

ANNEX 4- INITIAL GREENER FUTURES FINANCE STRATEGY 2021-25

1. INTRODUCTION

Surrey's Climate Change Strategy¹ was published in May 2020. Surrey's Greener Futures Climate Change Delivery Plan 2021-25 is the first phase of a 30-year plan to realise the ambitions set out in the Climate Change Strategy. The Greener Future Finance Strategy sets out a process for defining how the Delivery Plan for 2021-25 and subsequent plans will be financed, by who or how and where there are currently gaps in funding.

2. PURPOSE OF THE GREENER FUTURE FINANCE STRATEGY 2021-25

The objectives of the Greener Future Finance Strategy are to provide:

- a) An initial **best evidence-based estimated** cost, based on current knowledge, data and modelling for the net zero pathways set out in Surrey's 2050 Climate Change Delivery Plan 2021-25 and SCC's 2030 target. Costs are based on an initial '**net zero pathway model**,' which includes relevant data, possible carbon reduction measures, cost and savings assumptions as well as potential funding and finance.
- b) **A process for refining the 'net zero pathway model'** to confirm, as far as possible, best value measures, costs, funding/financing sources and return on investment for achieving the 2021-25 Delivery Plan and subsequently to be used to define future five-year delivery plans to 2050 and 2030 and their associated investment needs. The model needs to be flexible to allow for different measures if circumstances change
- c) **An overview of funding sources and potential finance mechanisms available to fund the delivery** of the chosen pathway and more importantly **any funding gaps** that there may be. This is captured in Appendix 1.
- d) **The basis of an evidence-based 'ask' of Government with regards to future funding and finance** where there are gaps
- e) Enable the development of a **long term Greener Future Financing Strategy Framework – 2025 and beyond**, linked to the **Surrey Infrastructure Investment Plan** that can deliver at pace and at scale combining all possible sources of funding including the Government's Infrastructure Investment Bank and the private sector. (Date to be decided)

3. COSTING THE GREENER FUTURES DELIVERY PLAN 2021-25

SCC commissioned Atkins in July 2021 to produce a finance model that could be used by the Council and partners to estimate the cost of the carbon reduction initiatives included in the Climate Change Delivery Plan in order to understand the capital costs of achieve the county's carbon reduction target by 2025 as well as the 2030 carbon reduction pathway for the Council's own organisational emissions. The benefit of this model is that it creates a mechanism where carbon and cost

¹ https://www.surreycc.gov.uk/_data/assets/pdf_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf

can be considered together, and for the financial impact of different carbon reduction scenarios to be tested. This allows the Council to make decisions regarding which decarbonisation pathways offer the highest carbon reduction for the best financial value.

A series of data sets were fed into the model, as set out in Figure 1 below. A number of parameters, assumptions and principles were used to inform the model and the costs have been based on best evidence available at the time as well as the use of industry standards. These assumptions are also captured in Figure 1. The model has been developed in a way which allows for future changes which could affect costs and potential return on investment, such as policy changes, energy price increases, carbon taxes etc. Further detail on principles, assumptions and evidence used will be in the full Atkins report which will be available at the end of October 2021.

Figure 1 – Data included in the finance model produced by Atkins

	2025 Delivery Plan	Council's 2030 Net Zero Target
Data included	<ul style="list-style-type: none"> - Surrey housing stock EPC data - Number of homes by tenure, type (ie number of fuel poor and off-gas homes) - Decarbonisation measures completed - Surrey Transport Plan data and evidence (number of journeys by different types of vehicles etc) - List of commercial and public sector buildings - Carbon data from Boroughs and Districts - Details of schemes already in development (GHGLAD, LoCASE, Solar Together, Active Travel schemes, Bus Back Better, infrastructure schemes, green infrastructure schemes) - Carbon reduction data from Government's Scatter tool 	<ul style="list-style-type: none"> - Energy data (cost per kWh gas and electricity) - Energy data for buildings in corporate estate - Data held on type and size of buildings - Data on existing decarbonisation measures installed - Number and type of vehicles in fleet and fuel data - Any decarbonisation feasibility assessment completed - Analysis on potential for solar PV on Council's land and buildings - SCC finance data (ie borrowing rate, discount rates)

Assumptions and estimations	<p>-Energy retail prices - Source: Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal²</p> <p>-Carbon emission factors - Source: Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal³</p> <p>-Housing stock data- Source: BRE Integrated Dwelling Level Housing Stock Modelling and Database for Surrey⁴</p> <p>-For all projects, a staggered implementation over 4 years have been assumed, starting in 2022 and reaching to its full implementation in 2025.</p> <p>-Borough and District emission baseline: where baseline emissions data have not been found in the initial search, they are assumed to be 7,000 tCO₂e (based on Woking Borough Council's emission inventory)</p>	<p>-Energy retail prices - Source: Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal</p> <p>- Building electricity and gas demand data - Source: Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal⁵</p> <p>-Inflation estimation - Source: Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal⁶</p> <p>-For all projects, a staggered implementation over 9 years have been assumed, starting in 2022 and reaching to its full implementation in 2030.</p> <p>-Where gross internal area (GIA) information is not available for a building: its GIA have been assumed by comparing its energy consumption with the energy consumption of a similar type of building.</p> <p>5</p>
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Using these parameters and assumptions, Table 1 below identifies the approximate capital cost of achieving each of the four main programmes within the Climate Change Delivery Plan.

Due to the complexity of the task, and the fact that many of the initiatives in the Delivery Plan have not been fully developed, it has been necessary to apply a confidence range which allows for varying levels of confidence in the costs to be captured. A confidence range of 10% has been used for all of the programmes with the exception of Greener Futures Champions where 20% has been applied. This is because the initiatives within this programme are less well developed than the initiatives in the other programmes, and the Council has less direct control over the delivery of these. As officers continue to develop the Delivery Plan and the initiatives within it, these confidence ranges will reduce.

² <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

³ <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

⁴ This is an unpublished resource which was produced by BRE for Surrey County Council in 2014

⁵ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/november2019>

Table 1 also summarises the sources of funding for each of the programmes and identifies where there may be gaps in funding. Appendix 1 includes a list of the initiatives (only those with capital costs have been included) making up each programme within the Delivery Plan. Against each of the initiatives, further detail has been included about the anticipated funding sources, need for SCC investment, potential funding gaps and need to lobby Government.

Figure 2 - Summary capital costs of the Climate Change Delivery Plan 2021-25

Climate Change Delivery Plan Programmes	Start	End	Capital expenditure (confidence range applied)	Comment (expected sources of funding and possible gaps)
Greener Future Communities	2021/22	2025/26	£3.1 - £3.9 billion	This programme focuses on decarbonising homes, buildings and transport and so the estimated costs far exceed the other programmes. The majority of these costs will be funded by the consumer (ie home owners, businesses decarbonising homes and premises and drivers switching to EV vehicles) however some SCC funding will be required to unlock investment and act as match funding to draw in large grants from Government and other funders. The main risk is that external funding is not available at the scale required to meet our carbon reduction targets for this programme.
One net zero public sector estate	2021/22	2025/26	£129 - £142 million	This includes the capital costs of the 2030 net zero carbon programme. The majority of this cost will fall to Surrey's local authorities with some Government grant funding expected. The operational energy savings resulting from decarbonisation measures are expected to create a positive business case over the lifetime of the measures
Build Back Greener	2021/22	2025/26	£101 - £110 million	Further work is required to develop the initiatives in this programme in order to understand the potential costs and funding sources. It is likely that Government's Infrastructure Investment Bank will make available funding however this has only recently been launched and so is untested. The presumption should be that in the future new infrastructure will build in 'carbon mitigation' as part of BAU.
Grow Back Better	2021/22	2025/26	£8 to 10 million	Although currently relatively low value, new and emerging policies and finance mechanisms resulting from the Environment Bill will result in increased opportunities to deliver natural capital schemes which increase carbon sequestration and will provide the funding mechanisms for these (such as

				mandatory Biodiversity Net Gain requirements which developers must meet which will function like an offset fund). In the interim costs will fall to land owners for capital measures and maintenance.
Total			£3.4 - 4.2 billion	

The scale of cost required to achieve the county's carbon reduction target by 2025 is in the region of £3.4 - £4.2 billion. The majority of this cost is within the Greener Futures Communities programme and the costs will fall to the consumer (i.e. homeowners decarbonising their homes, businesses decarbonising their premises and drivers switching to low emission vehicles). The next step in this work is to determine where the Council's funds are best placed to draw in the scale of investment required and where Government lobbying is required. This is covered in more detail in section 5 below.

Revenue costs and common costs across the programmes (such as communications costs) have not yet been estimated. The focus to date has been on capital costs, as this will represent the majority of the investment required (although revenue costs are expected to be substantial and will need to include additional and on-going maintenance requirements resulting from initiatives). Firming up related revenue costs will be a key next step in this work. Work has already started on this now that the draft Delivery Plan has been developed and it's clear what the priority initiatives are.

4. COSTING THE COUNCIL'S 2030 NET ZERO CARBON TARGET

Officers have also been working with Atkins on a finance model for the Council's 2030 net zero carbon target. This has been developed using a similar methodology to the wider 2025 financing work referenced above. As set out in Figure 1 above, data on the Council's operational building portfolio, vehicle fleet and analysis of the potential for renewable energy generation was fed into the model along with a number of assumptions (based on best evidence) regarding energy price increases, operational savings, borrowing costs etc. Further detail on the methodology used will be included in the full Atkins report.

Table 2, below, includes a summary breakdown of the expected capital costs to meet the 2030 target. These costs are included in the table above within the One Net Zero Public Estate programme.

Figure 3 – Capital costs of decarbonisation measures required to achieve the Council’s 2030 net zero carbon target

Project name	Start	End	Lifetime capital spend (confidence range applied)	Financing including grant funding secured
Estate rationalisation	2022	2030	£-	
LED (Buildings)	2022	2030	£4.75 - £5.25m	Expected to pay back - providing a return on investment
Energy efficiency measures e.g insulation, double glazing	2022	2030	£27.5 - £30.5m	Measures unlikely to payback by themselves however are crucial in order to minimise heat and electrical consumption.
Estate heat pumps	2022	2030	£7.6m - £8.4m	£1.6m Public Sector Decarbonisation Funding secured and a further bid for £4.5m is pending a decision.
Rooftop PV Installation	2022	2030	£5.7m - £6.3m	Expected to pay back – providing a return on investment
Ground-mounted PV Installation	2022	2030	£14.3 - £15.8m	Expected pay back – providing a return on investment (subject to infrastructure (ie connection) costs which have been excluded as they can vary considerably.
Green Fleet	2022	2030	£4.3m - £4.7m	Financing models being explored, savings from energy costs and road tax.
Total			£65m - £71m	

The capital costs of the Council’s 2030 net zero carbon programme is estimated to be between £65–71m. This table also includes the capital costs of the relevant decarbonisation initiatives with a confidence factor of 10% applied to recognise that further work is required to firm up these figures. This cost to the Council will be reduced by grant funding (£1.6m has currently been secured through the Public Sector Decarbonisation Fund (PSDF) with a further bid worth **£3.2m** submitted

to PSDF Phase 3. It is expected that the capital costs will be offset over the lifetime of the measures through operational energy savings and energy generated by renewable energy installations however more work is required by officers to confirm this and this is included in the next steps below.

5. GREENER FUTURES INVESTMENT PRINCIPLES

The following principles will help to guide the Council and its partners in making investment decisions for the purpose of decarbonising the Council by 2030 and the wider county by 2050.

- Outside of the Council's own estate and services, the presumption will be that the role of the Council is to **facilitate finance and funding** in most instances, rather than pay for measures outright e.g. where possible we will ensure that the Council's investment has a positive pay back for example through exploring development of low or zero interest loan funds to target sectors (ie schools, SME businesses, private landlords). We will seek opportunities to cover the cost of the interest through partner contributions and council tax rebate schemes.
- We will look to be more efficient to reduce costs and carbon as well as employing new technologies. Wherever possible, we will engage with the market to ensure we are able to access the most up to date technology and approaches.
- We will consider the cost per tonne of carbon reduced so that investment decisions deliver the best value for money per carbon reduction as part of a 'business case approach' which factors in things such as energy savings, potential income and decreased maintenance
- In order to minimise the pressure on the Council's capital borrowing, we will endeavour to **rely as much as possible on external funding wherever possible.**
- Where grant funding is not available, we will explore **innovative and emerging forms of investment** where there is a business case and any risks can be effectively and robustly managed.
- We will ensure that our investments and the investment drawn into the county for the purposes of decarbonisation are **used to deliver wider benefits** such as green supply chains, green jobs within the county, improved health and well-being, increased biodiversity and nature recovery.
- We will recognise that investment now into measures which reduce operational energy use will reduce longer term risks resulting from future rises in energy costs as well as possible future carbon pricing.

6. HOW WE ARE GOING TO FUND THE CLIMATE CHANGE DELIVERY PLAN

The scale of the challenge ahead is vast and therefore it is important to be cognisant of the limits to the Council's own resource and financing. The priority for the Council's investment is first and foremost the 2030 target, but where possible we will use our finance to leverage and enable the financing of the 2050 programme. Based on this approach and the above principles, it is proposed to finance the Climate Change Delivery Plan (to 2025) and 2030 net zero pathway in the following ways:

- Utilising our existing relationships with partners, we will **bring together relevant stakeholders to co-ordinate joint funding bids and finance approaches**. An example of where we've been particularly successful in this way is the Green Homes Grant Local Authority Delivery Fund (GHGLAD), which is summarised in Figure 5 below.
- The Council's own funding will be prioritised where it can **best leverage the necessary investment from other sources** (such as public, private and community sector investors), focussing our investment in areas where carbon reduction is most required and where other forms of financing are currently not available. This will help to stimulate investment markets in these sectors. This could include loan funds for the private rented sector, community investment and other examples, which are covered in more detail in Figure 4 below.
- The Council will stay abreast of funding opportunities and ensure that we are 'investment ready' having a pipeline of costed evidence-based projects so that we are able to respond to grant funding deadlines.
- The Council's investment in its 2030 programme will be as sustainable as possible seeking **decarbonisation opportunities with the greatest return on investment**
- Wherever possible, **external funding will be used to fund these measures**, and where this is not possible, **existing budgets will be used and reprioritised** where necessary (such as the Capital Facilities Management Budget).
- In some cases, **additional Council investment has been identified in the Medium Term Financial Strategy (MTFS) capital pipeline**. This funding will be subject to business cases that will be taken through on a project by project basis through the Council's capital decision making process.
- We will invest in fully decarbonising buildings (taking a whole building approach) in recognition of the fact that some necessary decarbonisation measures will not pay back the cost through operational savings. For example, it is important that we reduce energy demand through retrofit insulation prior to switching to potentially more expensive, but less carbon intensive electric powered heating (heat pumps) and/or installation of electric vehicle charging, increased electricity consumption is then offset by renewable energy generated through roof mounted solar.
- In order to deliver at the speed and scale required, it will be necessary to recruit **additional officer resources within relevant services** (including, but not limited to; Greener Futures, Transport, Economic Development and Communications) as well as including consultancy costs to develop schemes and initiatives. It will also be necessary to develop expertise in key areas, including:
 - o Bidding for grant funding
 - o Finance
 - o Behaviour change and engagement
 - o Data and carbon quantification

These resource requirements are currently being built into internal budget setting processes, including the MTFS revenue budget, Transformation fund and Feasibility fund.

Figure 4 – Funding and financing opportunities, as at October 2021

2025 Delivery Plan		Council's 2030 Net Zero Target	
Green Investment Bank	The Government is in the process of developing a taxpayer-backed Green Investment Bank (GIB) to help fund technologies and infrastructure needed to reach the UK's 2050 net zero emissions target. Details on how the GIB will function are not yet available.	Public Sector Decarbonisation Fund (PSDF)	Government's PSDF is a competitive funding stream which provides capital investment for public sector organisations to decarbonise their buildings. The fund prioritises the installation of heat pumps and covers the additional cost of converting end of life boilers to heat pumps (the like for like cost is covered by the public sector organisation), additional measures such as insulation and solar can be included within the bid provided the cost per tonne of Carbon saved doesn't exceed £350tCO ₂ e. To date £1.6m has been secured with a pending bid of £4.5m.
UK Shared Prosperity Fund (UKSPF) Investment Framework	The UKSPF has been designed to replace the EU Structural and Investment Funds (including the ERDF – below). It is due to be launched in 2022.		
GHGLAD	See details below in Figure 5. The Council and partners have secured £15m	Salix Loan Fund	This fund provided £13m interest free loan to part fund the LED street light conversion. Salix has now ceased public sector loan products.
Active Travel Fund (DfT)	Government's Active Travel Fund provides Local Transport Authorities with funding for walking and cycling facilities. The Council has secured £7.3m for active travel infrastructure with a bid for a further £8.2m pending.		
European Regional Development Fund	This funded the LoCASE programme which offers grants to SME businesses for energy efficiency and decarbonisation measures. Approximately £3.5m has been secured for delivery in Surrey. The ERDF is now closed to UK applicants.		
Biodiversity Net Gain (BNG)	Included in the Environment Bill, BNG is a mandatory requirement for developers to leave biodiversity in a better state than before development or be required to purchase		

	BNG units which can be used by landowners to fund biodiversity interventions elsewhere. BNG units are currently estimated to cost £15k and developers are required to commit to funding over a 30 year period.		
Carbon offset fund	The carbon offset market in local natural capital is expected to increase rapidly. Currently the only financial offset product which the Council can make use of is Government's Woodland Carbon Code, which provides an annual revenue payment for woodland which is planted in accordance with the fund requirements.		
Environment Land Management (ELMS)	ELMs is a new scheme which financially incentivises farmers and landowners to deliver environmental land management. ELMS includes; Sustainable Farming Incentive Local Nature Recovery Landscape Recovery		
Subsidised, council backed loan schemes	The Council will explore creating low and zero interest loan schemes for sectors where there are currently funding gaps (such as schools and private rented dwellings).		
Bulk buying schemes	Cost savings can be achieved through bulk purchasing (through economies of scale) and these can be passed onto the consumer to incentivise uptake of decarbonisation measures. This is the mechanism used for the Solar Together scheme where residents have been able to access roof mounted solar at subsidised prices.		
Community investment opportunities	There is a growing market of community investment schemes for decarbonisation measures. One model is the use of Green Council Bonds, where residents act as community investors investing in local schemes with a guaranteed return on investment (such as solar on schools). Another model is community owned energy schemes. The Council has recently		

	launched a Community Energy Pathway scheme to support community groups to develop and finance their own schemes.		
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Figure 5 – Green Homes Grant Local Authority Delivery (GHG LAD)

The Green Homes Grant Local Authority Delivery scheme is a Government grant funding initiative which aims to provide financial support to low income households through decarbonisation measures (including insulation, heat pumps and solar) which are intended to reduce fuel bills at a time when energy prices are increasing rapidly. In October 2020 the Council allocated £750k in match funding to support a consortium bid with ten of the boroughs and districts and was successful in bringing in £6m capital grant funding. This funding has been delivered to X households and subsequent tranches of funding have been awarded to a Surrey consortium, which the Council is leading as co-ordinator.

7 – NEXT STEPS

1. Further work is required to develop the 2030 finance model in order to confirm the operational savings which can be achieved to determine whether the programme is expected to have a positive payback over the funding period (to 2050).
2. Officers will continue to develop the initiatives within the Climate Change Delivery Plan which will enable more accurate costings to be developed in the 2025 Delivery Plan finance model.
3. Officers will develop the revenue costs required for both the 2030 finance model and the Delivery Plan to 2025.
4. Officers will continue to build capital and revenue costs into the Council’s budget setting processes
5. Officers will continue to develop the Council’s lobbying strategy to reflect the financial pressures which are required to meet Surrey’s carbon reduction targets.

APPENDIX – GREENER FUTURES CLIMATE CHANGE DELIVERY PLAN FUNDING TABLE

Ref.	Initiative name	Main funding mechanism	Description/ status	Existing funding mechanism	Gap/issue	Requires lobbying	SCC (capital) funding required	Possible SCC funding model
Greener Future Communities								
1.1	Vulnerable & fuel-poor households	Government's Green Homes Grant Local Authority delivery GHGLAD	£15m secured in 2021/22 to decarbonise fuel poor housing. SCC administering funding	Y	To decarbonise target number of fuel poor homes requires significant investment from Government as well as policies to require homes to decarbonise	Y	No	N/A
1.2	Social housing decarbonisation fund	Gov grant funding administered by SCC (ie Social Housing Decarbonisation Fund)	This funding source has been confirmed by Government however details of fund not yet available	Y	To decarbonise target number of social housing requires significant investment from Government as well as minimum energy standards for social housing providers	Y	No	N/A
1.3	Decarbonising private rented dwellings	SCC low/zero interest loan fund to stimulate market	Low/zero interest loan scheme funded by SCC capital borrowing (explore covering cost of interest through empty homes council tax allocations)	N	SCC loan fund fills a finance gap however it cannot provide full quantum of finance required	Y	Y	Low/zero interest loan scheme funded by SCC capital borrowing

1.4	High-carbon communities programme/Off-gas grid homes	Government's Home Upgrade Grant (HUG)	HUG targets switching homes in off-gas communities from oil and electric heating systems to heat pumps. SCC will administer	Y	To switch target number of off-gas homes to heat pumps and add additional insulation and PV measures will require more investment than is available through the scheme	Y	Y	HUG grant funding can be topped up with SCC low/zero interest loan fund
1.5	Solar for able to pay homes	Surrey Solar Together programme	Scheme offers subsidised solar (achieved through economies of scale resulting from bulk purchase) to home owners	Y	None	N	N	
1.6	Workplace emissions and clean growth	LoCASE	Low Carbon in the South East is an EU funded programme (administered by SCC) which offers grants to SME businesses for energy efficiency and low carbon measures	Y	This scheme is funded until 2023, after which the UK is not eligible to EU funding. We will require Government to make alternative funding sources available	Y	N	
1.7	Provide secure cycle parking, bike hire and promotion of electric cargo bikes.	TBC	TBC	N				
1.8	<i>Implement the Bus Improvement Service programme.</i>	<i>Bus operator contributions and SCC capital</i>	<i>SCC's bus back better scheme offers bus operators grant funding (which they have to match) in order to upgrade bus fleet serving Surrey routes to zero emission vehicles</i>	Y	None	N	Y	£40m of SCC capital has been allocated as match funding
1.9	Expand and promote the use of EV car clubs.	Funded through car club contracts	SCC has a concessions contract with car club provider (currently Enterprise)	Y	None	N	N	

Ref	Initiative name	Main funding mechanism	Description/status	Existing funding mechanism	Gap/issue	Requires lobbying	SCC (capital) funding required	Possible SCC funding model
One Net Zero Public Estate								
2.1	Streetlight LED replacement	SALIX Finance loan	£16.1m secured through zero interest loans from Salix and EM3 LEP secured and matched with SCC investment	Y	None	N	Y	Council allocated £3.8m and repaid the loans from energy savings
2.2	Building retrofit of insulation, low carbon heating and PV	Public Sector Decarbonisation Fund (PSDF)	£1.6m secured and £3.2m bid submitted (confirmation 2022)	Y	PSDF funding is competitive, funding is not guaranteed and there are not sufficient sums	Y		SCC to fund the like for like replacement costs of heat pumps and the
2.3	Fleet replacement	SCC investment	Service budgets	N/A	Service budgets will be required to fund vehicle replacements at end of life however zero emission vehicles may be more expensive (unless whole life costs are considered)	N	Y	Costs covered through service budgets and possible uplift to accelerate switch
2.4	Ground-mounted PV project	SCC investment	Capital borrowing will be repaid through energy generation (either sleeved to offset SCC	N/A	None	N	Y	£15m is currently in the Capital pipeline

			electricity demand or sold via private wire)					
2.5	EV charging on public sector estate	SCC investment	Capital borrowing will be repaid through sale of electricity to users	Y	None	N	Y	Include in wider EV concessions contract
2.6	Boroughs & Districts 2030 Net Zero targets	Borough and District investment	Capital borrowing will be repaid through operational energy savings over lifetime of measures. Grant funding (PSDF) will reduce capital pressure	Y	Boroughs and districts may require support in developing business case for 2030 target and for feasibility assessments	Y	TBC	
2.7	Decarbonising other public sector buildings (which fall outside 2030 target)	Public sector investment	Capital borrowing will be repaid through operational energy savings over lifetime of measures	Y	None	N	Y	SCC to finance decarbonisation buildings in its portfolio
2.8	Decarbonising community schools	Grant funding (PSDF) and loan scheme (funded by SCC capital borrowing)	SCC is not responsible for payment of the energy bills of community schools and so investment in decarbonisation will need to be offered as a low/zero interest loan which the school repays through energy savings	Y (grant) N (loan)	None	N	Y	SCC to explore creation of a low/zero interest loan product for schools
2.9	Greener Future Staff Travel Plan	SCC capital borrowing (inc Bus Back Better)	Reducing staff reliance on driving to work and encouraging mode shifts requires some infrastructure (ie EV shuttle buses from hubs to	Y	None	N	Y	SCC capital borrowing and developer contributions through CIL and S106

Ref.	Initiative name	Main funding mechanism	Description/status	Existing funding mechanism	Gap/issue	Requires lobbying	SCC (capital) funding required	Possible SCC funding model
Build Back Greener								
3.1	Implement of a pipeline of place-making project	Government funding	Further work is required to develop these place making projects in order to understand costs and finance sources	N	Uncertainty around availability of Government funding	Y	Y	Capital funding as potential match funding
3.2	Incorporate the key features of 20 minute neighbourhoods set out in the draft Surrey Local Transport Plan.	Government funding	Further work is required to develop these place making projects in order to understand costs and finance sources	N	Uncertainty around availability of Government funding	Y	Y	Capital funding as potential match funding
3.3	Maintain and improve walking and cycling infrastructure as set out in the draft Surrey Transport Plan (LTP4).	Government funding - Active Travel funding (DfT)	£7.3m has been secured to date for active travel infrastructure with a further pending bid worth £8.2m and the potential of further bids resulting from Local Cycling and Walking Infrastructure Plans (LCWIPs)	Y	Active Travel funding is competitive and the quantum of funding required is not currently available	Y	Y	Capital funding as potential match funding
3.4	Roll out EV charge point infrastructure.	Concession contract (provider pays)	The Council is in the process of developing a concession contract. The successful provider	N	The Council is responsible for rolling out EV infrastructure to meet the	N	N	N/A

			will cover the cost of the infrastructure in return for income from energy sales		demand from ban on sale of new petrol/diesel vehicles			
3.5	Support a telecommunications upgrade	TBC	TBC	N		TBC	TBC	

Ref.	Initiative name	Main funding mechanism	Description/status	Existing funding mechanism	Gap/issue	Requires lobbying	SCC (capital) funding required	Possible SCC funding model
Grow Back Greener								
4.1	Facilitating the planting of 600,000 trees (or equivalent) by 2025	Government's carbon offset investment - Woodland carbon code and grant funding	We will explore opportunities to fund planting of trees and hedgerows utilising Government's carbon offset funds and grant funding	Y	The woodland carbon code requires minimum areas of 10 ha, this is difficult to achieve in Surrey due to constraints and so smaller areas would unlock the required investment	Y	Y	Capital funding to act as match funding to draw in larger sums of grant funding
4.2	Implement the Environmental Land Management (ELMs) programmes	Government's Farming in protected Landscapes	Funding (replacing the EU Agriculture agreements) to support farmers and land owners to prioritise environment and	Y	The quantum of funding required is not currently available	Y	N	

		fund (administered by SCC)	carbon sequestration on their land					
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