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| Meeting   | Climate Change Policy and Scrutiny Committee  |
| Date      | 12 November 2019  |
| Present   | Councillors Vassie (Chair), Baker (Vice-Chair), S Barnes, Hook, D Myers, Wann, Orrell (Substituting for Fisher) |
| Apologies | Councillor Fisher   |

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#### **14. Declarations of Interest**

At this point, Members were asked to declare any personal interests not included on the Register of Interests, prejudicial interest or any disclosable pecuniary interests which they may have in respect of business on the agenda.

Councillor Barnes declared a personal interest in relation to item 5 of the agenda, as he worked for an Offshore Renewable Energy company, Catapult.

#### **15. Minutes**

Resolved: that the minutes of the previous meeting held on the 15 October 2019 be approved and signed by the Chair as an accurate record.

#### **16. Public Participation**

It was reported that there had been three registrations to speak under the Council's Public Participation Scheme.

Emanuela Buizza spoke about the importance of trees to CO2 reduction. They requested that the Committee recommend to the Executive a complete ban on tree felling on both public and private land. They also requested that the Committee recognise the importance of the Ecological Emergency alongside that of the Climate Emergency.

June Tranmer echoed the previous speaker and noted that more trees are chopped down than are planted. The speaker also raised a concern regarding recycling, noting that residents are often displeased to see their separated waste being merged during collection.

Debby Cobbett requested that the Committee consider a number of recommendations to the Executive including:

- Changing the reimbursement transport policy for staff to not include travel by car or plane;
- The introduction of subsidised public transport passes;
- The introduction of electric charging points;
- Diversifying away from the use of fossil fuels.

## **17. Report on Co-Option**

Before Members considered a report outlining the opportunity to co-opt a number of experts and stakeholders onto the Climate Change Policy and Scrutiny Committee, it was noted that Chloe Wilcox, Theo Steele, Amelia Barber, and Maisie Outhart were representatives from Youth Strike for Climate and not Extinction Rebellion. The Committee were also asked to consider the co-option of Terry Smithson from the Yorkshire Wildlife Trust.

The Scrutiny Officer noted that the four members from Youth Strike for Climate would have one place on the Committee and co-optees would be non-voting members of the Committee. Whilst Conservative and Independent Councillors did not currently have a seat on the committee due to City of York Council proportionality rules, it was noted that the Chair could still invite these Members to the Committee as non-voting participants. Finally, it was noted that Members had the option to invite representatives of the Stockholm Environment Institute to meetings on an ad-hoc basis, depending on whose expertise from the institute could support the Committee on particular topics.

Members unanimously agreed to all the recommendations.

Resolved:

- i. That the representatives of Youth Strike for Climate Chloe Wilcox, Theo Steele, Amelia Barber, and Maisie Outhart be co-opted onto the Committee.
- ii. That Terry Smithson from the Yorkshire Wildlife Trust be co-opted onto the Committee.
- iii. That representatives of the Stockholm Environment Institute be invited to meetings on an ad-hoc basis, when appropriate.
- iv. That the chair would invite Conservative and Independent Councillors to attend meetings as non-voting members.

Reason: To ensure that the Committee continues to seek the thoughts of key stakeholders and experts on the issues considered.

## **18. One Planet York - Update**

Members considered several annexes about One Planet York and were joined by the Chair of One Planet York Mike Bonsall to help guide discussions with the Committee.

Mike Bonsall informed Members about the funding issues currently facing One Planet York and the reliance on external funding to carry out work. Low funding had meant that projects at One Planet York have not been taken forward. They confirmed that they would look at a number of funding options including having a host organisation, if it shared One Planet York's ambitions.

Members noted the importance of One Planet York as a brand leader within the city. In response to Members questions, Mike Bonsall confirmed that the objective for One Planet York in the next 12 months would be four to five projects already happening in the city that could be supported or enhanced by One Planet York coordinating activity for.

The Director of Economy and Place reminded the Committee to consider the role of the third sector as a whole in achieving zero carbon by 2030, as well as what City of York Council could do to support these organisations in achieving this goal.

Resolved:

- i. That the information provided be noted.
- ii. That the Committee will consider further issues relating to third sector organisations in helping achieve zero carbon by 2030.

Reason: To ensure that the committee are content with the relationship between the Council and One Planet York.

## **19. Specialist Perspectives on Challenges and Opportunities of a Zero Carbon Fleet**

The Committee was joined by council officers, as well as Andy Griffiths, (Head of Value Chain Sustainability, Nestlé UK Ltd.) and Jon Harman (Head of Fleet, First Group UK Bus) for a round table discussion on the challenges and opportunities of realising and operating a zero-carbon fleet.

## **Andy Griffiths (Head of Value Chain Sustainability, Nestlé UK Ltd.)**

Explained that Nestlé have focused on climate change management for a number of years and have reduced total carbon emissions by just over 60% since 2007. This has involved operations and transport and distribution. Delivery of change has been driven by efficiency and by renewable energy technologies. Key factors for reducing the carbon emissions of freight and optimising freight efficiency are fill rates (incoming and outgoing), and load share collaboration with other organisations (on backhaul and forward haul).

These factors deliver both environmental and economic benefits.

Consolidation and distribution centres – at both local and national level - enable optimisation of fill rates, maximising efficiency and delivering the right transport modes to local demand areas.

Switching to renewable solutions is crucial. There is an expectation that electrification, currently the preferred model for domestic transportation, would be the best solution but battery sizes and weight, and maximum vehicle range (currently around 100km) pose significant challenges for freight vehicles. The other options are hydrogen and biomethane. A fourfold increase in electricity generation across the UK is needed to enable hydrogen to take off as a fuel so this is 10 to 20 years away from being a mainstream solution. Biomethane is an easier option than electricity or hydrogen. 44 tonne vehicles can operate on LMG and/or 100% biomethane. Vehicles running on biomethane not only have a positive environmental impact, there is also typically a 50% reduction in noise, and improvements to air quality. Biomethane is produced from waste. Capturing the methane from this waste stream reduces local carbon emissions. Biomethane is already being used around the UK and provides the best opportunity on a pathway towards a zero carbon fleet.

Core challenges remain around infrastructure, with a need for recharging or processing facilities across the UK and York. Consolidation centres have a useful contribution to make, enabling refuelling points out on the perimeter and electrification within the city.

## **Jon Harman (Head of Fleet, First Group UK Bus)**

Explained that First Group have reduced carbon emission by 13% as a group and by 8% in their bus fleet over the past year largely through the purchasing of more efficient (though largely diesel) vehicles. 2020 will see the arrival of another 20 electric buses in York, bringing the York fleet to

approximately 30% zero carbon. First are committed to long term investment in clean green technology.

Whereas shareholders, the public, and stakeholders used to be primarily interested in economic performance their key interest now is about First's work to reduce impacts of its operations on climate change.

While First are seeing some growth, the bus industry as a whole is seeing a reduction in patronage. Incentives are needed to get people onto buses. First wants to increase passengers among those who do not have to use the bus but choose to use public transport. Easy and cheap parking for cars are disincentives to using public transport. Bus lanes help increase bus use and reduce carbon emissions.

First are looking at hydrogen as well as electric buses. Electric buses are more developed than hydrogen buses but hydrogen is advancing towards commercial viability faster.

The challenges to wholesale electrification are massive because electric buses are twice as expensive as their diesel equivalents, and getting sufficient power to the James Street bus depot to charge 107 buses, if First switched to an all-electric fleet, would pose a huge challenge. First are looking at opportunity charging, at park & ride terminus for example. Because battery technologies and battery densities are changing very fast there is an investment risk; battery prices aren't falling but range is steadily increasing. Concerns remain about availability of lithium and about the longevity of the batteries due to a lack of long-term data.

### **Council officers told the meeting That the city council has three responsibilities:**

Road and charging infrastructure, legislating as to how the roads are used, and fleet operator. The council's vehicle fleet is varied: from small vans to refuse trucks. Mileages are relatively low so CYC does not have range anxiety issues regarding electric vehicles. Infrastructure challenges including distribution centres and depots where services are based, can best be solved collectively. CYC is looking at City of London's new electric refuse collection fleet, Aberdeen's new hydrogen waste collection fleet, and a distribution centre in Belfast.

### **Members' questions and discussion**

#### **Q. How important is data sharing?**

Nestlé publishes a lot of information on a wide variety of environmental criteria. Anonymised food waste data would help understanding of the

potential of biomethane as a fuel source. Collaborative discussion between different organisations across the city and the region, to look at things like distribution hubs would be very valuable.

**Q. How important is carbon budgeting to Nestlé's and Frist Group's operations?**

Carbon budgeting is absolutely crucial at Nestlé, in terms of understanding baseline data and measuring performance against that. He drew attention to two core elements: Scope 1 & 2 – measuring the organisation's operational and distributional footprint; and Scope 3 – measuring the carbon impact of the broader supply chain. Carbon budgeting enables Nestlé to understand its true carbon impact, but there are other impacts to consider: water scarcity, natural assets or biodiversity.

Carbon budgeting is increasingly important at First Group. Stakeholder and customer engagement is driving a focus on carbon budgeting. Carbon budgeting decisions are also commercial decisions.

**Q. What scale of investment is required to transform the electricity supply infrastructure of James Street to allow bus depot and CYC to run electric fleets?**

First explained that the challenge was a national one. Depots that have industry grow around them face challenges because the grid is not ready to meet the demands from, say, the electrification of the bus fleet.

Officers explained that upgrading Hazel Court to provide electric charging for all CYC vehicles (currently 249 vehicles) would cost around £3.5 million. Off-site charging points would also be required for building service operators (plumbers, etc.). Electric vehicles can cost twice as much as diesel vehicles because of battery cost.

**Q. Would First Group be interested in operating a tram network with CYC?**

First Group: Yes.

**Q. Are Nestlé looking at using railways for freight?**

Yes, Nestlé see rail as a core part of the transport plans going forwards. Location is key; making sure the right rail network is developed with rail hubs near distribution hubs. Strategic decisions are needed. It would be good for the city to convene commercial interests to determine what a

collaboration proposition could look like. That could be a very powerful proposition.

**Q. Would urban consolidation be useful for freight?**

Nestlé would like to be part of a discussion on urban consolidation and distribution hubs; there may be ways of shaping this discussion that looked more broadly than simply delivering goods to and from the city.

**Q. Who pays for running a consolidation hub?**

Nestlé explained that some organisations experience significant inefficiencies with regard to distribution; for them consolidation centres may therefore deliver economic benefit. For others extra costs may tip the economic argument the other way. Solution requires potential partners to explore what the model might look like and to establish whether the project can fund itself or whether it needs input to make it a viable proposition.

A member said that cost of initiatives such as consolidation hubs had to be measured against the costs of business as usual: congestion, carbon emissions, wear & tear to roads, damage to historic buildings, air quality.

**Q. What about sharing costs of electrification by creating facilities together?**

First sees working collaboratively as essential. Even to the point of working with competitors to have the economies of scale: taxis, refuse, council, light haulage, personal cars. All require exactly the same thing. Working in isolation produces less than optimal answers.

**Q. How viable is hydrogen powered fleet for York?**

First Group has 15 hydrogen buses going in at Aberdeen. London also has hydrogen buses. There is much commercial interest in developing new hydrogen products. Hydrogen overcomes a lot of the challenges with electric: electric double deck vehicles cannot go more than 140 miles on a single charge, we don't have that problem with hydrogen. First replaces vehicles on a fifteen year, scaling up to electric vehicles is very expensive, hydrogen is a more scalable option. Security and refuelling challenges relating to hydrogen are being addressed so First are open to working with hydrogen vehicles.

Nestlé stressed that Biomethane must not be forgotten as it provides an effective and already well developed alternative way forwards.

Officers expressed reservations about an exclusively electrical vehicle fleet for CYC largely because of the infrastructure challenges at James Street. Energy from waste and hydrogen seem to offer better long term solutions.

**Q. How important is a whole life costing approach?**

First Group's fleet decisions are based on whole life costings. For electric vehicles there are challenges however, even if the whole life costing makes it comparable with diesel, and if the future proofing ensures a long term return, the upfront costs are still an issue. One electric bus costs the same as two diesel buses. First are exploring ways to overcome the short term capital pressures of zero carbon technology.

Nestlé agreed that whole life costings has key role to play, but stressed the importance of integrated decision making. Initially, one-off environmental projects were developed around energy efficiencies that enabled long returns on investment. They saw the greatest change, however, when they started building the environmental proposition into every capital project. Integrated decision-making accelerates the pace and scale of change. Collaborative is also vital; there are some things where it makes sense for individual organisations to invest but in other situations bringing together different interests delivers solutions.

Resolved:

- i. That the Committee noted the discussions held during this session.

Reason: To continue the work and engagement with organisations in the City, to better understand the challenges of achieving a zero-carbon City by 2030.

## **20. Work Plan**

Members considered the committee's work plan for the remainder of the 2019/20 municipal year.

Resolved:

- i. That the Chair and Vice Chair will discuss with the Scrutiny Officer and City of York Council officers, as to when a report on Carbon Budgeting should be brought to the Committee.

Reason: So that the Committee has an agreed schedule of work in place in order to move forward with its remit.



Cllr C Vassie, Chair

[The meeting started at 5.31 pm and finished at 8.01 pm].