

NOTTINGHAM CITY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 7 September 2016 from 14.00 - 15.56

Membership

Present

Councillor Brian Parbutt (Chair)
Councillor Gul Nawaz Khan (Vice Chair)
Councillor Azad Choudhry
Councillor Josh Cook
Councillor Georgina Culley
Councillor Patience Uloma Ifediora
Councillor Glyn Jenkins
Councillor Sue Johnson
Councillor Neghat Nawaz Khan (minutes 18-20 inclusive)
Councillor Anne Peach

Absent

Beverley Frost
Councillor Leslie Ayoola
Councillor Pat Ferguson
Councillor Ginny Klein
Councillor Mohammed Ibrahim

Colleagues, partners and others in attendance:

Councillor Alan Clark - Portfolio Holder for Energy and Sustainability
Richard Antcliff - Chief Licensing, Trading Standards and ASB Officer
Nancy Barnard - Governance Manager
Catherine Ziane-Pryor - Governance Officer

15 APOLOGIES FOR ABSENCE

Councillor Pat Ferguson (personal)
Beverley Frost

16 DECLARATIONS OF INTERESTS

Although not in attendance at this point of the meeting, during consideration of minute 18 (agenda item 4) 'Discussion with Portfolio Holder for Energy and Sustainability', Councillor Neghat Khan informed the Committee that she is a Director of Robin Hood Energy. This did not preclude her from speaking on the item.

17 MINUTES

The minutes of the meeting held on 6 July 2016 were confirmed as a true record and signed by the Chair.

18 DISCUSSION WITH THE PORTFOLIO HOLDER FOR ENERGY AND SUSTAINABILITY

During consideration of this item, Councillor Neghat Khan informed the Committee that she is a Director of Robin Hood Energy. This did not preclude her from speaking on the item.

Councillor Alan Clark, Portfolio Holder for Energy and Sustainability, identified the three key Council Plan priorities within his portfolio against which progress could be measured:

- (i) Bring low cost energy to all through the creation of the Council's own not-for-profit energy company;
- (ii) Use smart metering and remote control technology to help keep energy bills down;
- (iii) Make the Council the most customer friendly in the country with even more ways to interact with the Council than ever before.

Councillor Clark highlighted progress and responded to Councillor's questions as follows:

Bring low cost energy to all through the creation of the Council's own not-for-profit energy company.

Robin Hood Energy

- (a) as of today Robin Hood Energy (RHE) has been operating for one year. This has been marked by a celebration event to which local media were invited;
- (b) Several high profile ministers and environmental leaders have visited Nottingham and been supportive in the creation of RHE and due to its success and objectives, Jeremy Corbyn, Leader of the Opposition, is to launch an Energy and Environment Policy in Nottingham later this afternoon;
- (c) RHE is meeting its day-to-day running costs and meeting its own (commercially sensitive) targets of customer numbers. It aims to broaden its customer base to include more commercial customers, larger institutions and to offer domestic customers smart meters which can be remotely changed from pre-payment to standard quarterly billing if requested and appropriate;
- (d) RHE recently bid for and was awarded the gas contract for the City Council and will be pursuing other large consumers when their energy contracts are available for tender;
- (e) 'white labelling' has taken longer than predicted but there has been a lot of interest in RHE from other major cities across the Country (with the exception of Bristol which has launched its own energy company) with many interested in the possibility of RHE offering similar not-for-profit services to their citizens and business;
- (f) recruiting and retaining specialist staff had proved more complicated than predicted but from 6 staff initially, the company now has 60 employees;
- (g) the number of small energy companies has doubled in the past year but the majority (approximately 85%) of consumers remain with one of the 6 big energy companies. Historically the big six energy companies do not deliver well on customer service compared to smaller energy companies;

- (h) approximately 60% of new customers contact RHE and sign-up over the telephone. This is the preferred method which gives customers more reassurance enabling questions and queries be answered promptly;
- (i) the City needs to encourage citizens to compare and potentially swap energy suppliers more regularly to ensure that the best energy deals are achieved. As with insurance, there is often little reward for loyalty and substantial savings can be made by changing supplier. Unlike some other larger energy companies, RHE does not operate a contract system where domestic customers are tied to the company for 2 years, only requiring one month's notice to switch supplier with no exit charge. RHE consistently ranks best value for city residents in comparison to other suppliers;
- (j) repayment of the City Council start up loan will begin within the next 2 to 3 months, in line with the financial plan;
- (k) the fall in the value of the pound following Brexit, will impact on energy prices across the board although there may be a slight delay as energy companies agree the purchase price of their fuel up to two years in advance of providing it to customers. RHE has a policy for hedging against price rises but does not hold reserves to balance fluctuations.

EnviroEnergy

- (l) the fundamental difference between RHE and EnviroEnergy (EE) is that EE owns and controls its own production and distribution of energy, whereas RHE only deals in the retail of energy;
- (m) established in the 1970s, heat and electricity is produced from the incineration of refuse. EE owns the pipes through which the steam produced is carried to properties where it provides heating. EE also owns the cabling through which the electricity generated is carried;
- (n) EE and RHE are subject to very different licensing as members of a very heavily regulated industry;
- (o) EE had been losing approximately £1,000,000 per year and was in debt until the City Council took it over. EE has since been turned around and is currently earning profits of approximately £1,000,000;
- (p) whilst EE is aware that there have been some customer issues regarding billing systems, which were antiquated and didn't meet the legal requirements of providing an annual statement, some issues have been resolved but in the longer term, EE intends to purchase the Juniper Billing Management System which RHE currently uses very successfully. However adaptations will need to be made as EE payment arrangements are more complicated.

Further Energy Generation and Insulation Schemes

- (q) solar panels have been fitted to approximately 3,000 Council owned domestic properties and Council homes, primarily in the Aspley area of the City which has

also benefitted from internal and/or external insulation. It was hoped that similar energy saving and generating schemes could be rolled out to non-Council properties but this would legally be too complicated;

- (r) residents of properties which have benefited from installation have found that their energy bills have been reduced by approximately one third. In addition to saving money and therefore tackling fuel poverty, since homes have been insulated, the health and comfort of some residents has improved but this is harder to quantify;
- (s) Nottingham has achieved an ambitious carbon reduction target 4 years early, mainly down to reductions in domestic consumption, the increase in solar panels and improved insulation. Nottingham has the highest proportion of domestic solar panels in the country;
- (t)
- (u) since the solar panel subsidy has been reduced by 90% it is no longer viable to continue to install panels on all types of properties. However, solar panels have been fitted to and around public buildings, such as Leisure Centres, which demand high energy consumption during the day, and therefore benefit most from self-generated solar energy which then costs approximately one third the price of grid supplied electric. The recent installation of solar car ports has proved valuable and other viable sites will be considered as a matter of priority, potentially including park and ride sites;
- (v) Central Government has recently redefined fuel poverty which makes comparisons more difficult to make. Government Policy does demand that by 2019, domestic and commercial landlords will not be able to re-let properties unless they meet energy efficiency standards;
- (w) there are large areas within the City of Victorian housing which cannot easily be insulated as it doesn't have cavity walls and lofts are part of the living space. This sort of housing, which is often rented, contributes to fuel poverty as the cost of properly heating it can be significant and unaffordable. If in a conservation or estate managed area, insulation approaches may be more complex;

Transport

- (x) work is ongoing to encourage low emission and electric vehicles and there are more than 100 electrical charging points available so far throughout the City;
- (y) Central Government has provided funding to monitor air quality and meetings have taken place with Public Health Colleagues to ensure that a broad approach to air quality, not just focusing on diesel vehicles, is considered. Councillor Nick McDonald is leading on the Clean Air Zone and would be best placed to respond further.

Make the Council the most customer friendly in the country with even more ways to interact with the Council than ever before.

- (z) the City Council website has undergone significant changes in the past year to enable citizens to make contact and report issues easily. The way information is presented has been improved and real time communication increased;
- (aa) work is under way to enable citizens to report problems by sending a photo with GIS tracking through Twitter, Facebook, email and the website.

RESOLVED

- (1) to thank the Portfolio Holder for Energy and Sustainability for the informative presentation;**
- (2) to consider including Customer Care in the Work Programme for Scrutiny at a future meeting;**
- (3) to discuss the Clean Air Zone with Cllr McDonald when he attends the October meeting of this Committee.**

19 TRADING STANDARDS IN NOTTINGHAM

Richard Antcliff, Chief Licensing, Trading Standards and Antisocial Behaviour (ASB) Officer, outlined the role and activity of Trading Standards as follows:

- (a) the roles of Chief Licensing, Trading Standards (TS) and ASB Officer have been merged into one post as a reflection of the synergy between the working areas;
- (b) TS consists of two elements:
 - (i) consumer protection, which focuses on weights and measures (including checking of petrol station fuel provision), and also storage of fireworks, managing quality of goods, (including for example Goose Fair merchandise), and legislative quality and safety;
 - (ii) business regulation, including sale of counterfeit and illegal goods and business practices (including car clocking);
- (c) there are 15 Trading Standards Officers which operate at a cost £740,000 per annum but whose operation generates approximately £60,000 per year from the sale of assets purchased from the proceeds of crime. There is very limited opportunity for income generation within this field although the Team can present themselves as a 'Primary Authority' to provide specialist TS advice to businesses;
- (d) TS animal welfare is outsourced to the County Council TS as there is not enough activity within the City to justify a permanent post within the City;
- (e) much of the business which TS deals with is linked to serious organised crime which TS does not get involved with as these are Policing led criminal issues;
- (f) it is known that there are at least 24 organised criminal gangs operating within Nottingham City, several of which appear to be controlled from abroad. The Police focus on criminal activity but TS engage on some aspects of Police intervention such as where counterfeit goods are found;

- (g) counterfeit tobacco is currently a substantial problem in the City and can be hard to trace due to its quick turnover;
- (h) Cyber-crime also falls within the remit of TS with a national TS hub operating in Birmingham which focuses on cyber-crimes, the majority of which operate from abroad. The Birmingham Hub shares information and intelligence gathered by Local Authority TS is shared with the Hub;
- (i) cyber- crime is increasing and becoming more advanced. Whilst the Hub concentrates mainly on activity from abroad, Nottingham TS focuses on activity within the City;
- (j) although communications are on-going throughout the year, 'weeks of action' bring the TS and Environmental Health Teams together to consider specific issues and how each team can contribute to addressing those issues;
- (k) although different types of investigation, there is often a cross-over or link between the focus of TS and ASB Team investigations;
- (l) where an individual is found in possession of counterfeit tobacco, this is not illegal and the focus is on gaining information which may assist the broader investigation. It is only illegal to sell counterfeit tobacco;
- (m) the cost of gaining search warrants has risen significantly, as has the cost of calling in specialist sniffer dogs from Liverpool. However, as concealing of counterfeit goods becomes far more sophisticated, the use of specialist dogs is vital;
- (n) as with all departments, TS has a business plan and produces monthly performance reports which are available to Members of the Committee on request.

RESOLVED

- (1) to note the contents of the presentation;**
- (2) to explore whether a further briefing on Trading Standards could be arranged for members of this committee, to take place at Byron House;**
- (3) for the Chair to consider how further Overview and Scrutiny investigation of the activity and operation of TS could be of value.**

20 PROGRAMME FOR SCRUTINY 2016/17

RESOLVED to note the items scheduled on the work programme for the Overview and Scrutiny Committee and Scrutiny Review Panels for 2016/17.