

**SURREY COUNTY COUNCIL****CABINET****DATE: 28 NOVEMBER 2023****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT TRANSPORT AND INFRASTRUCTURE****SUBJECT: CLIMATE CHANGE PROGRESS ASSESSMENT 2022/23****ORGANISATION STRATEGY PRIORITY AREA: ENABLING A GREENER FUTURE****Purpose of the Report:**

This is the second progress assessment to be carried out since Surrey County Council declared a Climate Emergency in 2019 and the Greener Futures Climate Change Delivery Plan 2021-2025 (the Delivery Plan) was published in 2021. It sets out the achievements we have made in supporting residents and businesses to reduce their carbon emissions in line with the net zero 2050 target, as well as the progress made to date on the Council's net zero 2030 target, up to the end of March 2023. It also recommends areas of focus in the coming year to ensure that the plan has the greatest impact.

This piece of work helps Surrey County Council to meet all four of the Strategic Objectives (Enabling a Greener Future, Growing a Sustainable Economy so Everyone can Benefit, Tackling Health Inequality, Empowered & Thriving Communities) and No One Left Behind. This is because the actions in the Delivery Plan save carbon and support nature recovery, help businesses to take up the substantial market opportunity that the green economy brings, improve the health & wellbeing of fuel-poor residents, enable communities to take action in their local area, and prioritises support towards those most vulnerable to the impacts of climate change.

**Recommendations:**

It is recommended that Cabinet:

1. Note the findings and approve the key areas of focus for next year as well as the approach to mitigate the evident shortfalls as set out in the conclusions.

**Reason for Recommendations:**

Part of the council's net-zero commitments is to produce an annual report [1]; synthesising a substantial amount of national and local data to ensure we understand if carbon emissions are reducing in line with the net-zero targets. Whilst

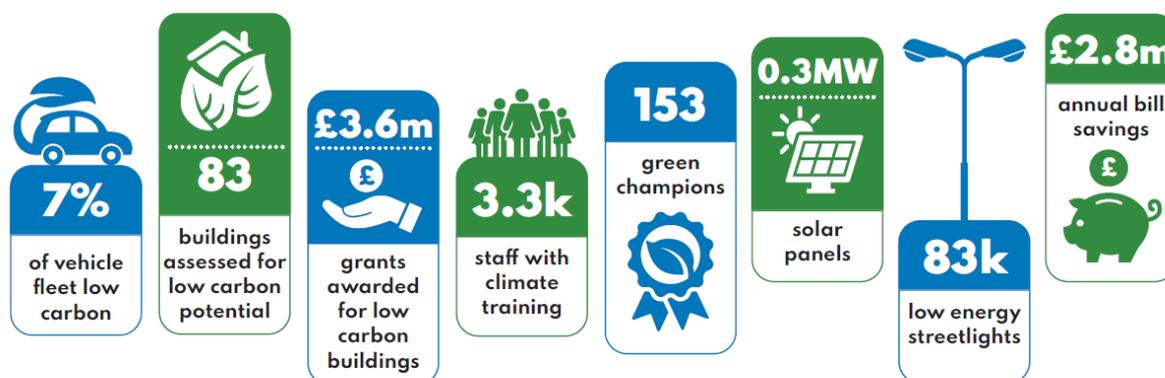
the scope has not changed, the progress report identifies where we need to focus our attention to address the most challenging areas and ensure the Delivery Plan is as impactful and cost effective as possible.

### Executive Summary:

1. It has been two years since the publication of the Delivery Plan [2] which set out to reduce between 1.2 and 2.4 million tonnes of carbon dioxide emissions by 2025, in line with Surrey’s Climate Change Strategy [3]. Local Authorities, working with partners, seek to play a key role in supporting the achievement of net-zero carbon across Surrey by 2050 and have set more stretching targets for their organisational emissions, including Surrey County Council’s 2030 net-zero carbon target.
2. Surrey County Council and Surrey’s District and Borough Councils remain strongly committed to delivering on their net zero targets and are taking action to further this end. There have been some significant partnership achievements as evidenced in the report, and Surrey County Council will continue to innovate and leverage in as much investment as possible to supplement its own resources from Government, partners, residents and businesses.

### Surrey County Council’s Net Zero 2030 Progress Report 2022 – 2023 (Annex 1)

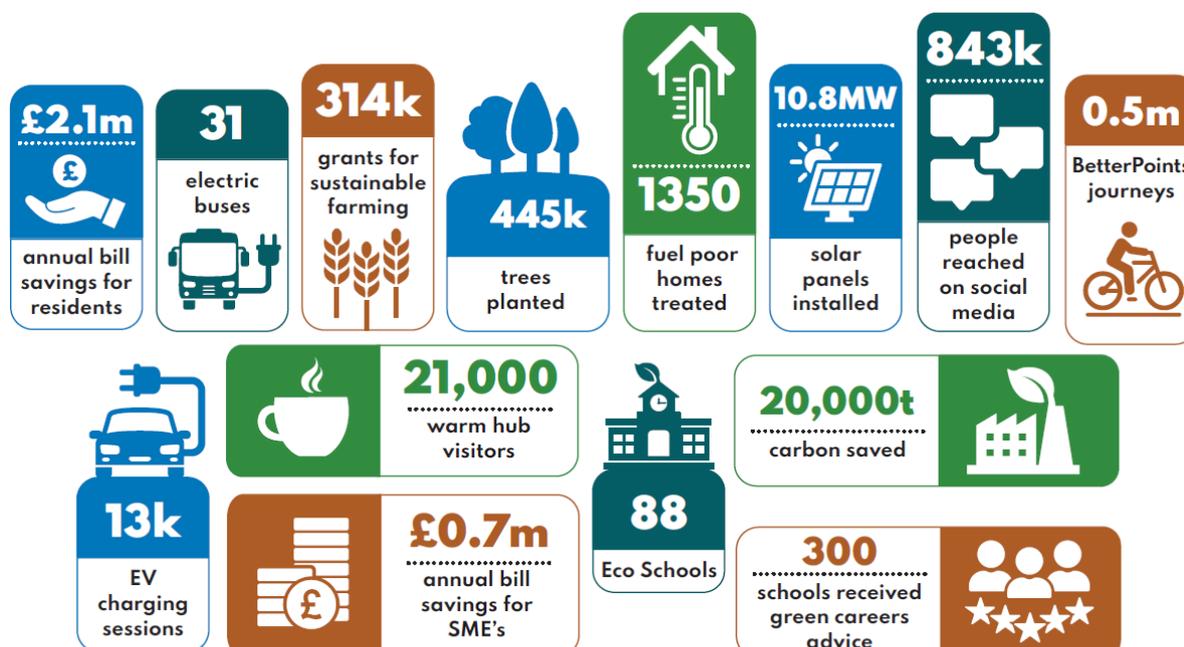
3. With a 34% reduction in emissions achieved since 2019, the Council is on track to meet its 2030 net zero target. The Council has reduced carbon emissions by 1 kilotonne through estate rationalisation and 6 kilotonnes from carbon reduction measures by March 2023. It has also delivered £2.8 M of annual bill savings, nearly £3.6 M of additional funding and 0.3 MW of solar power.
4. Key successes have included: (1) the streetlighting LED replacement programme; (2) the retrofit of buildings with Solar PV, low carbon heating and insulation; (3) the implementation of a sustainable procurement policy; and (4) the Carbon Literacy Training pilot.



5. There is a fair degree of confidence that delivery of the 2030 net zero target is achievable, although it should be noted that given the scale of the task that remains, there is considerable further action and scaling up of existing projects required and planned. Funding support will need to be kept under review.
6. For the Council's 2030 corporate net zero target, key areas of focus for next year include: acceleration of Solar PV installation, incorporation of building retrofit into the Asset Management strategies and the new Facilities Management contract, fleet decarbonisation and support for staff to reduce emissions through their service provision on behalf of the Council, and in their personal lives. In addition, there is further action being taken to support staff to use public transport and provide better active travel facilities at the Council's offices and hubs. These priorities will continue to be assessed in the context of current government policy and included in future lobbying activity as appropriate.

### Greener Futures Climate Change Progress Report 2022 - 2033 (Annex 2)

7. The Delivery Plan has significantly increased climate action across Surrey since the net zero targets were set in 2019. Up to March 2023, this has included the treatment of 1,350 fuel poor homes, installation of 15,800 Solar PV panels through the Solar Together scheme, 0.5M sustainable journeys logged on the BetterPoints app, 217 businesses supported with grants to reduce carbon, 300 schools given Green Careers advice and many more climate actions.



8. When added together, the benefits of the projects have been considerable. Up to March 2023, the plan has resulted in at least 20 kilotonnes of carbon savings, £42.7 M worth of grants and private sector funding leveraged, £8 M bill savings for residents and 10 MW Solar PV installed.
9. However, when this excellent progress is compared to the scale of the challenge, it is all too apparent that much more needs to be done for the county to meet its 2050 target. Surrey's emissions in 2021 were higher than in 2020, largely due to increases in emissions from transport driven by the post-Covid bounce back in travel patterns, despite some progress and considerable investment in modal shift.
10. As was made clear in the publication of the Climate Change Strategy and Delivery Plan, the 2050 net zero target for Surrey- and indeed the country- is critically dependent on a step change in national policy and investment in decarbonisation. The Government continues to be committed to the UK's net-zero targets set out in the climate change act [4], although it must be noted that announcements made by the Government in mid-September [5] to step down certain national policy actions in relation to climate change will have an impact on our progress [6]. These include a delay to the phasing out of new petrol and diesel vehicles and gas boilers. Currently, all nine sections of the 2050 report are showing a shortfall in what is needed and unless further action is taken, it is highly likely that the Surrey net zero 2050 target will go off-track next year. We understand the need to not overburden our residents but if communities, but if residents and businesses are to make the progress that is needed, then it is critical that Government addresses these gaps at a national level.
11. Where the action needed is outside of Local Authority control, a strong cross-party, joint lobbying strategy is being developed with District & Borough Council colleagues and partners, focusing on those areas where there is a real need for strong national intervention and support. Lobbying will be a key focus for the Delivery Plan for the next year, given the importance of driving meaningful national action. In addition, and in line with the Delivery Plan, other key areas of focus for next year include: (1) a continuation of community engagement and projects with strong impact; (2) more support to inform and finance the decarbonisation of homes, schools and businesses; (3) positioning to help businesses to take up the substantial market opportunity that the green economy brings; (4) a scale up of renewables, active travel and EV infrastructure where feasible and supported; (5) putting in place critical prevention measures to protect residents, especially the most vulnerable, and biodiversity from the impacts of climate change, to strengthen Surrey's resilience and ensure no one is left behind.

## **Moving forward**

12. Working with multi-agency partners, across sectors, and with our own suppliers, the council will continue to use action on climate change and environment to deliver multiple benefits for the most vulnerable residents, adjusting policies to ensure value for money and that no one is left behind.

13. However, without significant and sustained policy change at the national level, including a clear mandate with resources for local authorities to act, achieving net zero by 2050 and reaping all the benefits for our residents, including the most vulnerable, remains extremely challenging to meet.
14. The Council, alongside the Greener Futures Member Reference Group (a subset of the Communities, Environment and Highways Select Committee), and with its local authority partners, has already committed to work in a cross-party manner to step-up lobbying efforts alongside other key partners and residents. It is hoped that this will galvanise a clear programme of asks and offers so that the county, along with others, can meaningfully influence the Government's policy agenda in this critical area.

<b>Consultation:</b>
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15. The Climate Change Programme Progress Assessment focuses on local authority action within the Greener Futures Climate Change Delivery Plan 2021-2025 and therefore consultation has focused on Surrey County Council officers, Borough & District Councils and key external stakeholders that sit on the Greener Futures Board. The reports will be made available to the public following Cabinet approval.
16. Key contributions have been made by all council officers and senior leaders whose areas of responsibility form part of the Greener Futures Climate Change Delivery Plan 2021-2025, and the findings have been reviewed by the Climate Change Programme Board, the Greener Futures Steering Group and the Asset Strategy Board.
17. Cabinet Members that make up the Greener Futures Member Reference Group have reviewed the plan and will continue to review and help steer key components of the plan as they develop.
18. Close working with the Borough and District Councils' climate change officers, senior officers and Cabinet Members has taken place throughout the year including through the Greener Futures Partnership Steering Group, which has representation from all eleven Boroughs and Districts.
19. Key external stakeholders including the Surrey Climate Change Commission (with extensive community representation), the University of Surrey (who are a key collaborator) and industry leads have been consulted through the Greener Futures Board.
20. The findings of the Communities, Environment and Highways Select Committee are set out below:
  - I. The committee welcomes the progress made overall and in particular the significant progress made at Surrey County Council level and the range of achievements to date including 6 kilotonnes reduction in carbon emissions, £2.5M of annual bill savings, £5M of additional funding and 0.3MW of solar power installed.

- II. The committee recognises the challenging national policy context and the difficulty in changing attitudes locally but urges continued drive and ambition in those areas that the council does control including estate retrofit, aspects of the EV charging infrastructure rollout, solar PV on schools and leased buildings, and Carbon Literacy Training for council staff.
- III. The committee recommends that a greater sense of prioritisation of projects (based on impact and cost) is reflected in Delivery Plan documentation given the resource constraints the council is facing over the medium-term financial period. This will help decision makers assess what matters most and which areas of slippage are of greatest concern. These changes are to be made by December 2024 and to be considered by the Greener Futures Reference Group.
- IV. The committee recommends the governance structure be revisited, including the role and future of the Greener Futures Board, by end of 2023.

<b>Risk Management and Implications:</b>
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21. Three of the four top programme-level risks and issues that were identified at the formation of the Greener Futures Climate Change Delivery Plan 2021-2025 have remained largely the same.
  - a. Over 95% of the emissions in the net-zero 2050 target are reliant on residents, businesses and other public sector bodies taking action to reduce emissions. Increasing the reach of the Delivery Plan is being addressed through the implementation of the Greener Futures Engagement Strategy.
  - b. Funding and legislative barriers at National Government level continue to hold back progress, including changes to some of the key national measures which will delay the decarbonisation of housing and transport [6]. Further, the increase in interest rates is impacting the cost effectiveness of developing financial mechanisms such as loan schemes. Effective lobbying is being developed to argue for greater action and funding at national level.
  - c. The speed and complexity of scaling up a wide range of impactful projects continues to be challenging. To mitigate this risk, the Greener Futures Group, officers in other SCC teams and those working for partner organisations are managed as dynamically 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 improved programme management arrangements are being put in place.

22. The fourth risk identified in the Delivery Plan, the predicted increase in global average temperatures, has materialised and is now an issue. Scientists have highlighted that we may have already reached the 1.5 degrees of warming threshold and that the impacts of this are more severe and far-reaching than previously predicted [7]. The Surrey Climate Adaptation and Resilience Strategy was approved by Cabinet in October 2023 to take forward measures to prepare for changing climate with more frequent extreme weather events.

#### **Financial and Value for Money Implications:**

23. Although this report identifies the need for more Government and third-party funding, it is not proposing any additional investment by the Council. The Green Finance Strategy, which sets out the principles and approach to funding the Greener Futures Climate Change Delivery Plan 2021-2025, was agreed by Cabinet in July 2023 and an annual review of the funding landscape will take place.
24. The financial environment remains challenging but the Council has already made provision for investing in measures, and developing a number of finance mechanisms, 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).

#### **Section 151 Officer Commentary:**

25. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
26. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.
27. Delivering net zero across Surrey will require investment from the Council alongside partners and other sectors within the County. While the expectation is that the Council's financial role will primarily be as a facilitator, it will also need to directly invest in some measures (e.g. on its own estate). The

Council's Medium Term Financial Strategy (MTFS) makes provision for this investment through a wide range of projects including building retrofit, renewables projects, the River Thames flood alleviation scheme and transport infrastructure. Those 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:**

28. As the scope of the Greener Futures Climate Change Delivery Plan 2021-2025 has remained largely unchanged, there are no new legal considerations.

**Equalities and Diversity:**

29. An Equality Impact Assessment was undertaken when the Delivery Plan was developed [8] and is used to guide and prioritise actions within the Delivery Plan. The results of the assessment have been incorporated into project and programme delivery to ensure all residents have access to opportunities and support required to contribute to achieving the net zero targets. The aim is to meet the needs of as wide a range of the Surrey population as possible, with a focus on targeting funding and engagement towards those most in need, particularly those impacted by the rise in energy prices. As the scope of the Delivery Plan has remained largely unchanged the application of the original Equality Impact Assessment remains appropriate.

**Other Implications:**

30. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
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:

31. The Progress Reports will be published on the Surrey County Council website and progress reports for the Greener Futures Climate Change Delivery Plan 2021-2025 will continue to be completed on an annual basis up to 2025/6, when the plan will be renewed.

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### **Consulted:**

Surrey County Council Officers, Borough and District Councils Officers, Greener Futures Board, Greener Futures Member Reference Group, Communities, Environment and Highways Select Committee, Borough and District Council Chief Executives and Portfolio Holders.

### **Annexes:**

Annex 1: Surrey County Council's Net Zero 2030 Progress Report 2022 – 2023

Annex 2: Greener Futures Climate Change Progress Report 2022 - 2033

### **Sources/background papers:**

[1] Greener Futures Climate Change Delivery Plan Progress report, 2022;  
[https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf)

[2] Greener Futures Climate Change Delivery Plan 2021-2025, 2021:  
<https://mycouncil.surreycc.gov.uk/documents/s82192/Annex%20-%20Climate%20Change%20Delivery%20Plan%20Main%20Report-Cabinet%20Draft.pdf>

[3] Surrey's Climate Change Strategy, 2020;  
[https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf)

[4] Climate Change Act 2008, Amended November 2023;  
<https://www.legislation.gov.uk/ukpga/2008/27/contents>

[5] Press release: PM recommits UK to Net Zero by 2050 and pledges a “fairer” path to achieving target to ease the financial burden on British families, September 2023;  
<https://www.gov.uk/government/news/pm-recommits-uk-to-net-zero-by-2050-and-pledges-a-fairer-path-to-achieving-target-to-ease-the-financial-burden-on-british-families#:~:text=Press%20release-,PM%20recommits%20UK%20to%20Net%20Zero%20by%202050%20and%20pledges,approach%20to%20reaching%20net%20zero.>

[6] In Depth Q&A: What do Rishi Sunak's U-turns mean for UK climate policy?, Carbon Brief, September 2023;  
<https://www.carbonbrief.org/in-depth-qa-what-do-rishi-sunaks-u-turns-mean-for-uk-climate-policy/>

[7] Intergovernmental Panel on Climate Change, 6<sup>th</sup> Assessment Report, 2023;  
<https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

[8] Equality Impact Assessment – available on request