

LDS/24/46

Corporate Infrastructure and Regulatory Services Committee
28 November 2024

Report of the Corporate Infrastructure and Regulatory Services Scrutiny Committee: Climate Change Standing Overview Group

Report of the Director of Legal and Democratic Services

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

1) Recommendation

That the Committee be asked to accept this Report as an accurate record of the meeting ensuring transparency in Scrutiny activities and to share the learning from the Climate Change Standing Overview Group.

2) Background / Introduction

- 2.1. Standing Overview Group meetings of the Corporate Infrastructure and Regulatory Services Scrutiny Committee are held with the purpose of bringing rigour and understanding to complex issues across different services. To promote transparency, a Report to the Scrutiny Committee highlights pertinent issues and outlines actions or recommendations arising.
- 2.2. The Councils banking services are provided by Barclays Bank. The Corporate Infrastructure and Regulatory Services Committee have heard concerns about Barclays approach to climate transition and financing of fossil fuels. To understand Barclays approach in greater detail, the Committee held a Standing Overview Group on 4th October 2024, where officers from Barclays provided an overview of their approach to climate transition, and answered Member questions.
- 2.3. This Report outlines the discussion points covered at the meeting of the 4th October 2024 Climate Change Standing Overview Group.

3) Standing Overview Group

- 3.1. Members were provided with information on [Barclays Climate Policies](#) in advance of the Standing Overview Group meeting.
- 3.2. Barclays provided an overview of their Environment, Social and Governance Strategy and the ambition to achieve net zero by 2050, aligning financing with the goals and timelines of the Paris Agreement. Members heard that the

ambition to achieve net zero by 2050 applied to both Barclays own operations and their broader supply chain. Barclays outlined three pillars to address climate change - achieving net zero operations, reducing financed emissions and financing the transition - and three key levers to support its implementation – policy, science based Paris-aligned emissions reduction targets, and financing the transition.

- 3.3. Members were also informed of Barclays activities across Devon, outside of its banking contract with the Council, including: green loans and support to purchase green assets at a discounted rate for businesses, and the delivery of Barclays life skills programme to school and colleges across the region.
- 3.4. An overview of Upstream Oil and Gas, Unconventional Oil and Gas, Scope 1 (greenhouse gas emissions released as part of a company's own operations), Scope 2 (greenhouse gas emission released as a result of the power purchased) and Scope 3 (includes the supply chain, waste, business travel and leased assets), was provided. Barclays confirmed its net zero ambition includes Scope 1, 2 and 3 emissions.
- 3.5. Progress to achieve the ambition of net-zero operations by 2050 will be publicised, but the achievement of this is dependent on a number of variables, is unlikely to be a linear, with some target areas reliant on other factors e.g. policy changes.
- 3.6. Scope 3 emissions have been mapped and account for 93% of Barclays portfolio. By 2030 net-zero science based targets aim to be in place for suppliers. Work with the supply chain to achieve net-zero operations is ongoing with wider work across Barclays to embed climate considerations into the procurement process.
- 3.7. Members heard about the work underway to support Barclays clients as they transition to a low-carbon economy (the Client Transition Framework). This involves a review of in scope clients current and future emissions with support and advice available to realise their emissions-reduction ambition. Barclays rate their clients against their Client Transition Framework which is a scale of 1-5 (1 being fully aligned to the Paris Agreement, 5 not aligned to the Paris Agreement with no evidence to support transition). For those clients in categories 4 and 5 there is an expectation to see improvements over time with support available to them.
- 3.8. A just transition is important in achieving net zero. Barclays has piloted its approach to a just transition in its Client Transition Framework with 40% of assessed clients committing to a just transition – there was recognition that there is more to do and this continues to be reviewed.
- 3.9. Members received information about Barclays financed emissions targets and progress to deliver. Specific consideration was given to the automotive manufacturing sector and Members were told of the challenges to achieve targets in this sector including: policy, regulations, consumer demand, and, in

the UK, capacity within the electricity grid. Achievement of targets in this sector are unlikely to be linear and would be supported by consumer demand, and infrastructure improvements – the whole eco-system needs to be considered so consumers have confidence to move to electric vehicles.

- 3.10. Considering the unconventional oil and gas policy, the current restrictions were updated in February 2024 and implemented mid-2024. While there are no plans to update this further in the immediate future, this policy is being kept under review with key considerations on energy security and government transitions.
- 3.11. Barclays investments in climate innovations with examples including Agricarbon (for use in the farming industry to measure carbon levels in the soil), and smart air bricks to improve air flow in home and help de-carbonise the housing stock.
- 3.12. Other areas of Member questions included:
 - Barclays fleet of vehicles (company cars): In 2023, 42% of all Barclays company card were electric or ultra-low emissions with a target of 100% by 2030.
 - Members asked about Barclays about their targets to attract people with disabilities into the workforce. While there are no specific targets there is a programme of mentoring which also supports a better understanding of disabilities within the workforce.
 - Financial Crime and sanctions: Sanctions are restrictions on activity with targeted countries/regions, governments, entities, individuals, industries, and restrictions on proliferation financing. They are imposed by bodies and groups of countries (such as the EU or UN), or individual countries (such as the UK or US), in order to achieve specific foreign policy or national security objectives.
 - Barclays were asked about the financing of arm and weapons: Members were told of Barclays policy position on [defence and security](#), and [Human Rights](#). Members were informed that the approach is kept under review and continually developed.
 - The mix of companies with Carbon investments: Each year Barclays financing for high-carbon sectors is published. Members were told that Barclays is financing an energy sector in transition; scaling up clean energy is a key focus while recognising that fossil fuels are still present in today's economies. Barclays climate transition compared to other Banks was raised.
 - A question was raised as to whether Barclays had breached its coal policies following The Bureau of Investigative Journalism article earlier in 2024, and ITV programme which followed. Barclays confirmed it has not breached its policies, which relate to the percentage of client revenues from thermal-coal powered electricity or thermal coal mining.

4) Options / Alternatives

The report is a summary of the meeting of the Corporate Infrastructure and Scrutiny Committee Climate Change Standing Overview Group. Scrutiny does not make decisions and this report does not propose any alternatives

5) Consultations / Representations / Technical Data

There are no specific considerations in regard to consultations, representations and technical data in this report.

6) Strategic Plan

The alignment of all Overview and Scrutiny activity with the Strategic Plan is detailed on the Scrutiny work programme. The benefit of developing member knowledge and the 'critical friend' challenge of Scrutiny contributes to the Council's commitment to be a trusted, inclusive and innovative Council. It ensures good decision making and that the Council listens and learns.

7) Financial Considerations

There are no specific financial considerations in this report.

8) Legal Considerations

There are no specific legal considerations in this report.

9) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

There are no specific environmental impact considerations in this report.

10) Equality Considerations

There are no specific equality considerations in this report.

11) Risk Management Considerations

The activity of Scrutiny Members contributes to the mitigations for:

- Ineffective Member Scrutiny defined as: 'Due to ineffective scrutiny, the level and quality of service management may drop, leading to financial mismanagement or harm to staff and/or citizens and reputational damage e.g. Grenfell.
- Members Effectiveness defined as: 'Inadequate Member effectiveness due to a lack of training, support and knowledge leads to a lack of challenge to corporate officers and/or poor decision making, resulting in a negative effect

on the County's citizens (poor value for money, poor service delivery, harm etc).

12) Summary / Conclusions / Reasons for Recommendations

The Report outlines the topics covered at the meeting of 4th October 2024, and highlights the key points raised during discussion.

Attendance:

Scrutiny Committee Members: Councillor: Frank Letch (Chair), Colin Slade (Vice Chair), Jeffrey Wilton-Love, Jacqi Hodgson, Jeff Trail.

Cabinet Member for Policy, Corporate and Asset Management: Councillor James McInnes

Cabinet Member for Finance: Councillor Phillip Twiss

Name

Director of Legal and Democratic Services: Maria Price

Electoral Divisions: All.

Cabinet Member for Organisational Development Workforce & Digital Transformation, Councillor Andrew Saywell

Local Government Act 1972: List of background papers

None.

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