

# Natural Infrastructure and Growth Scrutiny Panel

**Tuesday 29 October 2024**

## **PRESENT:**

Councillor Darcy, in the Chair.

Councillor Holloway, Vice Chair.

Councillors Allen, Bannerman, McCarty, McLay, Moore, Raynsford, Ricketts, M.Smith and Sproston.

Also in attendance: Councillors Briars-Delve, Coker and Evans OBE, Paul Barnard (Service Director for Strategic Planning and Infrastructure), Hannah Chandler-Whiting (Democratic Advisor), John Green (Net Zero Delivery Manager), Karime Hassan (Interim Strategic Director for Growth), Philip Heseltine (Head of Transport), Iain Mackelworth (Principal Surveyor), Amanda Ratsey (Head of Economy, Enterprise and Employment), Jonathan Selmán (Net Zero Delivery Officer), Rosemary Starr (Sustainable Transport Manager (via Microsoft Teams)), Matt Ward (Head of Regeneration and Growth) and Ben Mason (Mott MacDonald (via Microsoft Teams)).

The meeting started at 2.02 pm and finished at 5:02 pm.

*Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

## 11. **Declarations of Interest**

Name	Item Number	Reason	Interest
Councillor Sproston	16	Bus Champion	Personal

## 12. **Minutes**

The minutes of the meeting held on 17 July 2024 were agreed as an accurate record.

## 13. **Chair's Urgent Business**

There were no items of Chair's urgent business.

## 14. **Plymouth Economic Strategy - Delivery Plans**

*Councillor Ian Darcy joined the meeting during this item.*

Councillor Evans OBE (Leader of the Council) introduced the item by showing a video and then highlighting:

- a) Plymouth had a lot to be proud of but wasn't always supported, for example, by local media;
- b) PricewaterhouseCoopers Good Growth for Cities Index had named Plymouth as the UK's best place to live and work for 2024;
  - i. It assessed cities across 12 criteria including income, housing, health, skills and more;
  - ii. Plymouth's ranking was a recognition of its dedication to creating an environment where economic growth went hand in hand with balanced living;
  - iii. Plymouth had seen marked improvements in areas such as job creation, income distribution and housing accessibility;
- c) The plan would ensure the benefits of growth were felt across all the cities communities; raising living standards, improving the quality of life and health;
- d) The UK's first National Marine Park had been created in Plymouth and the city was home to one of the country's most important cultural attractions: The Box;
- e) Proud of one of the best Economic Development Team's in the country;
- f) Focus on high-value sectors such as defence, marine and manufacturing, whilst supporting new and emerging sectors such as floating offshore wind;
- g) The plan would ensure that the current and future workforce were equipped to benefit from new and higher paid jobs;
- h) The city centre and waterfront would continue to be improved;
- i) Challenges included:
  - i. A tight labour market and increased demand for skilled workers;
  - ii. Need to reimagine the city centre;
  - iii. Climate emergency;
- j) 70 year investment pipeline in the dockyard;
- k) The next stage in the economic strategy was to develop a 3 year delivery plan under four headings:
  - i. Heart of the City;
  - ii. Waterfront and Maritime;

- iii. Defence and Devonport;
- iv. North of the City.

Amanda Ratsey (Head of Economy and Investment) added:

- l) The Economic Strategy had been approved and data had been collected on all of the projects in development, speaking to a wide range of partners across the city;
- m) Four pillars of the economic strategy were:
  - i. High value jobs;
  - ii. Sustainable growth;
  - iii. Civic pride and regeneration;
  - iv. Inclusive growth;
- n) Housing target was likely going to be increased;
- o) £4.4 billion investment in the dockyard;
  - i. The investment at the dockyard would drive growth for the city with Babcock needing 5,500 new jobs to sustain the workforce and another 2,000 construction workers in the next 10 years;
  - ii. It had the potential to benefit the city, it's travel to work area, local supply chain, local people and research and innovation;
- p) Existing projects needed to conclude, but a pipeline also needed to continue to be developed so this level of ambition could continue.

In response to questions, the following was discussed:

- q) Need to ensure that Plymouth residents would be able to access existing and future jobs from primary school, through to people getting jobs with career progression through the skills strategy;
- r) The Civic Centre building would be developed with City College to provide a blue/green skills hub;
- s) 5,500 homes were due to be delivered in the city centre and Homes England saw Plymouth as a place for accelerated housing growth and the improvement works in the city centre had attracted housing builders;
- t) Status of ongoing projects:

- i. Armada Way works were underway and would be completed in phases and a press release had detailed the completion dates, the link to which would be shared with Panel members;
  - ii. Civic Centre works were underway, waiting on information from Homes England on funding opportunities;
  - iii. Plymouth University had made significant investment in the building at the train station, and was a 10 year project;
  - iv. There had been delays with the Central Park ponds works, but there was confidence works would be completed in 2025;
- u) There had been difficulties in how to measure 'making the city more fun' and the team were open to suggestions on how to measure this;
  - v) There were approximately 100 vacant buildings in Plymouth City Centre in winter 2023/24 and the aim was to half this, but there were hopes this would be exceeded;
  - w) More information would be provided on the use of hydrogen at Langage to panel members;
  - x) 300 unique vacancies were advertised in Plymouth per month before the COVID19 pandemic and this had risen to 3,000 per month in 2024, with 7,000 new jobs generated in Plymouth from 2022-2024;
  - y) The previous economic strategy had focused on job creation, but now focused on having more people in Plymouth with the skills to fill these jobs;
  - z) The vision for the use of buildings in the city centre was to diversify and create a greater night-time economy, health use, education use, and more as well as retail, and this would all contribute to change the footfall in the city centre and this would contribute to a reduction in the number of vacant buildings;
  - aa) Nationally only 6% of graduates want to live and work in the South West, however, 63% of graduates from Plymouth University wanted to live and work in the South West;
  - bb) Panel suggested the wording with engaging students was reviewed;
  - cc) A number of jobs created in Plymouth relating to STEM, were likely to be less diverse, and it was an area for improvement and employers would have to think differently about they adapted to get the right people into the right jobs;
  - dd) It was important to encourage businesses to be more inclusive in terms of their workforce;

- ee) The retention actuals data for Plymouth University graduates would be provided.

The Panel agreed to:

1. Endorse the approach and the titles of the 4 proposed delivery plans:
  - a. Heart of the City
  - b. The Waterfront and Maritime
  - c. The North of the City
  - d. Defence and Devonport;
2. Endorse the approach that these delivery plans would be refreshed every 3 years in order to accurately reflect the current investment priorities of the city;
3. Endorse that the approach for the delivery plans would prioritise projects already in train;
4. Endorse that we will develop a pipeline and bring forward new projects.

15. **Plymouth Ports Strategy**

Councillor Evans OBE (Leader of the Council) introduced the item and highlighted:

- a) Plymouth had four ports: Cattedown, Sutton Harbour, Millbay and Devonport;
- b) Plymouth employed more people in the maritime sector than any other local authority in the country, more than 20,000 people which made up 18% of the city's workforce;
- c) Devonport Dockyard was the largest naval base in western Europe and was the largest land-user in the city, covering 650 hectares with 14 dry docks, 25 tidal births and four miles of docks;
- d) There were 1,400 gold anchor births and 12 cruise ships had visited Plymouth in the past year;
- e) The ports were at the forefront of maritime technology and innovation including research organisations and companies who were working on autonomous vessels and support to floating offshore wind;
- f) Plymouth Sound was part of the National Marine Park and was home to over 1,000 species over 6,000 hectares, as well as being an area of special scientific interest;
- g) Plymouth's ports underpinned wider growth in the wider marine economy which had the potential to create an additional 2,600 jobs by 2030;

- h) Whilst the Council didn't play a direct role in port operations, it had commissioned a study because it believed that the ports had an important role to play in supporting future development of the city, and the Council would create a positive policy environment.

Iain Mackelworth (Principal Surveyor) added:

- i) The Council secured Shared Prosperity funding to undertake the research into understanding Plymouth's ports economic contribution to the city in detail and their potential to attract future investment, particularly in green jobs;
- j) Mott MacDonald had undertaken work elsewhere in the country on ports and were well positioned to give an insight in how Plymouth's ports compared to others across the country;
- k) An extensive review had been carried out with Port Operators and a variety of stakeholders;
- l) The ports were thriving, and whilst Devonport received most of the recognition because of its scale of operations, there was so much more going on in Plymouth's ports;
- m) The review had fed into the strategy which identified six areas of opportunities that aligned with the economic strategy;
- n) Ports were global operations and all had to continually invest to maintain a competitive advantage, especially with recent innovations in areas such as fuelling ships.

Ben Mason (Mott Macdonald) added:

- o) Aims of the study were to better understand the ecosystem of Plymouth's Ports, to identify opportunities to maximise their economic contribution to Plymouth, to support their transition to Net Zero and support creation of green jobs, as well as understanding their strengths, weaknesses and how the ports interacted with each other;
- p) A strategic vision statement had been included alongside some opportunities and initiatives that could help achieve it;
- q) There had been considerable stakeholder engagement to gain understanding;
- r) Plymouth is unique in the breadth of things it does well across its ports and the diversity was notable in the research;
- s) The core skills Plymouth was known for included vessel engineering, manufacturing, freight, technology, research and innovation with Plymouth University and training;

- t) Ports were nearing capacity in different ways;
- u) Nationally ports were seen as areas of opportunity for energy transition;
- v) Sustainability and inclusivity was central;
- w) Improvement initiatives underway had been mapped to demonstrate the activity already underway.

In response to questions, supported by Matt Ward (Head of Regeneration and Growth), it was further explained:

- x) Shore power at Millbay would go ahead in a timely manner because the French Government had introduced policies to only accept vessels in France that were able to be powered by green energy when they dock;
  - i. There would be considerable investment from ABP (Associated British Ports) into this project, and into decarbonising the port support services;
- y) Conversations were ongoing with the national grid in relation to upgrades and being prepared for changes to achieve net zero;
- z) Cattewater Harbour Commissioners were very keen to have shore power available as well and had already invested in electrification of their operations at Victoria Wharf;
- aa) Waterfront land needed to remain available to ports for use and expansion rather than being lost to use such as housing and dockside land would be protected by the Council as the planning authority;
- bb) Thematic partnerships had been built between different port authorities and the Council to work to find solutions to issues. Mott MacDonald highlighted this as a positive in their study and more should be done, but other stakeholders in the city should be engaged with this process, not just larger companies;
- cc) Bathing water quality remained a high priority and the water in Plymouth Sound needed to work for all users;
- dd) Projects, such as offshore wind, engaged places across the South West, and what Plymouth would be able to offer, would complement the offer of the wider South West;
  - i. The team had engaged with various stakeholder groups on offshore wind and other projects to ensure the city showcased to the Government and investors what it was able to do, but would complement what others were doing;

- ii. Plymouth worked with others across the South West to market the region nationally and internationally;
- ee) It was important to know what South West Water's plans were for the future to ensure the infrastructure was there to support future plans.

The Panel agreed to support the Plymouth Ports Strategy.

#### 16. **Bus Services Improvement Plan 3**

Councillor Coker (Cabinet Member for Strategic Planning and Transport) introduced the item and highlighted:

- a) The update followed the publication of the Council's Bus Services Improvement Plan (BSIP) 3 in Summer 2024 and precedes the updates of the associated enhanced partnership plan;
- b) The plan was underpinned by nine passengers priorities, identified through engagement with current and non-bus users, and ranked in order of priority from the results of the 2023 passenger priority survey;
- c) It aligned with the ambitions of the national Bus Strategy to boost bus patronage;
- d) The BSIP set out what the Plymouth Enhanced Bus Partnership would deliver to make buses easier and more convenient to use;
- e) Responding to Department for Transport (DfT) guidelines issued in January 2024, the BSIP 3 needed to be a delivery plan, rather than a bidding document;
- f) Statistics showed an improvement in service from the BSIP work;
  - i. Passenger satisfaction with bus journey times had increased by 7% compared to the same time in 2023 and was at 70%;
  - ii. Bus mileage operated had increased;
  - iii. Punctuality of buses had improved;
  - iv. Some areas of bus services had returned to pre-COVID19 pandemic levels, though other areas were still struggling;
- g) Government had announced the day before the meeting that the £3 bus fare cap, which he welcomed because the previous Government had said the previous £2 bus fare cap would end on 31 December 2024;
- h) In comparison to competitors of a similar size, Plymouth was doing well in protecting networks;



- i) BSIP funding had been used to enhance some routes in the city and it was partially funding commercial routes to ensure they continued;
- j) £1.6 million pounds had been received in the previous 2 years following a nurtured relationship with the DfT bus team;
- k) Plymouth's BSIP was going to be used by the DfT as a national exemplar for other authorities;
- l) The last 12 months proved that by working together with stakeholders, Government and the local public, a positive difference had been made to Plymouth's bus network.

Rosemary Starr (Sustainable Transport Manager) added:

- m) The need for a BSIP and a formal partnership for delivery was driven by the 2021 National Bus Strategy;
- n) The plan covered a time period of 2020-2034 in order to align with the Plymouth Plan because the BSIP was a delivery plan of the Plymouth Plan;
- o) The DfT wanted the emphasis of BSIP 3 to be what would be delivered by the end of 2023/24, what was programmed for delivery by the end of the financial year 2024/25, as well as the ambitions for future delivery in 2025 and beyond;
- p) In the past 12 months the team had been able to deliver measures against all nine of the passenger priorities through partnership working with partners, specialists and delivery groups;
- q) There were three delivery groups each looking at different areas:
  - i. Bus passenger chart and bus user group;
  - ii. Passenger information and publicity;
  - iii. Zero emission buses;
- r) Plymouth would be sharing best practice on the first two at the National Bus Forum in November 2024;
- s) BSIP 3 was based on feedback and the team wanted to stay in touch with passenger needs to ensure it was delivery the best for the people of Plymouth and the current measures were in place:
  - i. Chatterbus events;
  - ii. Bus User Panel;

- iii. Enhanced Partnership Forum;
- iv. Passenger Priority Survey;
- v. Complaints and Compliments;
- vi. National Highways and Transportation Survey;
- vii. Bus Champion;
- viii. And an intention for Ward Member Engagement.

In response to questions, with support from Paul Barnard (Service Director for Strategic Planning and Infrastructure), the following was discussed:

- t) When the crematorium (The Park) had been granted planning permission there was no identified need for a bus service;
  - i. In the past there was a bus service between Plympton and Plymstock that was not sustainable for operators;
  - ii. The team and Councillor Coker were always looking at ways that a bus service to The Park could be integrated into the current system and it was on a work list for future developments;
- u) More details would be announced on the £3 bus fare cap and Councillor Coker was interested to hear from stakeholders on that announcement;
- v) Plans for Ward Member Engagement needed to be finalised;
- w) A bid for electric busses had been submitted for by Plymouth City Council with the Go Ahead Company. It was funded by Government, with the funds just held by Plymouth City Council;
  - i. The remainder of the money came from Cornwall Council and the community infrastructure levy, therefore there was no direct Council funding in the project;
  - ii. The report on electric buses from the Competition and Markets Authority was being considered before moving forward;
- x) The sub-regional transport board, Peninsula Transport, were working nationally with a supplier to explore a cross-ticketing system for the whole region with the full cooperation of bus suppliers;
  - i. There was a recognition to find a system for people who couldn't access tickets digitally;

- y) Plymotion was nationally recognised by Lilian Greenwood, when she was Chair of the Governments Transport Select Committee;
- z) Personalised travel needed to be adapted with a 5 year strategy in development;
- aa) There were no current plans to reintroduce night buses as they weren't well utilised;
- bb) There had been a reduction of 20% in over 75's travelling on public transport, this had been attributed to messaging during the COVID19 pandemic about possibly catching the illness when in confined public space;
- cc) Patronage trends were being monitored by the team alongside population forecasts to predict future needs of the bus service;
- dd) Tendered services were in place for non-commercial routes, some of which were due to end in March 2025, and the team would be analysing the cost of the service, cost per passenger, demographics of the area and investigating which subsidies the Government would make available;
- ee) The team always worked with operators to get the best possible value for tendered services;
- ff) Councillor Coker expected Councillors to lobby him for the services that were important in their areas;
- gg) The aspiration was to build on the ambition put forward for projects to help achieve net zero;
- hh) A considerable amount of work had been put into the relationship between Plymouth City Council and DfT;
- ii) Councillor Coker paid tribute to Councillor Kevin Sproston for all the work he had done to support the team as his role as Bus Champion.

The Panel agreed to:

1. Note the changes to the 2024 Plymouth Bus Service Improvement Plan and endorse the subsequent requirement to refresh the Plymouth Enhanced Partnership Plan;
2. Endorse the proposed stakeholder engagement which would inform future Bus Service Improvement Plans.

## 17. **Heat Networks Delivery Approach**

Councillor Briars-Delve (Cabinet Member for Environment and Climate Change) introduced the item and highlighted:

- a) Most organisations produce heat as a bi-product of what they do, and in most cases it is either going into “thin air”, or in the case of South West Water, going into the sea;
- b) Heat Networks aimed to utilise waste heat from major source and redirect it through underground pipes in buildings;
- c) The technology had existed for decades, and there were small scale examples in Plymouth, but this was an opportunity to do something on a bigger scale;
- d) It was the first item on the new cross-party Sustainability Advisory Group so that different parties in Plymouth were aware of the scale of the opportunity, and were keen to bring the item for pre-decision scrutiny;
- e) In Plymouth, heating buildings accounted for around 28% of the city’s emissions, second only to transport, and therefore buildings were a key part to decarbonisation;
- f) The plans presented had the potential to decarbonise over 30,000 tons of emissions in Plymouth each year;
- g) Probability of over £400 million of green investment;
- h) It would kickstart Plymouth’s most significant opportunity to provide businesses and households with the lowest cost decarbonised heat available;
- i) 400 direct green jobs would be created;
- j) Improvement to air quality;
- k) Improvement to the Plymouth’s energy security and climate resilience;
- l) Plymouth City Council had already introduced these methods within its own estate which not only contributed to decarbonisation, but also saved the Council over £500,000 a year through retrofitting;
- m) Social value.

Jonathan Selman (Net Zero Delivery Officer) added:

- n) Plymouth had been selected as one of 17 cities under the Advanced Zoning Programme (AZP) with significant funding provided by Government;
- o) Plymouth was now in the shortlisted 6 cities;
- p) Heat Networks had been proposed in every CEAP/NZAP (Climate Emergency Action Plan/Net Zero Action Plan) for the Council since 2019;

- q) It was included in the Joint Local Plan with many developments 'connection ready';
- r) The delivery approach did not require any Plymouth City Council capital funding;
- s) There was strong market interest and Plymouth was a frontrunner;
- t) Heat represented the biggest energy use in the UK accounting for 46% of all the energy used in the UK and around 30% of UK emissions; 90% of emissions from gas;
- u) Energy Act 2023 provided powers for government to implement heat network zoning in England;
- v) Heat Network Regulations were anticipated for 2025;
- w) Being part of the AZP meant Plymouth was in a favourable position to secure grant funding from the Government's Green Heat Network Fund;
- x) There was potential for a scheme in Derriford;
- y) Cabinet had endorsed a Plymouth City Council (PCC) led procurement approach with limited risk and significant scope for rewards;
- z) The executive decision to go to procurement was expected to be made in November 2024 leading to the final decision for implementation expected to be in 2026.

In response to questions, with support from Paul Barnard (Service Director for Strategic Planning and Infrastructure), the following was discussed:

- aa) South West Water had been involved in discussions for some time and their site at Cattedown would be included in the first phase;
- bb) Conversations with the Energy for Waste plant, and an incinerator in Derriford had also taken place;
- cc) Cabinet were working closely with South West Water to improve water quality, and this project would improve water quality by reducing ocean warming;
- dd) The city centre would be the focal point of the first phase;
- ee) People would be able to see work happening and being part of the AZP meant the Government was keen to get projects moving in cities involved, Plymouth included;

- ff) Other local authorities and legal experts had been consulted on the ownership structure;
- gg) The procurement led approach would give the Council more opportunities to increase the social value of the project;
- hh) The Cabinet Member was happy to bring the project back to scrutiny at a future meeting.

The Panel agreed to:

1. Support the zonal approach to heat network roll out in Plymouth, as set out in the report, and approved by Cabinet on 9th September 2024.
2. Support the procurement of a development partner to take forward these proposals to delivery through the Business Case.
3. Support the application for government Green Heat Network Fund grant towards this through the Business Case.

#### 18. **Tracking Decisions**

The Panel asked:

- a) If the actions from the Water Quality Select Committee could be chased again as many had passed their initial deadline.

The Panel agreed to note it's tracking decisions document.

#### 19. **Work Programme**

During a short discussion:

- a) Councillor McLay asked if Sustainable Transport could be considered to be scheduled for 2024/25;
- b) An additional meeting could be scheduled for April 2025 with a single item on South West Water's future plans.

The Panel agreed to note the work programme.