SURREY COUNTY COUNCIL

CABINET

DATE: **28 APRIL 2020**

REPORT OF: **MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE**

LEAD OFFICER: **KATIE STEWART, EXECUTIVE DIRECTOR ETI**

SUBJECT: **SURREY CLIMATE CHANGE STRATEGY**

SUMMARY OF ISSUE:

The United Nations and the international scientific community have made clear the potentially severe global human, environmental and economic impacts anthropogenic climate change poses. In 2018, the UN Intergovernmental Panel on Climate Change (IPCC) released a landmark report highlighting that even half a degree rise in global temperatures beyond 1.5°C would significantly worsen the risks of drought, floods, extreme heat and poverty for hundreds of millions of people.

In response, in June 2019 the Government announced that the UK would be net zero carbon by 2050. The following month in July 2019 Surrey County Council declared a climate change emergency and made a commitment that the County would be net zero carbon by 2050, in line with the Government's target. Surrey's district and borough authorities have also recognised the severe and imminent threat that climate change poses, and have declared a number of their own climate emergencies and emissions reduction targets.

The public declaration of a net zero carbon target[1] commits all local authorities in Surrey to tackling climate change across every aspect of our assets and service provision in conjunction with partners, residents, businesses and Government to reduce support a reduction in the carbon emissions produced in in our county.

This ambition is not only necessary to tackle the climate emergency for current and future generations but also offers a significant opportunity to increase our energy efficiency, improve our resilience and deliver a greener, healthier society.

Surrey's Climate Change Strategy [**Annex 1**], proposed in this report, sets out the intended approach to delivering these ambitions 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.

The Strategy specifically commits Surrey County Council to reducing carbon emissions from its own corporate estate to net zero by 2030. This target, although challenging, can be achieved as these emissions fall completely within the Council's control, and this would demonstrate the Council's commitment to this agenda. At the time of publication, nine of the eleven boroughs and districts have adopted net zero carbon organisational emissions targets.

[1] The amount of total emissions released on an annual basis averages to be zero or negative i.e. the amount of emitted emissions balanced with those removed or offset.

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The development of Surrey's Climate Change Strategy has been a collaborative process, and the intention is that it is owned by partners across the county through their endorsement of the final strategy.

Originally, it was hoped that the Strategy would have received the endorsement of all partners by the time it was considered by Cabinet, but the current COVID 19 pandemic has delayed effective partner engagement in this final stage. However, whilst the impact of COVID 19 has delayed this process, Surrey's authorities remain committed to joint working in this agenda. It is therefore vital that this wider engagement of partners continues as part of the county's recovery from the pandemic in due course, to achieve joint endorsement. That said, the strategy has already received initial endorsement from key partners including Surrey Police, and the Enterprise M3 Local Enterprise Partnership (LEP).

However, in order to meet our ambitious climate change targets, local authority partners can only go so far, and it is critical that residents do their part. We recognise that the issue of climate change is important to our residents, and the engagement process demonstrated that they want to do more to reduce their own personal carbon footprints. They have great potential to do this, with almost three quarters of all emissions coming from transport and housing. Thus there is a role for the Council in facilitating residents to take action and undertake significant changes to their way of living; providing clear guidance, support and funding on the issues. It will be necessary to continually engage with residents and communities as we develop our climate change delivery plan to encourage co-design and ownership.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Endorse Surrey's Climate Change Strategy, and approve its associated actions.

2. Support the continued development of the actions contained within the strategy to identify clear ownership, appropriate levels of funding and a set of key performance indicators (KPIs) by 2021 that can provide for robust monitoring. Where required any respective projects and programmes will be brought back to Cabinet with costed delivery plans for approval.

3. Support the continued engagement of the Council with boroughs and districts, with the intention of achieving joint endorsement across the 12 authorities.

4. Support the further engagement of residents and key stakeholders with the Strategy and actions, so that collective action may be taken to achieve the outlined ambition.

5. Support the publication of our progress annually against our targets, with a complete review of the Strategy every five years. Any minor changes outside this time frame will be approved by the leader in consultation with the borough and district authorities.

6. Support the Select Committee recommendation to investigate mechanisms for joint oversight and monitoring of the Climate Change Strategy impact and delivery.

REASON FOR RECOMMENDATIONS:

Surrey's Climate Change Strategy enables us to deliver on Surrey's net zero carbon emissions ambition and build the resilience of our communities to the impacts of climate change.

The potential implications if we do nothing to address climate change in Surrey include increased risk of flooding and extreme heat, disruption to our critical infrastructure, networks and businesses, and increased risk to our health and wellbeing.

Not only will the implementation of the actions contained within the strategy help to reduce the potentially negative and far-ranging impacts of climate change, it will also have substantial co-benefits including improved health and wellbeing, e.g. from reductions in air pollution, the potential for job creation and investment in Surrey's green economy, and more local, sustainably produced food.

Further, baseline emissions research for Surrey, produced by researchers at Leeds University, has identified that there are a number of proven cost-effective and technically viable carbon reduction options that Surrey's local authorities could deliver in addition to the County Council's existing capital programme to reduce carbon emissions. These savings will be achieved across a range of stakeholders, from residents to businesses and public sector partners and could total £1.32 billion per annum by 2050 in savings on energy bills against a Business as Usual scenario (BAU).[2]

Whilst the impacts of COVID19 on the County and the Government's response, including the facilitation of social distancing, will not change the ambition of the strategy, they will need to be considered against the actions identified to deliver the strategy.

DETAILS:

Context

1. In 2018, the UN Intergovernmental Panel on Climate Change (IPCC) released a landmark report highlighting that even half a degree rise in global temperatures beyond 1.5°C would significantly worsen the risks of drought, floods, extreme heat and poverty for hundreds of millions of people.

2. Globally, the Intergovernmental Panel on Climate Change (IPCC) suggests that if we want to give ourselves a 66% chance of avoiding such dangerous climate change, there would need to be a limit on global emissions to no more than 344 billion tonnes of greenhouse gases emitted from 2020, known as the global carbon budget.

3. In recognition of this need for urgent action, in June 2019 the Government announced that the UK would be net zero carbon by 2050. The following month in July 2019, Surrey County Council declared a climate change emergency and made a commitment that the county would be zero carbon by 2050, in line with Government's target. A number of borough and district authorities have similarly declared climate emergencies over the last year.

[2] Cost-effective options are those that will bring about cost savings or revenue streams following their implementation. Leeds

4. Following that declaration a cross-party member Task Group of the County Council Select Committee for Communities, Environment and Highways drafted a 'Call for Action', consisting of 17 high-level recommendations as to how the zero carbon target can be achieved, which was approved by Council on 10 December 2019. These recommendations have informed the development of the emerging climate change strategy and can be found in **Annex 2**.

5. Given that the net zero carbon target is a shared ambition across Surrey's local authorities, it was agreed by the Surrey Leaders and Chief Executives Group that the agenda needed to be tackled through a collaborative strategy – a joint framework that, whilst not replacing individual local authorities' own strategies, would identify a set of shared strategic priorities and CO_2e targets across authorities that could galvanise partnership working.

6. A focused programme of work has since been undertaken with partners, residents and experts to develop the resulting Surrey Climate Change Strategy [**Annex 1**], which will enable collaborative action on climate change across a range of Surrey partners and stakeholders.

Net zero carbon emissions pathway

7. To provide a robust, county-wide emissions baseline, emissions reduction pathway and CO_2e targets, the Council commissioned researchers at Leeds University, who are widely recognised as leaders in this agenda. Their findings can be seen in **Annex 3.**

8. By dividing the global carbon budget (344 billion tonnes) by population, Surrey has a total carbon budget of 56 million tonnes available to emit from 2020, if it is to be consistent with global action to limit warming to 1.5°C.

9. Currently, the county currently emits more than 6 million tonnes of carbon a year– which means that effectively Surrey would use up its carbon budget in just over 8 years if no further action is taken, known as the business as usual (BAU) approach [**Annex 3, Surrey Report**].

10. Of these 6 million tonnes of emissions, 46% comes from the transport sector, with housing then responsible for 28% of emissions, public & commercial buildings for 15% and industry 11%.

11. Surrey's carbon emissions have fallen by 35% since 2005, due largely to the decarbonisation of the national grid; however, projections show that following a BAU approach will only achieve a carbon reduction of 44% against Surrey's 2005 level of emissions by 2050, which falls far short of the County's target.

12. Researchers at Leeds University have calculated that the gap between Surrey's BAU emissions in 2050 and the net zero target could be closed by 65% through the adoption of both cost-effective and technically viable low carbon options. This means that there are many opportunities for investment in schemes and initiatives which will result in carbon savings, many of which will pay for themselves over the lifetime of the programme (or less) from the resulting reductions in energy costs.

13. The final 35% will be achieved through the implementation of more challenging or 'stretch' options, which may be technologically, economically or socially difficult – for example electrification of domestic heating.

Development of the strategic priorities and actions

14. The strategic priorities and actions set out in the Strategy have been developed through a combined approach of policy baselining and extensive engagement activities with technical experts, officers, members and residents (further information on engagement is detailed in paragraph 40 to 49).

15. Across eight sectors, county-wide CO_2e[3] emissions reduction targets have been developed along with three strategic priorities. The emission reduction targets were identified through the creation of a scientifically based carbon neutral pathway, developed by Leeds University researchers who are leaders in this area.

16. These strategic priorities were developed by Surrey's local authorities, through engaging with academic partners, residents, businesses, schools and emergency services through workshops, focus groups, resident panels, and commissioning groups.

17. The actions required to deliver on each strategic priority are set out in an action plan, on pages 54 to 80 of the Strategy. Importantly, as the Strategy makes clear, much of the action required to meet the county's 2050 target needs to happen in the early part of the intervening period. Therefore, the action plan is focused on the most important actions required in the period to 2035 as an intermediate but crucial milestone. This action plan will continue to evolve and be a living document over the coming years.

18. Whilst the Strategy requires the action of many partners across the county, the County Council itself has a significant role to play in several sectors – as Local Highway Authority in reducing transport emissions, for instance, and in respect of our own organisational emissions, where there is the opportunity to lead by example in the delivery of emissions reductions across SCC's own estate, assets and services. Further, SCC will have a major role in coordinating the delivery of the strategic objectives and actions over the life of the Strategy.

Policy Baselining

19. Surrey County Council officers have documented all relevant existing strategies, action plans, and policies in place at the national, regional and local level across the key themes of the strategy. This has enabled us to understand where there may be potential conflicts with or gaps between what we are currently delivering, and that which we need to deliver to reach our zero carbon targets.

20. In conjunction, the Surrey Environment Partnership (SEP) have been working with borough and district authorities to identify the work that they are currently undertaking on climate change and any relevant sectors. This has contributed to the development of strategic priorities in the first instance, and then future development of shared projects and actions over the next 6 to 9 months.

Key messages from the Strategy

21. There are several key messages from the Strategy worth particularly highlighting.

22. The most significant proportion of the county's emissions arise from transport (46%), with Surrey's roads carrying almost twice as much as the Southeast average. As the Local Highway Authority, SCC has a major role to play in effecting change in this

[3] Carbon dioxide equivalent (all greenhouse gas emissions emitted represented as carbon dioxide).

sector – from its commitment of investment in low emissions public transport and active travel, to piloting schemes with partners to reduce private car use.

23. However, the local borough and districts also have a significant role to play; for instance, in how new development is designed. The Rethinking Transport Programme which has been co-designed by SCC and district and borough councils, will be critical to achieving targets for this sector.

24. Domestic CO_2e emissions is the second biggest contributor to Surrey's emissions at 28% of the total amount or 1.4 tonnes per capita, and has seen a 33% reduction in emissions since 2005. These reductions in recent years have been largely as a result of grid decarbonisation, however, there remains a persistent challenge in respect of emissions associated with heating and cooling.

25. Local borough and district authorities have a critical role to play in this sector as planning authorities, in promoting energy efficient design of new homes and as housing authorities; as does the public sector more generally in the support for retrofitting of existing housing stock.

26. However, residents too have the opportunity to make a significant impact on reducing emissions in both the transport and domestic sectors – which together account for almost three quarters of the county's emissions. Resident decisions and actions will be critical in respect of both making the choice to reduce journeys, and take public transport or active travel options, as well as in taking ownership where possible of the emissions from running their homes.

27. Critical to all sectors is the way in which energy used is generated in the first place. In order to meet its net zero carbon target, Surrey must contribute to the national agenda of decarbonised heating and electricity, and our priorities commit us to expanding our renewable energy generation capacity across the county, as well as developing more localised smart energy systems to reduce losses in the network.

28. The main challenges with domestic housing are similarly shared with public and commercial buildings. These buildings have seen reductions in their emissions due largely to improvements in energy efficiency of heating systems and efficiencies in electrical appliances and lighting, but further decarbonisation of buildings can be achieved through reduced usage, improving efficiency and switching to low and potentially zero carbon heating solutions.

29. Whilst the waste management sector was only responsible for 4% of UK greenhouse gas (GHG) emissions in 2016, emissions from waste in Surrey are projected to grow slightly year on year in a BAU scenario. It is therefore imperative that the Council and partners take action to reduce waste produced in Surrey and to increase recycling rates, which, although are high compared to performance of other counties, have plateaued in recent years.

30. The strategic priorities for this sector align closely with Surrey's Joint Waste Strategy.

31. There are other sectors where the opportunity exists not only to reduce carbon emissions but indeed to make significant positive contributions to carbon emissions reductions, including the green economy in which the county has the opportunity to encourage the development of low carbon technologies and enterprise.

32. More fundamentally, partners across the county have an opportunity to maximise the use of land to the benefit of carbon emissions reductions by ensuring that it is used sustainably, whether that be for agriculture, flood prevention or carbon sequestration. To this end, over the coming year, officers will work with key partners including the borough and district authorities, Surrey Nature Partnership, Surrey Wildlife Trust, Surrey Hills AONB, as well as the Forestry Commission and Natural England to develop a wider Land Use Framework.

33. Closely linked to this framework is SCC's commitment to facilitate the planting of 1.2 million trees over the next decade which will make a considerable contribution to reducing our CO_2e emissions – 300,000 tonnes over 40 years, or equivalent to offsetting 181 million car trips over that time.

34. However, even with the efforts set out in the Strategy to reduce *future* carbon emissions, it must be recognised that climate change is already directly impacting upon the lives of our residents today, and thus we must adapt accordingly.

35. Therefore, as part of this Strategy we are seeking to expand on our existing measures to build resilience right through to the household level, through climate-proofing our services and infrastructure. Our largest capital scheme in the Greener Futures Investment Programme (see para 53) is the Surrey Flood Alleviation programme, which has been allocated £135M over a five year period, with further funding allocated beyond 2025.

36. Finally and critically, whilst local partners will be able to make a significant impact through their collective actions, Government intervention will be vital to enabling the county to achieving the delivery of a fully net zero carbon target by 2050. The Strategy clarifies where such intervention is needed, principally in respect of policy change and investment.

Monitoring and Evaluation

37. If we are to achieve the targets we have set ourselves across each of these sectors and our own operational emissions, it will be crucial that Surrey's local authorities monitor and evaluate our progress collectively. This will be achieved through building the capacity to undertake emissions monitoring, which could be extended to undertake data collection and monitoring of other relevant KPIs. This will allow the setting of more specific milestone targets and climate change ambitions.

38. The strategic priorities within the strategy and the accompanying emissions reduction targets will be revisited every 5 years to consider potential for acceleration, with a progress report against our targets and key actions to Cabinet annually.

39. To this end, we accept the recommendation from Select Committee on 24 March 2020 that "[SCC] investigate avenues for joint scrutiny with district and borough councils to review the impact of the climate strategy and continue its development" over the coming months. The full Select Committee report is available at **Annex 5**.

CONSULTATION:

40. In preparing the Surrey Climate Change Strategy, four pilot engagement activities were undertaken with the public to help shape and design the content of the strategy.

41. First, the Greener Futures Design Challenge was conducted during the initial research stage of the Strategy's development. The Design Challenge was an

incubator programme to support the development of 10 community solutions for climate change. This involved facilitating discussion workshops, providing design services and connecting the groups with local partners – the outcomes of the projects can be found on the SCC website[4].

42. Second, a climate change survey was sent out to the Surrey Residents' Panel – a database of 700 Surrey residents that are representative of the county's demographics and have been recruited to contribute to market research in the development of Council policy. The survey gathered the Panel's views on climate change, their perceived climate priorities and a view on residents' behaviours.

43. The third activity was a series of resident focus groups, run by an independent consultant and carried out across the county and centred on four main themes - Transport, Waste, Consumer Behaviour, Buildings – for groups of eight to ten individuals. Over 300 residents sign up for these focus groups in over just a week.

44. Finally, four school workshops were trialled at partner schools in Surrey centred on exploring, through co-development, solutions to climate change at home and in school. Engagement of young people through the design and implementation of solutions is crucial and thus such further such activities will be developed in the implementation of the Strategy. A review has since taken place with the intention to develop a pack of similar activities that can be carried out by other schools.

45. The findings and outputs from these engagement activities are summarised in **Annex 4** and have helped shaped the strategic priorities.

46. A number of local partners and local authority partner groups have also been engaged as part of the development of the Climate Change Strategy to identify areas of alignment in action to tackle climate change. The work undertaken in conjunction with the Joint Leaders and Chief Execs Climate Change working group was particularly critical to this process. Partners engaged to date are listed in the Acknowledgements section of the Strategy, **Annex 1.**

47. Alongside this engagement with partners, an internal SCC Project Board has been established with officers from across all Council services including Procurement, Property, Planning, Transport, Waste, Strategic Commissioning, Health, Children and Adult Social Care, Finance and a representative from the borough and district authorities. This board has provided technical guidance in the development of the strategy, but in the longer term will help to shape and implement the delivery plan for SCC.

48. In preparing this report, Communities, Environment and Highways Select Committee has been consulted. The Committee supported the current approach taken to develop the strategy and recommended that continued engagement must occur as the actions are developed further.

49. Further consultation will be required for each pipeline capital scheme on a case by case basis.

[4] https://www.surreycc.gov.uk/people-and-community/climate-change

RISK MANAGEMENT AND IMPLICATIONS:

50. The Surrey Climate Change Strategy sets out the county's partnership ambition to reduce its long-term emissions and strengthen the resilience of its community to climate change. The actions to achieve this ambition will and are being delivered and developed by different services across the Council, Districts and Boroughs and by external partners.

51. For the delivery of this Strategy, a risk management plan will need to be drawn up, identifying the immediate and long term risks to both its achievement and impact. This risk management plan will be a live document that is revisited as and when required, but at a minimum annually.

52. Financial and non-financial risks will be considered by programme managers for each of the actions, projects and initiatives independently.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

53. The Greener Futures Investment Programme report which was presented to Cabinet on 31 March 2020, sets out the Council's initial proposed investment programme to support this Strategy from 2020 - 2025, which represents an investment of approximately £297.2M. This includes the approved capital budget investment into schemes of £173.9M, which will reduce carbon emissions in the county and which will help Surrey to adapt to the impacts of climate change. It also includes pipeline capital schemes, amounting to £121.7M, and £1.6M for one off revenue investment for the period 2020/21.

54. The funding programme will continue to evolve as the Strategy is put into action, and as such, further investment may be required, which would be subject to further decisions as necessary.

55. It is important to note that the County Council alone does not have access to the level of resources and investment required to achieve our net zero targets for Surrey and so it will be necessary to work in partnership with public and private sector partners as well as Government.

SECTION 151 OFFICER COMMENTARY

56. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook is uncertain as it is heavily dependent on decisions made by Central Government. With no clarity on these beyond 2020/21, 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.

57. In agreeing its Medium Term Financial Strategy, the Council recognised the importance of responding to the climate change emergency. However as the Council's climate change delivery plan is developed it may be necessary to give further consideration to how measures can be funded.

LEGAL IMPLICATIONS – MONITORING OFFICER

58. In carrying out its many functions, the Council has the ability via the wellbeing power contained in the 2000 Local Government Act, supplemented by Local Government & Public Involvement in Health Act 2007 and Sustainable Communities Act 2007, to engage directly and work with other agencies in helping to tackle climate change.

59. The specific legal implications of the projects identified in the report will be identified as the projects progress. Equality Impact Assessments (EqIAs) will be completed as each project and scheme from the actions list is developed to business case phase.

EQUALITIES AND DIVERSITY

60. An initial EqIA pro-forma has been completed for the Strategy, and can be seen in **Annex 6**.

61. The findings from the EqIA identify that this strategy will impact upon everyone who lives, works and travels in the county, including residents and communities, SCC staff and public and private sector organisations.

62. The positive impacts significantly outweigh the negative impacts for communities and include improvements in health and wellbeing, long term job prosperity, reduced energy bills for households, improvements in air quality etc.

63. However, potential negative impacts need to be mitigated against, and the systems-based approach to climate change (e.g. working across agendas and services) taken here should help to achieve that. An example of this type of risk would be the challenges to access for disabled persons and elderly people in the pursuit of public and active transport initiatives, as such individuals may need to rely on private vehicles. However, in this example, action taken to electrify vehicles where they are required and pursue a more service-based approach to development would reduce emissions whilst allowing these groups to access the areas they need. Other such risks will be mitigated where possible with appropriate action.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

64. An Environmental Sustainability Assessment (ESA) will be required for many of the actions listed in **Annex 1**. This will be produced as and when these schemes are further developed.

PUBLIC HEALTH IMPLICATIONS

65. Some of the initiatives and schemes will have public health benefits. These will be highlighted in the reporting of these initiatives and schemes as they are delivered.

WHAT HAPPENS NEXT:

66.

a. Officers will continue to engage with District and Borough colleagues to further develop our approach for joint working on climate change.

b. SCC officers will develop an SCC-specific delivery plan in conjunction with the Greener Futures Project Board which will include KPIs and costed programmes of work for the more immediate schemes.

c. Finally, officers will continue to engage with residents via existing channels and new approaches to promote co-designed solutions.

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Consulted:

For all individuals, partners and organisations consulted in the development of the Climate Change Strategy, please refer to the Acknowledgements section of **Annex 1: Surrey's Climate Change Strategy.**

Annexes:

Annex 1: Surrey's Climate Change Strategy

Annex 2: Communities, Environment and Highways Select Committee Task Group Report

Annex 3: Surrey Report, Professor Andy Gouldson et al.

Annex 4: Greener Futures Engagement Report

Annex 5: Communities, Environment and Highways Select Committee Climate Change Report to Cabinet

Annex 6: EqIA Pro-Form Climate Change Strategy

Sources/background papers:

- IPCC 1.5 Deg Special Report, 2018.

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