COMMUNITIES, ENVIRONMENT AND HIGHWAYS SELECT COMMITTEE

FRIDAY, 19th MARCH 2021

Surrey Climate Change Strategy – delivery plan and land management framework update

Purpose of report:

The purpose of the report is to provide the CEH Select Committee with an update on progress in relation to the Climate Change Delivery Plan and the Land Management Framework. The report will also highlight ongoing implementation and success to date.

Introduction:

1. The Surrey Climate Change Strategy (CCS) was endorsed at Cabinet in April 2020 following the declaration of a climate change emergency by Full Council in July 2019.

2. The CCS sets out the intended approach to delivering the Council's carbon reduction ambitions for the county over the next thirty years. It provides a joint framework for collaborative action across Surrey's 12 local authorities to reduce emissions to net zero between now and 2050.

3. The Strategy specifically commits Surrey County Council to reducing carbon emissions from its own corporate estate to net zero by 2030.

4. Over the last five months, officers have been developing a delivery plan for the CCS and working on the Land Management Framework in accordance with the agreed next steps at the September Select Committee.

5. The Climate Change Delivery Plan is due to be published, following approval by Cabinet, in late June 2021. Delays have resulted largely from the time taken to procure consultants to feed into the delivery plan, engaging with district colleagues and partners to co-design and ensure joint ownership of the Delivery Plan, as well as securing the right capacity to develop the detail of the Delivery Plan including producing a suite of robust carbon reduction metrics which can be applied to all of the programmes and schemes within the Delivery Plan to measure success and enable reporting.

6. As a key part of the Climate Change Delivery Plan, the Land Use Management Framework is an exciting opportunity to ensure decisions that are made about Surrey's

landscapes and natural capital take into account environmental value and lead to multiple benefit outcomes. It will also provide a framework to develop oven-ready projects that deliver multiple benefits and services and attract funding from a much wider range of potential investment sources. SCC is taking a leading role in this agenda and positioning the county to benefit from the new investment opportunities likely to arise when the Environment Bill is formally adopted, which is expected before the end of this year.

Climate Change Delivery Plan

7. The CCS is based upon a science-based carbon emission reduction approach developed by Leeds University, which sets out five-yearly carbon emission reduction pathways for Surrey for the period from 2020 to 2050 (see below). The work by Leeds University also focused on emissions reduction pathways for sectoral emissions, and the CCS includes interim targets for each of these. For example, it is suggested in the Strategy that carbon emissions from transport in the county need to be reduced by 60% by 2035. The purpose of these targets is to ensure that emissions produced in Surrey are kept within a threshold that prevents a global temperature increase above 1.5 degrees.

8. The eight sectors in the CCS are: transport and air quality, energy generation, housing and planning, buildings and infrastructure, waste, resources and circular economy, land use and food systems and industry and green economy, as well as our own organisation.

9. Across all sectors, there are overarching carbon targets for the county as set out in **Table 1.**

Table 1. Surrey milestone carbon emission reduction targets to 2050

CO2 target reduction (against 2019)	**Year**
46%	2025
67%	2030
80%	2035
87%	2040
92%	2045
100%	2050

10. While the CCS includes high level targets, it does not detail the programmes, initiatives and investments the Council will need to develop to deliver the required reductions in carbon emissions in Surrey (and the Council). These will be included in the Climate Change Delivery Plan (CCDP). This will sit beneath the CCS, setting out carbon

emission reductions for the five-year periods aligning with the Government's carbon budgets and the targets in the CCS.

11. The first CCDP for the period 2021 – 2025 will be published in June and will be a public-facing document. It will provide details on the timescales for delivery, projected carbon emission reductions per year and over the lifetime of the project (where possible), the cost per tonne of carbon and any additional co-benefits.

12. The draft CCDP includes details on the carbon reduction projects and programmes that have been initiated or developed since the CCS was endorsed. See **Appendix 1** for a current draft CCDP, which whilst still very much in development, is shared to demonstrate a direction of travel and to enable the Committee to provide thoughts/input. This Plan builds on the framework which was brought to Select Committee in September which did not include details on specific programmes.

13. Over the last five months, officers have been developing a set of carbon reduction metrics which can be applied to programmes and schemes within the delivery plan to enable robust carbon reduction estimates to be applied. These metrics will be across all future programmes and critically, will be built into SCC's governance processes to ensure that a consideration of impact on carbon reduction is included in decision making. Where available, this data has been added to the current version of the delivery plan and officers will continue to develop this approach.

Achievements to date

14. It should be noted that while the Delivery Plan is being developed, implementation of activity to achieve our targets is still ongoing with quick wins being identified where possible. The following additional programmes and schemes have been developed and added to the emerging CCDP in the last five months. It is important to note that this is just a selection of the activities that will be included in the final Delivery Plan to be presented in the summer:

Table 2. New additions to the Climate Change Delivery Plan

Programme/scheme	SCC committed investment	External investment	Carbon savings over project lifetime (TCO2e)
Greener Futures Investment Multiplier Framework	Being explored by University of Leeds and SCC. This will be the financial mechanism to deliver the whole programme.		Estimate to be included for June delivery plan following baseline production
Decarbonisation of SCC corporate estate		£1.6m PSD capital	3,766
Decarbonising schools programme	£20k revenue	£25k PSD revenue	34,739

Ultra-low emission bus scheme	£32.3m capital		TBC until commissioning and procurement confirmed.
Active travel schemes		£6.2m capital	Data to be included in June Delivery Plan following establishment of baseline
Electric vehicle infrastructure roll out	TBC strategy is currently being finalised		
Local Transport Plan 4	Draft Apr 21 with full public consultation and approval by Dec 21		
Solar Together scheme	Approximately £20k revenue		12,307
Green Jump Surrey (decarbonising fuel poor/low income housing)	£750k capital	£9m (Phases 1a and 1b) capital	23,445 (to 2030)
Private sector decarbonisation loan scheme	£2.5M in capital pipeline		
River Thames Scheme	£237m capital		To be estimated following agreement on final landscape design for the RTS

Further details about these schemes/programmes can be found in **Appendix 1**.

15. Between now and publication in June, officers will continue to update the draft CCDP with additional actions, programmes and projects, with supporting information and data. The CCDP will also encompass the outputs of the following research and strategy development work which is currently being undertaken and will inform future activities:

- Net zero carbon framework (Universities of Leeds and Surrey)
- Local Transport Plan (LTP4) (Atkins)
- Estate Assessment for Renewable Energy and Trees (Buro Happold)
- Feasibility assessments of SCC's corporate estate and schools (Amaresco and McBain)

16. The final CCDP will also include the funding mechanisms and business models that SCC will need to adopt in order to finance and deliver the carbon reduction activity that will be required to meet our challenging targets. As part of this work, a Greener Futures Investment Multiplier Framework is being developed. This will be an overarching Framework which draws in investments from numerous vehicles to one platform in order to fund a range of programmes (as set out in the CCDP including renewables, decarbonisation retrofit, zero emission infrastructure, natural capital etc) in order to achieve multiple outcomes and benefits for residents in addition to carbon reduction, including integrated place-based delivery and value for money. Included below are some examples of SCC led programmes which achieve multiple benefit outcomes:

- The River Thames Scheme is a flood defence programme which also includes within scope the creation of new habitats and landscapes for leisure, health and amenity purposes as well as biodiversity and carbon sequestration

- The Green Jump Surrey programme (GH LAD funded) focuses on decarbonising low income homes in Surrey in order to reduce fuel poverty and the associated health impacts (such as early mortality and increases likelihood of falls in the home) as well as reducing carbon emissions to mitigate climate change.

17. Officers will be engaging with partners, stakeholders and residents on the draft CCDP in March and April using Commonplace. Commonplace is an online engagement platform used by organisations to engage with communities, listen to their feedback and make more inclusive and informed decisions. The site will allow stakeholders to review and comment on our plans and suggest new initiatives.

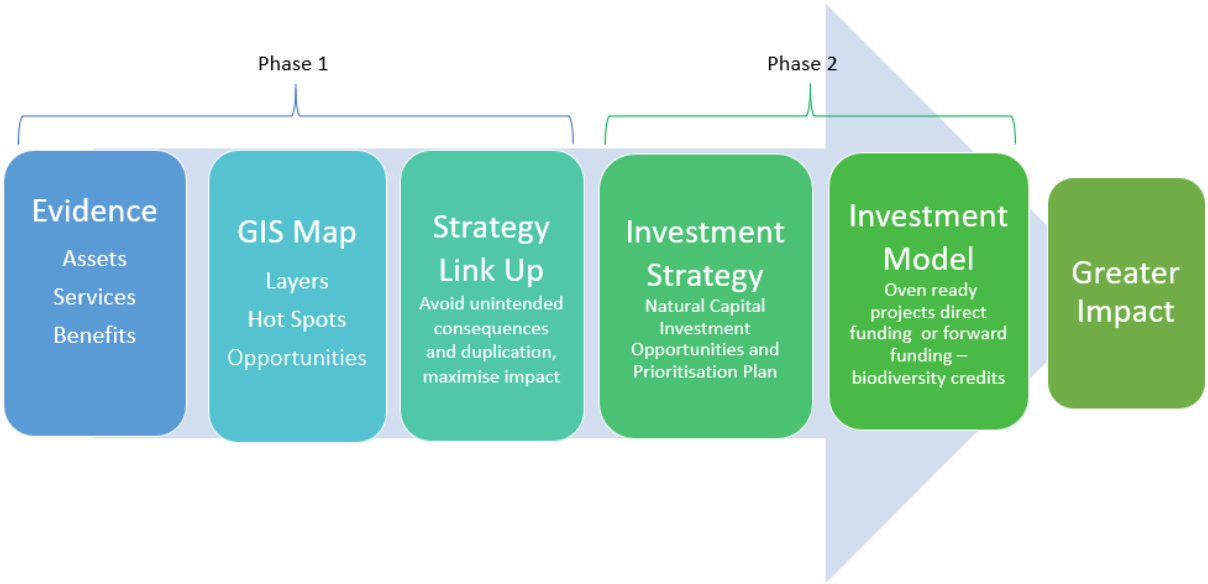
18. The CCDP will be continually updated as new carbon reduction schemes and programmes are added. It will be reviewed annually and, at the same time, a carbon reduction report will be published.

Land Management Framework (LMF)

19. As part of the CCDP, the Land Use Management Framework (LMF) will deliver multiple benefits including ensuring that the carbon sequestration benefits of different habitats and landscapes (including woodland, heathland and wetlands) are understood and maximised. The LMF also links to the climate change adaptation agenda, with regards the mitigation of the heat island effect and natural flood management. The Framework is split into two phases. Phase 1 provides a framework within which evidence about the type and value of Surrey's natural assets and their co-benefits for society, the economy and the environment is collected. This evidence base will feed into Phase 2 of the work, which will develop an integrated approach to land use decision-making and investment. An understanding of the valuable benefits delivered through natural assets will enable more informed decisions about the future of land in Surrey to be made, driving sustainable investment into our landscapes and helping to deliver Surrey's Greener Future. **Figure 1** illustrates this.

20. The scope of the LMF includes all land in Surrey. Some workstreams under the LMF focus specifically on SCC landholdings because we hold more information about these, as well as having a direct influence over their future use and management.

Figure 1: Phase 1 to Phase 2 of the Land Management Framework



21. A number of workstreams are being progressed under Phase 1 (see **Figure 2**). Work will begin on Phase 2 from Summer 2021.

Phase 1: The Evidence

22. The overarching aim of Phase 1 is to build an evidence base to inform improved land management in Surrey.

23. Phase 1 seeks to answer: "What natural assets does Surrey have? Where are they? What benefits do they provide, and to whom?" This baselining exercise will cover all land in Surrey, while going into greater detail on SCC landholdings, for which we hold more information. The evidence gathered will:

    a) provide quantitative evidence to demonstrate the benefits provided by Surrey's landscapes and select SCC land portfolios to society, the economy and the wider environmental agenda; and

    b) identify priority sites for investment to fund habitat creation and enhancement.

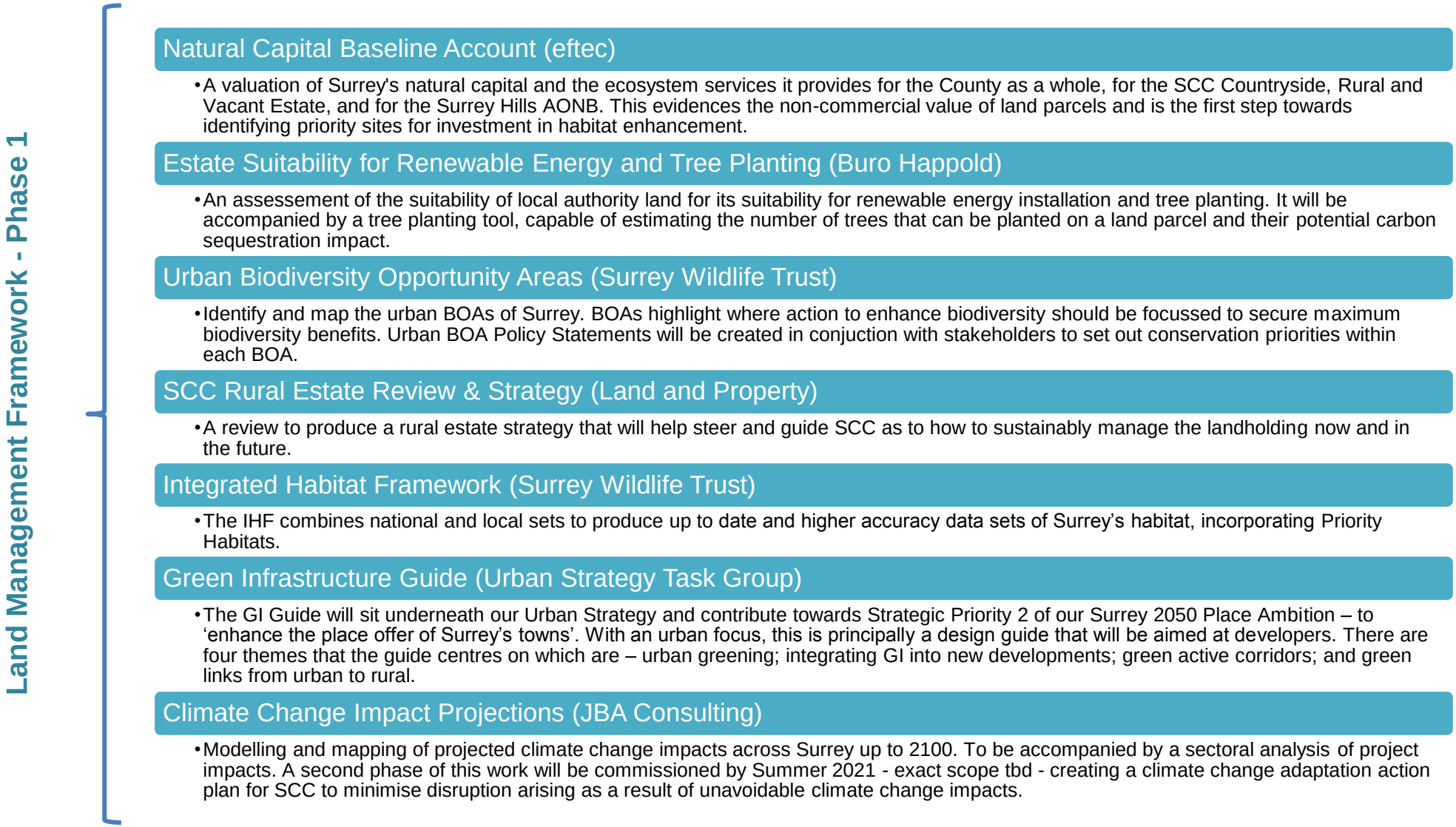
24. The consultancy eftec (Economics for the Environment) were commissioned in January 2021 to produce a natural capital baseline account for Surrey, the Surrey Hills AONB and three SCC estate portfolios: Countryside, Agricultural and Vacant. In 2020, eftec completed a natural capital baseline account for the Coast2Capital Local Enterprise

Partnership area of Surrey (the east). Eftec's 2021 work will create a baseline account for the remainder of Surrey (the west) and integrate the two accounts to create one combined account for Surrey. A natural capital baseline account identifies what natural assets are in Surrey and estimates the financial value of the benefits they provide to society, the economy and the environment (also known as **'ecosystem services**'). This work includes a focus on SCC landholdings as we hold decision-making responsibility over their future use and management.

25. Through understanding and valuing the ecosystem services provided by Surrey's landscapes (e.g. flood risk management, improving air quality, mitigating the 'heat island' effect, providing space for recreation, and so on), officers will be able to create business cases for the future management or purchase of land that take into account nature's benefits, which are traditionally under-valued or excluded from business cases.

26. Eftec's work is complemented by a suite of other workstreams looking to identify priority sites for habitat enhancement that optimise nature's ecosystem services, shown in **Figure 2.** The Estate Assessment for Renewable Energy and Tree Planting Study (commissioned December 2020), the Integrated Habitat Framework (commissioned February 2021) and the Urban Biodiversity Opportunity Areas Study (to be commissioned before the end of March 2021) each fall under this. This evidence-gathering stage will also include a review of the SCC Agricultural Estate Strategy, and modelling and mapping of projected climate change impacts across the county for resilience planning.

Figure 2: Land Management Framework workstreams 2020-2021



Phase 2: Balanced Decision-Making and Investment Tool

27. Phase 2 of the LMF will seek to answer: “What would be the optimal future use for land parcels across Surrey? Where should investment in our natural capital be directed? How can we generate this investment?”. In this context, “optimal” is defined as providing the most cost-effective benefits for society, the economy, and the environment. Benefits could be linked to the outputs of the Outcome Based Planning objectives.

28. Phase 2 will build on the evidence gathered in Phase 1 to create an Investment Strategy for Surrey's Natural Capital. SCC needs such an Investment Strategy to ready itself for the numerous emerging funding streams and investment opportunities for environmental protection and enhancement. The primary investment stream is anticipated to be generated from mandatory **Biodiversity Net Gain**, expected to come into force two years after the Environment Bill receives Royal Assent (scheduled to happen in Autumn 2021). However, other **payments for ecosystem services** offer sustainable revenue streams for the Council and other landowners in Surrey (e.g. the UK Woodland Carbon Code, the Environmental Land Management Scheme, etc).

29. **Biodiversity Net Gain (BNG)** refers to a human intervention which results in a net improvement to biodiversity for a defined area of land. Developing land or changing the way it is managed are both examples of interventions. The National Planning Policy Framework (NPPF) already places a responsibility on local planning authorities to encourage net gains for biodiversity to be sought through planning policies decisions. The legislative changes proposed in the **Environment Bill**, however, will make BNG an integral part of planning consent for most developments. Local Planning Authorities (LPAs) can only approve development plans if they are confident that the developer can achieve a minimum 10% net gain in biodiversity. LPAs will need to agree biodiversity net gain plans with developers, as well as specifying how long the developer should maintain the habitat enhancement, with a minimum requirement of 30 years.

30. Developers are required to adhere to the Department of Environment, Food and Rural Affairs (DEFRA)'s mitigation hierarchy to first avoid, then mitigate on-site, and lastly compensate through purchase of credits for biodiversity losses through a development. Where they are unable to avoid and mitigate for losses on-site, they must purchase a **biodiversity credit** which is used to fund habitat creation projects according to local and national environmental priorities. The current tariff proposed by DEFRA for off-site compensation is £9,000 to £15,000 per biodiversity unit/credit.

31. BNG presents a commercial opportunity for Surrey County Council, which must take measures to prepare itself in advance. BNG is a mechanism that will allow the Council to unlock and benefit from the value of its natural assets, while driving investment into priority landscapes. As a major landowner in Surrey, Surrey County Council can invest upfront in habitat creation and enhancement in order to create verified biodiversity units on parcels of land. These can then be sold onto developers with a slight uptick

(while this mechanism remains in its early development, exact figures cannot be stated).

32. Additionally, by investing in habitat creation and enhancement to create biodiversity units, the Council could create a "habitat bank" of units for use solely by the Council to offset unavoidable biodiversity losses resulting from its own developments. This presents a cost-effective response to mandatory biodiversity net gain, as the Council would not need to rely on purchasing credits from other parties.

Conclusions:

33. This report provides a summary of the work that has taken place to date on the Climate Change Delivery Plan. A number of carbon reduction projects and programmes are included and officers will continue to progress these and to capture the required carbon data.

34. This report also summarises the work to date on the Land Management Framework. Over the coming year, Officers will continue to progress from Phase 1 to Phase 2 of the LMF. We have secured £50,000 of Transformation funding for this work and are also looking to recruit an LMF Officer responsible for driving this agenda forwards.

Recommendations:

35. The Communities, Environment and Highways Select Committee is recommended to:

    a) review and provide recommendations on the Climate Change Delivery Plan; and
    b) review and provide recommendations on the Land Management Framework.

Next steps:

36. Officers will continue to develop the Climate Change Delivery Plan which will be published in June 2021.

37. Work will continue on the Land Management Framework. This includes recruiting an Officer to advance the work from Phase 1 to Phase 2.

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Sources/background papers:
The Draft Climate Change Delivery Plan
Surrey's Climate Change Strategy (2020)
A Coast to Capital Natural Capital Accounting Study (Surrey Wildlife Trust, eftec 2020)

Appendix 1: Draft Climate Change Delivery Plan

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