; Terms of Reference</b>	(Pages 1 - 8)
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3.	<b>Disclosure of Pecuniary and Non-Pecuniary Interests</b>
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Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

4.	<b>Minutes of the Meeting held on 16 April 2019</b>	(Pages 9 - 14)
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5.	<b>Interim rapporteur report: Lancashire Energy Strategy</b>
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Verbal report by County Councillor Ed Nash psc

6.	<b>Electricity North West: Leading the North West to Zero Carbon</b>	(Pages 15 - 32)
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7.	<b>Chair's update</b>
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Verbal report

8.	<b>External Scrutiny Committee Work Programme 2019/20</b>	(Pages 33 - 40)
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**9. Urgent Business**

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

**10. Date of Next Meeting**

The next meeting of the External Scrutiny Committee will be held on Tuesday 15 October 2019 at 10am at County Hall, Preston.

L Sales  
Director of Corporate Services

County Hall  
Preston

## External Scrutiny Committee

Meeting to be held on Tuesday, 16 July 2019

Electoral Division affected: None;
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## Constitution: Chair and Deputy Chair; Membership; Terms of Reference (Appendix 'A' refers)

Contact for further information:

Gary Halsall, Tel: (01772) 536989, Senior Democratic Services Officer (Overview and Scrutiny), gary.halsall@lancashire.gov.uk

### Executive Summary

This report sets out the constitution, membership, chair and deputy chair and terms of reference of the External Scrutiny Committee for the municipal year 2019/20.

### Recommendation

The Committee is asked to note:

1. The appointment of County Councillors Ed Nash psc and David Stansfield as Chair and Deputy Chair of the Committee for the remainder of the 2019/20 municipal year;
2. the Membership of the Committee following the County Council's Annual Meeting on 23 May 2019; and
3. the Terms of Reference of the Committee.

### Background and Advice

The County Council at its meeting on the 23 May 2019, approved the constitution of the External Scrutiny Committee as being 12 members on the basis of 7 from the Conservative group, 4 from the Labour group, and 1 from either Liberal Democrat or Independent groups. The following members were appointed by their respective groups:

#### County Councillors (12):

A Ali	E Nash psc
A Cheetham	L Oades
S Clarke	G Oliver
C Crompton	J Shedwick
D Foxcroft	D Stansfield
T Martin	C Towneley

The Committee's Terms of Reference are set out at Appendix 'A'.

**Consultations**

N/A

**Implications:**

This item has the following implications, as indicated:

**Risk management**

There are no risk management implications arising from this item.

**Local Government (Access to Information) Act 1985**

**List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

## Part 2 – Article 5 (Overview and Scrutiny)

The council has established the following Overview and Scrutiny Committees:

<b>Committee</b>	<b>Responsibility</b>	<b>Membership</b>
Internal Scrutiny Committee	Review and Scrutinise decisions, actions and work of the Council	12 County Councillors
Health Scrutiny Committee	Statutory responsibility for scrutiny of adult and universal health services	12 County Councillors, plus 12 non-voting co-opted members, nominated by the 12 district councils
Children's Services Scrutiny Committee	Review and scrutinise children and young people's services including the statutory powers of a scrutiny committee as they relate to the NHS.	12 County Councillors, one non-voting co-opted youth council representative, and five non-voting district council members with one member being nominated by each Children's Partnership Board
Education Scrutiny Committee	Review and scrutinise issues around education services provided by the council including those education functions of a Children's Services authority.	16 County Councillors and 5 co-optees, (comprising three Church representatives and two parent governor representatives) who shall have voting rights in relation to any education functions which are the responsibility of the Executive
External Scrutiny Committee	Review and scrutinise issues, services and activities carried out by external organisations	12 County Councillors

**All Overview and Scrutiny Committees have the following Terms of Reference:**

1. To review decisions made, or other action taken, in connection with the discharge of any functions which are undertaken by the Cabinet collectively, or in the case of urgent decisions which cannot await a Cabinet meeting by the Leader of the Council (or in his/her absence

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Owner – Chris Mather)**

the Deputy Leader) and the relevant Cabinet Member, or Cabinet committees.

2. To make reports or recommendations to the Full Council, the Cabinet, the Leader, Deputy Leader or other Cabinet Members as necessary or Cabinet committees with respect to the discharge of any functions which are undertaken by them or in respect of any functions which are not the responsibility of the Cabinet.
3. To hold general policy reviews and to assist in the development of future policies and strategies (whether requested by the Full Council or the Cabinet, individual Cabinet members, Cabinet committees, or decided by the Committee itself) and, after consulting with any appropriate interested parties, to make recommendations to the Cabinet, individual Cabinet members, Cabinet committees, Full Council or external organisations as appropriate.
4. To consider any matter brought to it following a request by a County Councillor or a Co-optee of the Committee who wishes the issue to be considered.
5. To consider requests for "Call In" in accordance with the Procedural Standing Orders – Overview and Scrutiny Rules at Appendix C – Appendix 3 of the Constitution
6. To request a report by the Cabinet to Full Council where a decision which was not treated as being a key decision has been made and the Overview and Scrutiny Committee is of the opinion that the decision should have been treated as a key decision
7. To request the Internal Scrutiny Committee to establish task groups and other working groups and panels as necessary.
8. To request that the Internal Scrutiny Committee establish as necessary joint working arrangements with district councils and other neighbouring authorities
9. To invite to any meeting of the Committee and permit to participate in discussion and debate, but not to vote, any person not a County Councillor whom the Committee considers would assist it in carrying out its functions.
10. To require any Councillor, an Executive Director or a senior officer nominated by him/her to attend any meeting of the Committee to answer questions and discuss issues.

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## Internal Scrutiny Committee

1. To review and scrutinise all services provided by the authority, unless specifically covered by the Terms of Reference of another Overview and Scrutiny Committee.
2. To consider matters relating to the general effectiveness and development of Overview and Scrutiny in the authority including training for county councillors and co-optees.
3. To consider requests from the other Overview and Scrutiny Committees on the establishment of task groups, and to establish, task groups, and other working groups and panels as necessary, as well as joint working arrangements with District councils and other neighbouring authorities including joint committees to exercise the statutory function of joint health scrutiny committees under the NHS Act 2006.
4. To determine which Overview and Scrutiny Committee considers a particular matter where this is not clear.
5. To establish arrangements for the scrutiny of member development, and receive reports from the Member Development Working Group.
6. To recommend the Full Council to co-opt on to a Committee persons with appropriate expertise, without voting rights

## Children's Services Scrutiny Committee

1. To scrutinise matters relating to services for Children and Young People delivered by the authority and other relevant partners.

*The following provisions relating to scrutiny of health and social care relate to services for children and young people:*

2. To review and scrutinise any matter relating to the planning, provision and operation of the health service in the area and make reports and recommendations to NHS bodies as appropriate,
3. In reviewing any matter relating to the planning, provision and operation of the health service in the area, to invite interested parties to comment on the matter and take account of relevant information available, particularly that provided by the Local Healthwatch
4. The review and scrutinise any local services planned or provided by other agencies which contribute towards the health improvement and

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the reduction of health inequalities in Lancashire and to make recommendations to those agencies, as appropriate

5. In the case of contested NHS proposals for substantial service changes, to take steps to reach agreement with the NHS body
6. In the case of contested NHS proposals for substantial service changes where agreement cannot be reached with the NHS, to refer the matter to the relevant Secretary of State.
7. To refer to the relevant Secretary of State any NHS proposal which the Committee feels has been the subject of inadequate consultation.
8. To scrutinise the social care services provided or commissioned by NHS bodies exercising local authority functions under Section 31 of the Health Act 1999.
9. To draw up a forward programme of health scrutiny in consultation with other local authorities, NHS partners, the Local Healthwatch and other key stakeholders.
10. To acknowledge within 20 working days to referrals on relevant matters from the Local Healthwatch or Local Healthwatch contractor, and to keep the referrer informed of any action taken in relation to the matter
11. To require the Chief Executives of local NHS bodies to attend before the Committee to answer questions, and to invite the chairs and non-executive directors of local NHS bodies to appear before the Committee to give evidence.
12. To invite any officer of any NHS body to attend before the Committee to answer questions or give evidence.

### **Education Scrutiny Committee**

1. To scrutinise matters relating to education delivered by the authority and other relevant partners.
2. To fulfil all the statutory functions of an Overview and Scrutiny Committee as they relate to education functions of a Children's Services Authority.

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## Health Scrutiny Committee

1. To scrutinise matters relating to health and adult social care delivered by the authority, the National Health Service and other relevant partners.
2. In reviewing any matter relating to the planning, provision and operation of the health service in the area, to invite interested parties to comment on the matter and take account of relevant information available, particularly that provided by the Local Healthwatch
3. In the case of contested NHS proposals for substantial service changes, to take steps to reach agreement with the NHS body
4. In the case of contested NHS proposals for substantial service changes where agreement cannot be reached with the NHS, to refer the matter to the relevant Secretary of State.
5. To refer to the relevant Secretary of State any NHS proposal which the Committee feels has been the subject of inadequate consultation.
6. To scrutinise the social care services provided or commissioned by NHS bodies exercising local authority functions under the Health and Social Care Act 2012.
7. To request that the Internal Scrutiny Committee establish as necessary joint working arrangements with district councils and other neighbouring authorities.
8. To draw up a forward programme of health scrutiny in consultation with other local authorities, NHS partners, the Local Healthwatch and other key stakeholders.
9. To acknowledge within 20 working days to referrals on relevant matters from the Local Healthwatch or Local Healthwatch contractor, and to keep the referrer informed of any action taken in relation to the matter.
10. To require the Chief Executives of local NHS bodies to attend before the Committee to answer questions, and to invite the chairs and non-executive directors of local NHS bodies to appear before the Committee to give evidence.
11. To invite any officer of any NHS body to attend before the Committee to answer questions or give evidence.
12. To recommend the Full Council to co-opt on to the Committee persons with appropriate expertise in relevant health matters, without voting rights.

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13. To establish and make arrangements for a Health Steering Group the main purpose of which to be to manage the workload of the full Committee more effectively in the light of the increasing number of changes to health services.

### **External Scrutiny Committee**

1. To review and scrutinise issues, services or activities carried out by external organisations including public bodies, the voluntary and private sectors, partnerships and traded services which affect Lancashire or its inhabitants, and to make recommendations to the Full Council, Cabinet, Cabinet Members, Cabinet committees or external organisations as appropriate.
2. To review and scrutinise the operation of the Crime and Disorder Reduction Partnership in Lancashire in accordance with the Police and Justice Act 2006 and make reports and recommendations to the responsible bodies as appropriate
3. In connection with 2. above, to require an officer or employee of any of the responsible bodies to attend before the Committee to answer questions
4. To co-opt additional members in accordance with the Police and Justice Act 2006 if required, and to determine whether those co-opted members should be voting or non-voting
5. To review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area

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Owner – Chris Mather)**

## Lancashire County Council

### External Scrutiny Committee

**Minutes of the Meeting held on Tuesday, 16th April, 2019 at 10.30 am in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

#### Present:

County Councillor Edward Nash psc (Chair)

#### County Councillors

D Stansfield	Mrs L Oades
A Ali	G Oliver
A Cheetham	J Rear
C Crompton	J Shedwick
D Foxcroft	C Towneley
T Martin	

#### 1. Apologies

There were no apologies.

#### 2. Disclosure of Pecuniary and Non-Pecuniary Interests

None were disclosed.

#### 3. Minutes of the Meeting held on 5 March 2019

**Resolved:** That the minutes from the meeting held on 5 March be confirmed as an accurate record and signed by the Chair.

#### 4. Transport for the North: Revised Strategic Transport Plan

The Chair welcomed from Transport for the North (TfN), Robin Miller-Stott, Senior Strategy Officer; and Owen Wilson, Project Manager. A presentation was given on the revised Strategic Transport Plan, Investment Programme, Central Pennines Corridor and next steps.

It was reported that the objectives of the Strategic Transport Plan had evolved following the consultation which were now:

- Transforming economic performance.
- Increasing efficiency, reliability, integration and resilience in the transport system.
- Improving inclusivity, health, and access to opportunities for all.
- Promoting and enhancing the built, historic, and natural environment.

The Committee was informed that since the Strategic Transport Plan had become a statutory document the Department for Transport had to have consideration of the plan when taking decisions on national improvements. Likewise the Transport for the North Board took decisions that had been devolved from central government and had to have consideration for national improvements.

There were significant areas of employment in the North that TfN hoped to connect. Economic clusters in the North must also be better connected. One of the key findings of the Northern Powerhouse's Independent Economic Review was the distribution of prime capabilities across the area. These were advanced manufacturing, digital, energy, and health innovation. These prime capabilities also needed enabling capabilities to support growth in those areas being: education services, financial and professional services, and, the logistics sector.

The committee was informed that around 60% to 70% of commuting in the North was outside of the local authority where people lived which indicated that there was potential for people to travel further. It was vital therefore that there was a transport system in place to allow people to do this.

Regarding demand on the transport network it was noted that car travel was the dominant mode of travel. The rail network had only a 1.1% share of total trips. Capacity on rail services had increased.

TfN was committed to sustainability and its Transport Plan supported a series of Government policies including the Road to Zero Strategy and Clean Growth Strategy. TfN supported the delivery of a low carbon Northern transport network including a zero carbon public transport network by 2050. The 'Pathway to 2050' would set out how TfN's implementation of policies would contribute towards meeting carbon budget targets. Work would also explore Sustainable Return on Investment in business cases.

It was noted that transport investment was not just about the economic case but the social case as well and how to ensure there was better social value for transport. Overall TfN's vision was for the transport plan to be an economic plan.

TfN was working to improve East / West connectivity especially through the Central Pennines corridor. This would benefit all of the North due to connecting some of the North's important economic centres. It was also working with businesses to discover the potential of current and future logistic hubs and how goods were being moved across the country. Members stated that East / West connectivity was vital and welcomed investment in this.

The committee was informed that integrated and Smart Travel was already underway. This was contactless payment for travel on public transport across the North. The programme would transform the passenger experience in the North by working in partnership with the rail and bus sectors, and key transport organisations. £150m had been secured from Government to implement Smart travel to help revolutionise public transport across the North.

On funding the Investment Programme it was explained that there was a funding requirement for between £60 and £70 billion over the next 30 years. However, TfN was calling for an additional funding of £21 billion to £27 billion of transformational growth to support its ambitions and funding requirement.

In response to questions raised by members, the following information was clarified:

- Members enquired how the North had got itself into this underperforming state. It was felt that this was mainly down to underinvestment and decisions being made elsewhere.
- In terms of the transportation of freight the committee was informed that there had been a lot of investment through the private sector regarding logistic hubs, distribution centres and ports. TfN was working with the private sector to understand what the future was for the freight market especially rail freight. Container freight was the future in terms of freight on the network. In terms for restricting HGVs going through towns and cities, this was the decision of the local authorities. TfN would work with local authorities to identify depots outside of towns for freight to be distributed.
- On timescales for the replacement of Pacer Trains the committee was informed that they would be gone and replaced by the end of 2019.
- Members were informed that Northern Powerhouse Rail would be a multi-million pound scheme but there were also a lot of small schemes that collectively when put together had great potential.
- In terms of low carbon emissions TfN was looking to decarbonise transport on the highways as well as on the rail network. The long term aim was to see a move towards electrification. However there needed to be the infrastructure in place to enable greener travel.
- The committee enquired how TfN was building a collaborative and constructive relationship with the North's 72 local planning authorities. This took up a lot of time but the time spent with the authorities was valuable and TfN would continue to engage with them as much as they could. The TfN also maintained good relations with the 20 local transport authorities.
- It was stated that multi-user non-motorised networks were just as important as fast rail and better road infrastructure. It was felt that these networks were not integrated into the Transport Plan. Members were informed that part of the issue in delivering active travel was funding. Within the Transport Plan the TfN fully supported the National Infrastructure Commission's recommendation that there should be a significant uplift in local transport funding to support active travel.
- Members welcomed the new trans-pennine road study led by Highways England and suggested the findings from this be presented at a future meeting of the Committee.

**Resolved:** That;

- i. The report be noted.
- ii. Transport for the North be invited to attend a future meeting of the External Scrutiny Committee following the completion of the trans-pennine road study led by Highways England.

## **5. Chair's update**

The Chair provided a verbal update to the Committee on progress that had been made since the Committee last met.

1. Following the resolution to a Notice of Motion on Climate Change at Full Council's last meeting in February, the Internal Scrutiny Committee at its last meeting in March agreed that consideration be given to a joint task group between it and External Scrutiny to review low carbon technology and the county council's land and site usage. Since then the Chair had discussions with the Chair of Internal Scrutiny Committee and it had been decided that the External Scrutiny Committee considered adopting climate change and low carbon technology as a theme for future meetings. This would not preclude the committee from doing anything else or its usual statutory work.
2. Rapporteur work had begun on the Committee's request to determine how the Lancashire Energy Strategy could be progressed. The Chair had recently met with Andy Walker from the Lancashire Enterprise Partnership for an initial discussion on the strategy. The Chair hoped to present a report at the next scheduled meeting of the Committee.

**Resolved:** That the Chair's update be noted.

## **6. External Scrutiny Committee Work Programme 2018/19**

The report presented set out the External Scrutiny Committee's Work Programme for the municipal year 2018/19.

Regarding County Councillor Oliver's rapporteur report on Universal Credit, a request was made to invite an officer from the Department for Work and Pensions to attend a future meeting of the External Scrutiny Committee to present on dealing with people in Lancashire.

**Resolved:** That;

1. The report be noted.

2. A representative from the Department for Work and Pensions to attend a future meeting of the External Scrutiny Committee to present on dealing with people in Lancashire.

#### **7. Urgent Business**

There was no Urgent Business.

#### **8. Date of Next Meeting**

The next meeting of the External Scrutiny Committee would take place on Tuesday 16 July 2019 at 10.30am in Cabinet Room B (The Diamond Jubilee Room) at the County Hall, Preston.

L Sales  
Director of Corporate Services

County Hall  
Preston





## External Scrutiny Committee

Meeting to be held on Tuesday, 16 July 2019

Electoral Division affected: (All Divisions);
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## Electricity North West: Leading the North West to Zero Carbon

(Appendix A refers)

Contact for further information:

Gary Halsall, Tel: (01772) 536989, Senior Democratic Services Officer (Overview and Scrutiny), gary.halsall@lancashire.gov.uk

### Executive Summary

Officers from Electricity North West (ENW) will attend the meeting to deliver a presentation on leading the north west to zero carbon. A copy of their plan is set out at appendix A to this report.

### Recommendation

The External Scrutiny Committee is asked to:

1. Determine any future topics for inclusion on the External Scrutiny Committee's work programme for 2019/20.
2. Formulate any recommendations to progress zero carbon activity for the County Council.

### Background and Advice

Helen Norris, Stakeholder Engagement and CSR Manager, Helen Boyle, Strategic Decarbonisation Manager, and Mike Taylor, Customer Engagement Manager and Strategic Projects from Electricity North West will attend the meeting to deliver a presentation on [leading the north west to zero carbon](#).

A copy of Electricity North West's Leading the North West to Zero Carbon plan is set out at **appendix A**.

The External Scrutiny Committee is asked to:

1. Determine any future topics for inclusion on the External Scrutiny Committee's work programme for 2019/20.
2. Formulate any recommendations to progress zero carbon activity for the County Council.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

The plan set out at appendix A represents the views of Electricity North West and are not those of Lancashire County Council.

## **Local Government (Access to Information) Act 1985**

### **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

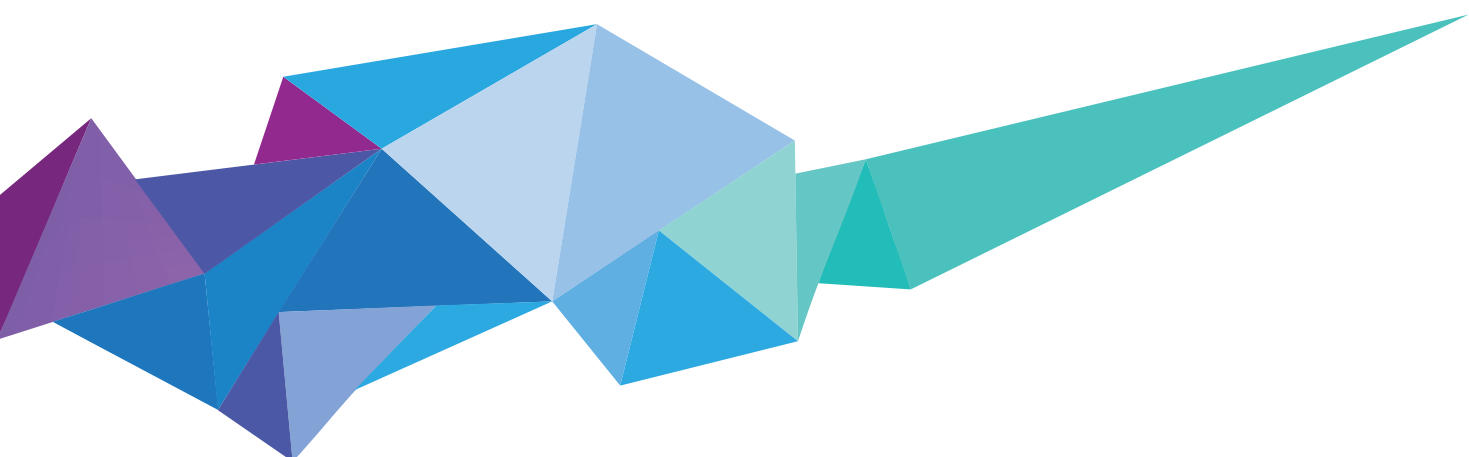
N/A

## Leading the North West to zero carbon



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Helping others to follow our path	10



# Our ambition

**The UK is on a transformative journey to decarbonise. Global leaders established the Paris Climate Change Agreement in 2015, which agreed that rapid decarbonisation is critical if we are to limit global warming. A significant part of this journey is the revolution of our electricity industry – the way energy is generated, stored, transported and traded. Here in the North West, our ambitions to reduce carbon emissions are even bolder.**

We recognise our critical role as the North West's network operator and will demonstrate how businesses and consumers can mitigate their impact on the climate. We will lead this transformation and encourage the growth of local renewable generation and storage across the region and expect that electric vehicles and the electrification of heat will provide a challenge and an opportunity for the electricity network. We are investing to ensure that the potential that this technology offers to the North West can be maximised.

**Our plan:** Leading the North West to zero carbon, outlines our ambition to meet the region's carbon emissions target and sets out the range of initiatives and investments which will ensure we take a significant step on the road to achieving rapid decarbonisation.

With regional stakeholders and political leaders looking to organisations to show leadership on the road to decarbonisation,

it is our responsibility to help our customers by taking a lead role in transitioning to a low carbon future.

Our vision is to create and manage a dynamic and interactive electricity network. We have the energy and commitment to transform our communities and to show how serious we are, we are investing an extra £63.5m over the next four years to help businesses, our customers and our colleagues to decarbonise.

Greater Manchester's Mayor, Andy Burnham, has publicly stated that the region will be a pioneer and accelerate efforts to reduce carbon emissions to near-zero by 2038. Electricity North West is committed to becoming one of the leading organisations helping the whole of the North West to achieve this goal, not just Greater Manchester.

This is the next phase of the journey to decarbonise at a rate never seen before. It is critical that we continue to talk and engage with stakeholders as our plans develop. We welcome your input to help shape our plans and priorities. If you have any comments, please get in touch.



**Peter Emery**  
Chief Executive Officer



# Introduction

**There is no doubt that organisations and individual consumers collectively need to act now in tackling global warming. This can and will be achieved by moving to clean energy and sustainable lifestyles to reduce carbon emissions. With demand for electricity set to double by 2050, urgent change is now required in terms of the way we, as North West residents and businesses, manage our energy needs. We have a key role in ensuring we are leading and supporting our communities to achieve true sustainability.**

Our role, as a distribution network operator is two-fold. We have a key responsibility to reduce our own organisational carbon footprint, but secondly, we are in a unique position as the electricity network provider to lead and help other organisations transition to a low carbon economy. This plan sets out our commitment.

We have taken a carbon budget approach to reducing our emissions with the aim of reaching zero carbon by 2038. This will support our stakeholders' aspirations, including Greater Manchester's target of carbon neutrality by 2038 and the activities of the Lake District National Park Climate Change partnership to create a low carbon Lake District.

This plan not only explains our role in transitioning to a zero carbon economy, but also how we will meet our responsible business framework commitments of:

Driving down our carbon emissions

Helping our colleagues and customers to drive down their carbon emissions







# Our leadership role

As the region's distribution network operator (DNO), we own and operate the network infrastructure that transports electricity from the national grid to people's homes and businesses. In simple terms, we power the North West network and keep people's homes, businesses and lives running.

## How do we achieve that?

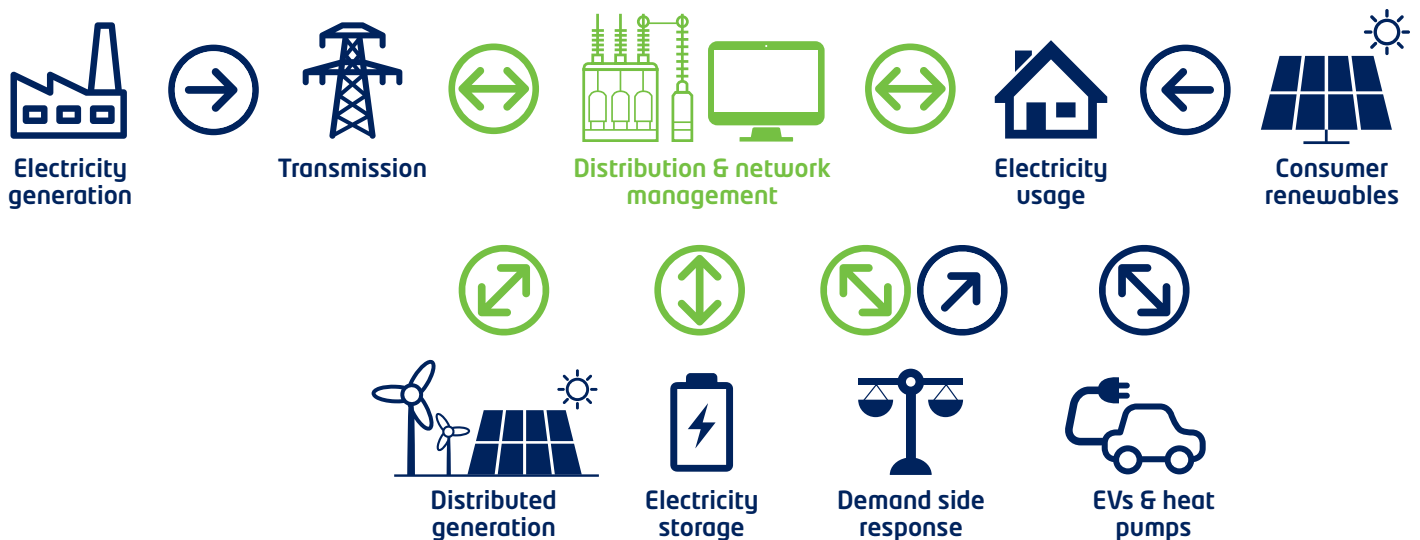
- Our network is made up of overhead lines, underground cables and other equipment used to distribute electricity to customers' premises. This network is paid for by customers through their electricity supply bills.

- We invest £1m a day in the North West.
- We deliver over 25 terawatt hours of electricity through the network each year to around 2.4 million customers across an area of 12,500 square kilometres. We are responsible for the maintenance and upkeep of the network ensuring it's fit for future changes.
- We encourage the growth of renewable generation and storage across the region and expect that electric vehicles and the electrification of heat will provide both a challenge and an opportunity for the electricity network. We are investing in the network to ensure that the potential that this technology offers to the North West can be maximised.

What used to be relatively simple...



...is becoming far more complex and multi-directional





# Addressing our own carbon emissions

## A smart energy network fit for the future

We are responsible for ensuring that enough power can be provided where needed at an affordable price and in an environmentally-sustainable way.

We're at the forefront of energy innovation and our focus is working with local communities, stakeholders and expert partners to ensure everyone has the power they need, when they need it. We are constantly researching and modelling the network capacity that will be required, and in 2018 we published our first Distribution Future Electricity Scenarios and Regional Insights report. This report, which we will publish annually, shows how demand for electricity is likely to develop over time and helps inform planning to ensure the grid can meet demand.

As part of an industry-wide shift that will transform the role of network operators to system operators, in 2018 we launched our first call for flexibility services. This is where organisations or individuals capable of adjusting how much electricity they consume or generate are asked to support the local distribution network by being flexible in return for payment from us when the network is becoming constrained. We will use this flexibility to support how we operate our local networks and as an alternative to reinforcing it with more infrastructure. This reduces the cost for customers while ensuring that the network remains resilient, reliable and meets our customers' needs.

## Our role in transitioning to a zero carbon economy

As a network operator, we have several roles to play in the transition to a zero carbon economy:

### 1. Supporting our customers

The North West region is seeing huge economic growth. This coupled with decarbonisation is driving an increased demand for electricity as an energy source. Customers are relying more and more on power for all elements of their lives, from smart technology in homes, to electric vehicles. We are supporting our customers to transition to a zero carbon economy by encouraging and connecting technologies, such as renewable energy, heat pumps and electric vehicles to the grid.

### 2. Managing our emissions

We also have a responsibility to manage our operational emissions that arise from our onsite energy use at our depots and substations, and from transport. As network operator, it is critical we take a proactive role in managing our carbon footprint. We report annually on our carbon emissions in our environment report<sup>1</sup> and in 2017/18 our business carbon footprint (excluding electricity losses from the network) was 20,599 tonnes. These emissions arise from energy use in our depots and substations, fuel use for transport and generators we use during power cuts, and from business travel.

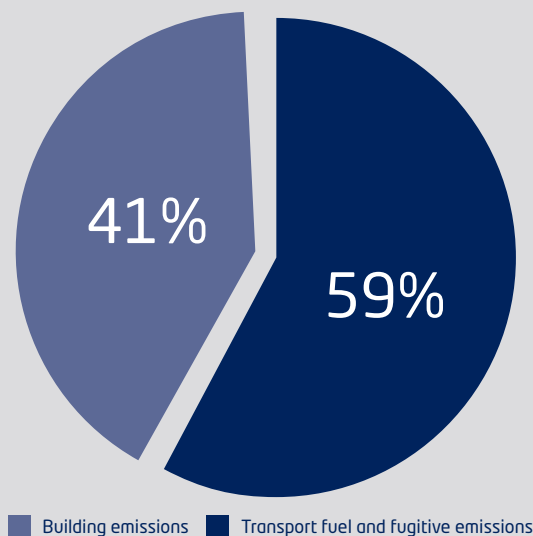
### 3. Supporting our employees

As an employer of 2,000 people and with a company purpose to 'transform our communities', we take our role seriously in supporting our colleagues and customers to drive down their carbon emissions. This includes taking the lead on practical steps towards zero carbon for our region and showing how customers can benefit from these changes. Reducing carbon emissions and being more energy efficient also means better air quality, reduced fuel bills and more comfort in homes.

This plan sets out activities in all of these areas and how we will budget for the carbon emissions we are responsible for to ensure we reach zero carbon by 2038.

Sources of Electricity North West business carbon emissions:

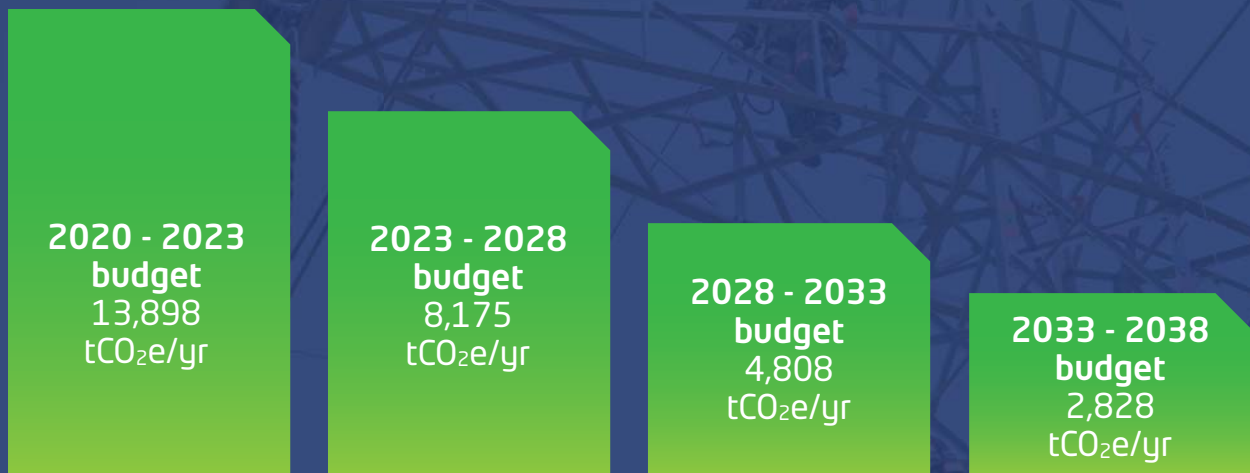
#### Total carbon



<sup>1</sup> Our environment report is available on our website <https://www.enwl.co.uk/about-us/regulatory-information/environment-report/>

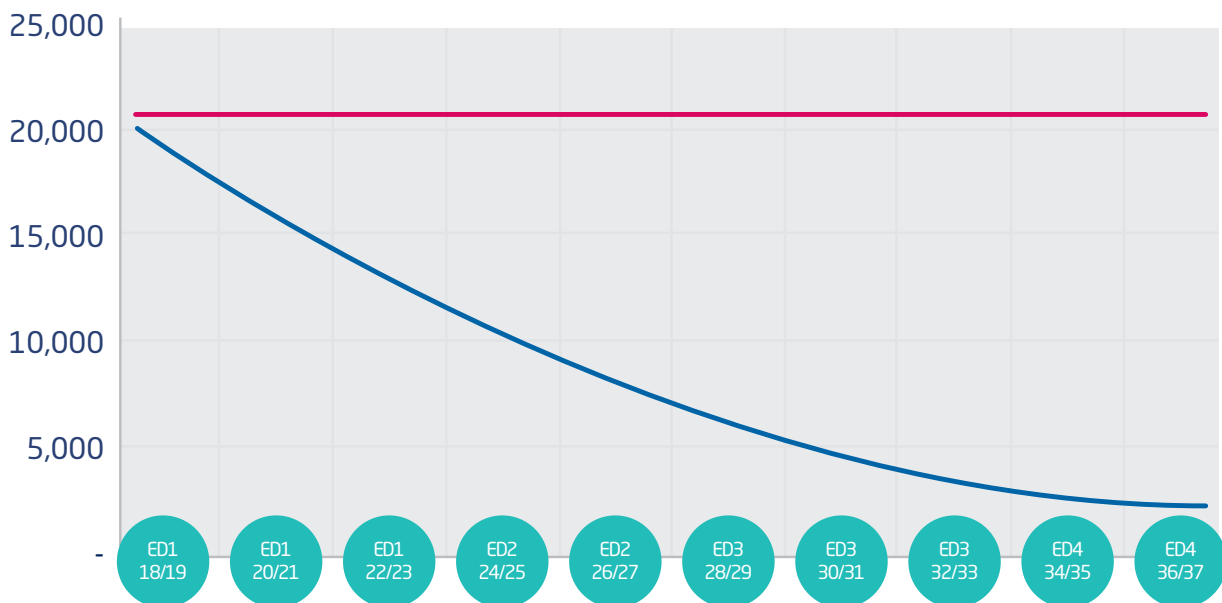
# How we are managing our investment in operational carbon reduction

- Our industry operates in price control periods for which we produce a business plan, approved by Ofgem. To help us manage the investment required to deliver this level of carbon reduction we have divided our carbon budget between the price control periods from now until 2038.
- To meet zero carbon by 2038 we have a carbon budget of 148,550 tCO<sub>2</sub>e, which gives us an average annual budget of 7,400 tCO<sub>2</sub>e compared with 21,000 tonnes today.
- To meet this budget, we've set ourselves a challenging 10% year-on-year annual reduction target. Ahead of this, we will start to accelerate our emissions reductions activities, undertaking research and making the investments required to be able to hit the ground running in 2020.



The graph shows our emissions reduction pathway based on a 10% year-on-year annual reduction, which we will be constantly managing and re-budgeting. We will report our progress annually and will share our learning to enable our stakeholders to take action too.

**Annual operational emissions budgets CO<sub>2</sub>e, tonnes**



# Helping others to follow our path

As an organisation committed to helping businesses, colleagues and customers to decarbonise, we are investing an additional £63.5m in zero carbon over the next four years. Our 'Leading the North West to zero carbon plan' sets out how we will do that.

- We will decrease our emissions by 10% year-on-year in order to become zero carbon by 2038.
- We have become the first Carbon Literate distribution network operator in Great Britain. We have been accredited by The Carbon Literacy project as having a substantial commitment to developing and delivering low carbon behaviour.
- We are developing a new losses strategy which will set out how carbon emissions from network losses can be reduced as far as practicably possible by 2038. See page 12 for more information on network losses.
- We are developing a new programme of initiatives to support carbon reduction activity in our communities.
- We encourage and enable our customers to connect low carbon technology to our network at an affordable rate.

10% year-on-year decrease in emissions

We are investing £63.5m over the next four years

Arkholme, Lancashire



Between  
now and  
2023

We know we  
need to identify  
emissions  
reductions savings  
of 27,800 tCO<sub>2</sub>e

Equivalent  
to:

3,700 cars  
off the road  
per year\*

Driving  
116 million  
miles\*\*

\*Based upon a diesel Ford Focus car driving 7,800 miles per year

\*\*Based upon a diesel Ford Focus car

## Operational carbon emissions



We have already identified measures that will deliver emissions reductions of 27,400 tCO<sub>2</sub>e

Taking action on our own carbon emissions is a key priority for us. We are developing an investment pipeline to meet the emissions reductions required in this price control period, as well as planning the investment pipelines required in future price control business plans.

We know we need to identify emissions reductions savings of 27,842 tCO<sub>2</sub>e between now and 2023. We have already identified measures that will deliver a reduction of 27,400 tCO<sub>2</sub>e and are confident we will be able to identify the remaining 442 tCO<sub>2</sub>e.

We will target onsite energy use at our depots and substations. We can achieve an immediate reduction by switching our energy supply to a certified zero carbon source as soon as our current contract allows. This is a positive first step in the journey to delivering real action to our depots and substations.

Our strategy for reducing emissions from our depots and substations is:

- **Quick wins:** Making sure we have LEDs at all appropriate locations and optimising our energy management systems to make sure we are using our energy as efficiently as possible.
- **Zero carbon depots:** Starting with two exemplar depots this year, we will transform our estate to have onsite generation and storage to meet as much of our own energy demand as possible. We will use these as exemplars to help other businesses understand what is achievable.
- **Zero carbon substations:** We are working with Salford University on a research project to design a zero carbon substation for the onsite energy used. Once developed, we will use this for all our new substations and roll it out to the rest of the network.

Reducing our transport fuel emissions is also a focus for us. We will:

- Encourage and support more efficient use of vehicles to reduce overall travel, for example, by improving our infrastructure and cultural approach to walking and cycling to work.
- We will develop a timetable to transfer our fleet over to electric vehicles. As some of our fleet vehicles are used to attend power cuts, access to charging points and length of time between charges will need consideration. It will also require our colleagues to change their vehicles and we will invest in charging infrastructure to support and encourage colleagues who want to make this choice.

## Network losses

Carbon emissions from network losses in 2017/18 were 532,891 tCO<sub>2</sub>e and they dwarf those emissions from our own operations.

Network losses are the proportion of electricity that is lost from the network as it is transported from the power grid to people's homes and businesses. They are a natural consequence of electricity distribution which can never be totally eliminated. Network losses have carbon emissions associated with them calculated from the carbon intensity of the electricity distributed. These emissions are dependant on the type of generation feeding the system. If all generation was low carbon there wouldn't be any carbon emissions from network losses.

However, carbon is not the only reason to reduce network losses; the cost of these losses is paid for by all customers so reducing network losses also reduces customers' bills.

We will develop a new strategy to investigate emissions reduction pathways to 2038 and research non-traditional ways of reducing or off-setting network losses that will help to achieve zero carbon by 2038.

## Helping our colleagues and customers drive down their carbon emissions

### Leadership in our communities

We will encourage the adoption of low carbon technologies to help our colleagues and customers drive down their carbon emissions and will develop this part of our plan with stakeholders.

- We will consult with our sustainability panel on the scope and delivery model for our £1m community leadership fund.
- We will consult with a new colleague engagement committee to develop our support package for colleagues looking to develop low carbon lifestyles.
- We will provide practical advice and action provided through our Big Energy Conversation website.

### Energy efficiency

It is important that we encourage energy efficiency as it can reduce the need for investment in the network. Energy efficiency can be improved by using a more efficient appliance or light bulb or by not using energy in the first place. Energy efficiency not only reduces demand on the network, but also saves consumers money on their bill. We've created the Big Energy Conversation website at [www.enwl.co.uk/bigenergyconversation](http://www.enwl.co.uk/bigenergyconversation) to provide tips for households and key stakeholders to reduce energy consumption.

Energy efficiency is also important for reducing carbon emissions. Our Smart Street innovation project has demonstrated how investment in the network can help customers save energy and money.





## Smart Street

By combining innovative technology with existing assets, Smart Street makes networks and customers' appliances perform more efficiently and makes it easier to adopt low carbon technologies onto the electricity network.

Using new controllable switching devices, called the Weezap and Lynx, integrated into our network management system, Smart Street stabilises voltage and avoids it falling outside of statutory limits.

We can then reduce the supply voltage to our customers to an optimum level so that our networks and our customers' appliances work more efficiently, a technique known as conservation voltage reduction.

Smart Street has proven that controlling voltage on our low voltage network brings a number of benefits to customers.

It can reduce electricity bills by up to £70 a year, which is around 80% of what our customers pay for our service, reducing carbon emissions and providing more flexible solutions to help us connect low carbon technologies to the network – all without impacting power quality.

[www.enwl.co.uk/smartstreet](http://www.enwl.co.uk/smartstreet)



**It can reduce electricity bills by up to £70 a year**

## Enabling low carbon technologies

Achieving zero carbon by 2038 is a bold ambition and will only be achieved if communities and organisations are engaged and committed to changing the way electricity is generated and consumed. We also need to see an increase in low carbon technologies and the transition to electric vehicles.

Our Distribution Future Electricity Scenarios and Regional Insights report predicts that:

There will be up to **2.5 million vehicles** in the North West

Renewable energy connected to the network could triple to **7.9 GW**

The North West's electricity demand could grow from **4.4 GW to 7.7 GW**

by 2050



## Carbon Literacy

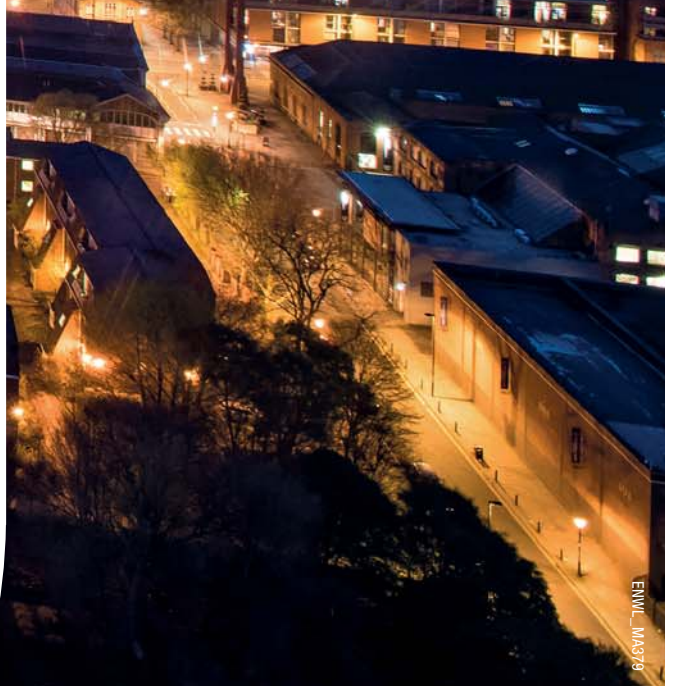
To maximise the impact of our activities, we will be rolling out carbon literacy training to our colleagues. In March 2019 we became the first carbon literate electricity distribution network operator in the UK and we are ready to roll out training to our colleagues.



The North West is facing significant environmental challenges and it's imperative that we act now to ensure the region plays its part to meet the Paris Climate Agreement requirements. Achieving this will be challenging, but Electricity North West is committed to leading by example and is investing now to enable the region's decarbonisation journey.

**If you have any comments on our 'Leading the North West to zero carbon' plan or would like to get involved please contact us at [zerocarbon@enwl.co.uk](mailto:zerocarbon@enwl.co.uk)**

**Find out more and join in at; [www.enwl.co.uk/zerocarbonNW](http://www.enwl.co.uk/zerocarbonNW)**



## Electricity North West

304 Bridgewater Place,  
Birchwood Park,  
Warrington. WA3 6XG

[www.enwl.co.uk](http://www.enwl.co.uk)

Electricity North West Limited  
Registered number 02366949



## External Scrutiny Committee

Meeting to be held on Tuesday, 16 July 2019

Electoral Division affected: None;
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## External Scrutiny Committee Work Programme 2019/20

(Appendix 'A' refers)

Contact for further information:

Gary Halsall, Tel: (01772) 536989, Senior Democratic Services Officer (Overview and Scrutiny), gary.halsall@lancashire.gov.uk

### Executive Summary

The themed work programme for the External Scrutiny Committee is presented at appendix 'A'.

### Recommendation

The External Scrutiny Committee is asked to note and comment on the report.

### Background and Advice

A statement of the work and potential topics to be undertaken and considered by the External Scrutiny Committee for the remainder of the 2019/20 municipal year is set out at appendix 'A'. The work programme is presented to each meeting for information.

The work programme for 2019/20, will feature a themed approach to some of the Committee's work on climate change and low carbon energy. This follows a resolution by Full Council at its meeting on 28 February 2019, in relation to the Notice of Motion to declare a climate emergency; and an agreement between the Chairs of the External and Internal Scrutiny Committees for this Committee to act on Full Council's call to review the council's operations and to help identify how the council's activities might be made net-zero carbon by 2030.

The work programme is a work in progress document.

### Consultations

N/A

### Implications:

This item has the following implications, as indicated:

## **Risk management**

This report has no significant risk implications.

## **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

## External Scrutiny Committee Work Programme 2019/20

The External Scrutiny Committee Work Programme details the planned activity to be undertaken over the forthcoming municipal year through scheduled or extraordinary Committee meetings, task group, events and through use of the 'rapporteur' model.

The items on the work programme are determined by the Committee following the work programming session at the start of the municipal year in line with the Overview and Scrutiny Committees terms of reference detailed in the County Council's Constitution. This includes provision for the rights of County Councillors to ask for any matter to be considered by the Committee or to call-in decisions.

Coordination of the work programme activity is undertaken by the Chair and Deputy Chair of all of the Scrutiny Committees to avoid potential duplication.

In addition to the terms of reference outlined in the [Constitution](#) (Part 2 Article 5) for all Overview and Scrutiny Committees, the External Scrutiny Committee will:

1. Review and scrutinise issues, services or activities carried out by external organisations including public bodies, the voluntary and private sectors, partnerships and traded services which affect Lancashire or its inhabitants, and to make recommendations to the Full Council, Cabinet, Cabinet Members, Cabinet Committees or external organisations as appropriate.
2. Review and scrutinise the operation of the Crime and Disorder Reduction Partnership in Lancashire in accordance with the Police and Justice Act 2006 and make reports and recommendations to the responsible bodies as appropriate
3. In connection with 2. above, to require an officer or employee of any of the responsible bodies to attend before the Committee to answer questions
4. Co-opt additional members in accordance with the Police and Justice Act 2006 if required, and to determine whether those co-opted members should be voting or non-voting
5. Review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area

The Work Programme will be submitted to and agreed by the Scrutiny Committees at each meeting and will be published with each agenda.

The dates are indicative of when the External Scrutiny Committee will review the item, however they may need to be rescheduled and new items added as required.

Topic	Scrutiny Purpose (objectives, evidence, initial outcomes)	Initial Scrutiny Method	Lead Officers/organisations	Proposed Date(s)	Recommendations	Progress
<b>Climate change and low carbon energy theme throughout 2019/20</b>						
Electricity North West	Leading the Way to Zero Carbon	Committee	Helen Norris, tbc, ENW	16 July 2019		
Community Safety Partnerships	Outcome of the review of Community Safety Partnerships and Governance Arrangements	Committee	Debbie Thompson and Clare Platt, LCC	15 October 2019		
Electricity North West	Vulnerable Customers and the priority services register	Committee	Helen Norris, tbc, ENW	15 October 2019		
Universal Credit	Dealing with people in Lancashire	Committee	Tbc, Department for Work and Pensions	15 October 2019		
Transport for the North (TfN)	Outcome of the trans-pennine road study	Committee	Robin Miller-Stott, TfN and Highways England	21 January 2020		
LCC Carbon Plan/Internal Energy and Water	Policy development	Committee	Denise Jepson, LCC, Electricity North West, Lancashire Renewables (CEO),	21 January 2020		

Topic	Scrutiny Purpose (objectives, evidence, initial outcomes)	Initial Scrutiny Method	Lead Officers/organisations	Proposed Date(s)	Recommendations	Progress
<b>Climate change and low carbon energy theme throughout 2019/20</b>						
Management Policy			Npower, Total Gas and Power, Heat network			
				21 April 2020		
Task and finish groups						
Strengthening flood risk management and preparedness in Lancashire	<p>to bring together the expertise of all flood risk management authorities, local flood and emergency response groups, and residents to better understand how the County Council as Lead Local Flood Authority and all other flood risk management authorities can better support residents to:</p> <ul style="list-style-type: none"> <li>- be prepared for flooding;</li> <li>- respond to flooding;</li> <li>- recover from flooding;</li> </ul> <p>and</p>	Task and finish group	LCC, Environment Agency, United Utilities, Flood action groups	Task and finish group report presented at 15 October 2019 meeting		

Topic	Scrutiny Purpose (objectives, evidence, initial outcomes)	Initial Scrutiny Method	Lead Officers/organisations	Proposed Date(s)	Recommendations	Progress
<b>Climate change and low carbon energy theme throughout 2019/20</b>						
	- understand what we can do together to reduce flood risk.					
<b>Rapporteurs</b>						
Universal Credit	Bite size briefing: Universal Credit full service roll out in Lancashire	Rapporteur (CC G Oliver)	Joanne Barker, Welfare Rights Manager, Health, Equity, Welfare and Partnerships, LCC	5 March 2019	Report circulated to Committee in March 2019. Invite representative from DwP to present on dealing with people in Lancashire	
Lancashire Energy Strategy	To determine how the Lancashire Energy Strategy can be progressed.	Rapporteur (CC E Nash)	Andy Walker, Economic Development Service, LCC and Electricity North West	16 July 2019		
<b>Completed</b>						

**Future meeting dates**

2019/20 – 16 July; 15 October (move to November?); 21 January 2020; and 21 April.



**Additional suggestions/organisations:**

- Co-ordination of roadworks across Lancashire – LCC, utility companies and housing developers
- Lancashire Energy HQ, Natural Energy Wyre, Halite Energy, Ecotricity, [Future Biogas](#) [Energy Summit March 2020]
- Follow the council pound (Rachel Tanner Head of Procurement)

