

SURREY COUNTY COUNCIL**CABINET****DATE: 29 NOVEMBER 2022****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT TRANSPORT AND INFRASTRUCTURE****SUBJECT: PROGRESS REPORT OF THE GREENER FUTURES CLIMATE CHANGE DELIVERY PLAN****ORGANISATION STRATEGY PRIORITY AREA: ENABLING A GREENER FUTURE****Purpose of the Report:**

In response to the climate emergency Surrey County Council, working with partners, produced a Climate Change Strategy in 2020 [1] and subsequently, the *Surrey Greener Futures Climate Change Delivery Plan 2021-2025* [2] ("The Plan"). The Plan included the commitments that partners would deliver order to meet the targets set in the Strategy that Surrey would become a net zero carbon emissions county by 2050 and that all Local Authorities in Surrey would become net zero on a faster timeline.

This report provides an overview one year on from the launch of The Plan, including an update on progress towards the 2050 net zero county emissions target, successes achieved, challenges faced and changes in approach for the next year of implementation (Annex 1). This report also provides progress on Surrey County Council's net zero 2030 target (Annex 2).

Recommendations:

It is recommended that Cabinet:

1. Note the progress and findings of the Greener Futures Climate Change Delivery Plan Progress Reports (Annex 1 and 2); and
2. Agree the suggested programme amendments which lie within the scope of the current *Greener Futures Climate Change Delivery Plan 2021-2025* and have been developed with the Greener Futures Member Reference Group and other partners.

Reason for Recommendations:

There has been some good progress and some notable partnership successes, especially in collaboration with districts and boroughs, in the first year of The Plan which should be noted. However, there are also some significant challenges to current and future delivery, which, while the current Plan is still sound, do require some amendments to how Surrey County

Council and partners deliver over the remaining years to 2025/26, and these are set out in paragraph 12.

Executive Summary

1. Over the last few years, the impacts of climate change on the lives of Surrey's residents are becoming more apparent and more extreme. Fires, floods and droughts have had a direct; and in some cases, a devastating effect over the last two years. The increase in extreme weather effects across the world impacts the economy at home through increased prices and availability of necessary goods and services. The Plan seeks to ensure that Surrey plays our part in reducing emissions, ameliorating the impacts for Surrey residents and more widely.

Climate Change Delivery Plan Progress Report key points (Annex 1)

Surrey 2050 net zero target data review

2. The latest available data for Surrey shows that annual emissions have reduced by over 1M tonnes (17%) per year, in line with a trajectory to meet 2050 net zero targets.
3. However, because of a lag in the data available, this result must be treated with caution as Covid may be a factor in mitigating emissions for the period measured. Furthermore, trends in energy use have shown that progress in the installation of low carbon measures (such as solar PV and heat pumps) has so far fallen far short of what is needed to achieve the 2050 target, and trends in road transport show that the county has not yet achieved the desired step change in reducing reliance on petrol or diesel motor-vehicle use, nor a sustained increase in active and sustainable travel.
4. The data also revealed that despite a reduction in emissions, external factors have meant an overall energy use in homes had increased, exposing residents to higher energy bills. As a result of the cost-of-living crisis, the proportion of fuel-poor homes is increasing, making our target to support 20% of fuel poor homes harder to meet.
5. All Local Authorities face similar challenges. However, the data does help to show where sustained and, in some cases, increased focus, will be critical if the county is to achieve its 2050 targets. It is also worth noting that a wide range of actions taken may have led to changes which are not measurable under the 2050 goals. Whilst they sit outside of the targets, they provide an important contribution to reducing emissions that result from the actions of Surrey's residents and businesses.

Public Sector net zero targets data review

6. As the Progress Report shows, a 20% reduction in emissions puts Local Authorities, including SCC, on track to meet a 40% emission reduction by the end of the Delivery Plan period, but performance varies between different boroughs and districts. Maintaining a trajectory to net zero by 2030 will be challenging as "quick wins" have generally been achieved and a reduction in local authorities' carbon-emitting activities through the pandemic has temporarily reduced emissions in a way that is likely to revert in later years post-Covid.

7. However, there is a view that the building retrofit and fleet decarbonisation programmes – currently in their infancy – will start to have an impact on emissions in future years of the Plan period, although their impact cannot yet be measured.
8. It has not been possible to collect local data to indicate progress of wider public sector organisations in Surrey such as the NHS, Police and academia. There is work underway to consider whether future years' assessments can include this wider public sector data.

Surrey County Council net zero target data review 2030 (Annex 2)

9. By April 2022, the SCC target was an emissions reduction of between 20% and 33% compared to emissions produced in 2019/2020. In April 2022, Surrey County Council had achieved a 27% reduction. This places us on track to meet the 2030 net zero target.
10. However, as with the county and wider local authority targets, there is a risk that emission reductions may not be sustained over the next few years because much of the reduction was caused by a change in service delivery patterns and staff behaviour change as a result of Covid restrictions.
11. That said, as with the wider local authority target, it is too early to measure the impact of key estate and fleet decarbonisation programmes which are projected to reduce emissions – which is where more sustained reductions in emissions are expected. Furthermore, we may need to increase renewable energy on SCC sites if there is a slower transition of renewable energy to meet the 2030 net zero target.

Climate Change Delivery Plan – highlights and achievements

12. Several of Surrey's decarbonisation programmes have out-performed expectations and have delivered significant carbon savings, bill savings and accelerated deployment in renewables. In total, since the launch of the plan, £60M has been leveraged into the County to deliver climate change mitigation activity including improving energy efficiency of homes, businesses and public sector buildings, installing renewable energy, active travel schemes and tree planting and includes:
 - Approximately £13M has been invested in low income homes in Surrey to improve energy efficiency through Surrey's Sustainable Warmth Programme (Government funded) with total annual savings of £478K. The Council is currently working with partners to deliver a new tranche of £11.9M as part of this programme to enable a further 1,103 low income households to reduce energy bills and save carbon.
 - 5.6MW of solar has been installed on domestic roof tops across the county in just over one year, mobilising around £8M in private investment through the Surrey Solar Together scheme in 2021. This equates to approximately 50% of Surrey's total domestic installed PV capacity installed since 2017.
 - £1.2M investment in low carbon technologies through LoCASE, an EU funded programme which offers grants of up to £20K to SME businesses for energy efficiency and decarbonisation measures. To date, 55 business have been

supported with grants resulting in annual emission reductions of 288 tCO₂e and annual energy savings of £232K.

- A significant increase in engagement around climate priorities has taken place, including several comms campaigns, the launch of better points app, community engagement activities and the launch of a staff green champions scheme.

Emphasis of the plan in 2023/4

13. Based on the assessments, it is proposed that the scope and ambition of The Plan itself is still sound; however, the scale and pace of activity needs to increase substantially, with a need for further investment from Government and other sources to sustain this scale of activity – something that was identified in the original Plan itself. This will be a challenge in the current economic climate, and therefore there is a pressing need to take the opportunity to redouble efforts in some areas, and realign our focus in other areas, as set out below:

- **Significantly increasing meaningful collaboration** not only between Surrey local authorities, but also with Government, communities, the not for profit sector and business to improve efficiency, and effectiveness of delivery and increase impact. There is already collaboration happening, but more is needed.
- **Stronger and more focused collective engagement and lobbying.** Lobbying priorities will include recognising and supporting the key role of local government in tackling climate change, alongside funding which enables sustained, long-term action. Our engagement activity will ensure that communities and residents are central to, and embedded within, our approach.
- **A greater focus on supporting all residents and businesses to save energy, reduce energy costs and have easier access to affordable, low carbon energy.** Recognising the criticality of the cost of living crisis for so many of our residents, we will work with partners to continue to support residents in fuel poverty as a priority, but look to also increase support to residents and businesses as a whole.
- **Greater priority to be placed on accelerating local renewable energy generation for example new projects such as rent-a-roof PV schemes** on schools, community buildings and commercial property that reduce up-front energy costs – a key barrier to the uptake of these measures. This will generate income which the Council and partners can utilise to further finance carbon and energy saving schemes across the county, as well as growing the renewable energy sector in Surrey and creating green jobs.
- **More resource will be targeted at initiatives and mechanisms to develop a step change in investment.** An updated financial strategy that focuses on new funding mechanisms to lessen the huge funding gap that prevents local authorities to meet net zero targets will be developed by the end of the year. It is proposed that this updated finance strategy will be brought back to Cabinet in Spring 2023.

Consultation:

14. There has been extensive engagement with Surrey County Council and Borough and District Officers who are partners in delivering actions within the Climate Change Delivery Plan. The initial findings have also been shared with external stakeholders through the Greener Futures Board.
15. The key findings of the report have been shared with the Greener Futures Member Reference Group and CEH Select Committee. Borough and District Chief Executives and Cabinet Members have been involved in the development of the report through the Greener Futures Partnership Steering Board.
16. Because the report is principally about reporting progress, once Cabinet have considered the report, it is the intention is to share the results widely through our website and wider community engagement.

Risk Management and Implications:

17. Since the publication of the *Greener Futures Climate Change Delivery Plan 2021-2025*, the top 4 programme-level risks and issues that were identified at the formation of the Plan have remained largely the same:
 - a. Over 95% of the emissions in the target are reliant on residents, businesses and other public sector bodies to reduce emissions. Increasing the reach of the Delivery Plan is being addressed through the formation of the Greener Futures Board and supporting stakeholder engagement.
 - b. Funding and legislative barriers at National Government continue to hold back progress. Effective lobbying is being developed to argue for greater action and funding at National level.
 - c. The speed and complexity of delivering a wide range of impactful projects continues to be challenging. To mitigate this risk, SCC's own Greener Futures team and those within partner organisations are managed in as dynamic a way as possible, ensuring that capacity is applied where it is needed the most in response to a constantly changing agenda. In addition, greater co-ordination and building improved programme management arrangements are being put in place.
 - d. Updated climate science forecasting may predict that climate change is happening faster than originally predicted. The Plan will continue to be responsive to changes in evidence.
18. The above risks are being monitored and managed through the Greener Futures Steering Group internally and the Greener Futures Board externally.

Financial and Value for Money Implications:

19. Although Progress Report identifies the need for more Government and third party funding, it is not proposing any additional investment by SCC. Spend that falls under the Plan will be subject to individual business cases, and an updated financial strategy will be presented to Cabinet in Spring.

Section 151 Officer Commentary:

20. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
21. As already agreed by Cabinet on approval of the Climate Change Delivery Plan in October 2021, the Council has already made provision for investing in measures to support the delivery of our net zero targets as a Council and county. This investment sits alongside that of partners and organisations in other sectors across the County. While the expectation is that the Council's financial role will primarily be as a facilitator, it is also directly investing in measures (e.g. on its own estate) with the expectation of recovering those costs in the future, e.g. through reduced energy usage.
22. The Council's Medium Term Financial Strategy (MTFS) makes provision for this investment, with spend of £470m planned up to 2026/27 for schemes that contribute to reducing carbon emissions, tackle climate change and enable a greener future for residents. This covers a wide range of projects from Council retrofit and renewables projects, potential financial support for residents, the River Thames flood alleviation scheme and transport infrastructure. This will be refreshed as the next MTFS is developed. Individual schemes remain subject to the Council's approval processes including development of business cases to demonstrate affordability and value for money.

Legal Implications – Monitoring Officer:

23. As the scope of the *Greener Futures Climate Change Delivery Plan 2021-2025* has remained largely unchanged, there are no new legal considerations, except for biodiversity.
24. In relation to biodiversity, the Environment Act 2021 ("EA") imposes at s102 a general duty to conserve and enhance biodiversity. It is expected that this section will be brought into force in 2023. The EA will amend the duty placed on public authorities under section 40 of the Natural Environment and Rural Communities Act 2006 by making more explicit the requirement for public authorities to assess how they can take action to conserve and enhance biodiversity and then take those actions when delivering their functions.

Equalities and Diversity:

25. The actions in The Plan meet the needs of as wide a range of the Surrey population as possible. The proposed amendments to the Plan set out in paragraph 13 include a change of emphasis to ensure that support and engagement is targeted towards those most in need, particularly to support those impacted by the rise in energy prices.

Other Implications:

26. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	None
Safeguarding responsibilities for vulnerable children and adults	None
Environmental sustainability	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>
Compliance against net zero emissions target and future climate compatibility/resilience	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>
Public Health	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>

What Happens Next:

27. The Progress Reports will be published on the SCC website.
28. A progress report for the Climate Change Delivery Plan will be completed on an annual basis.
29. The Greener Futures Finance Strategy will be developed by the end of the year and will be brought to the CEH Select Committee for review prior to Cabinet.

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Consulted:

Surrey County Council and Borough and District Officers, Greener Futures Board, Greener Futures Reference Group, Select Committee, Borough and District Chief Executives and Cabinet Members.

Annexes:

Annex 1 *The Greener Futures Climate Change Delivery Plan Progress Report*

Annex 2 *Surrey County Council's Net Zero 2030 Progress Report*

Sources/background papers:

[1] *Surrey's Climate Change Strategy, 2020;*

https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf

[2] *Greener Futures Climate Change Delivery Plan 2021-2025, 2022*

<https://s3-eu-west-2.amazonaws.com/commonplace-customer-assets/surreysgreenerfuture/Final%20Climate%20Change%20Delivery%20Plan%20Full%20Document%202022.pdf>
