

Appendix I - Climate Impact Statement

In July 2021 Cabinet agreed the council's climate change strategy and action plan. This set out the approach and immediate priorities for the council as it starts work to meet its commitment to do all it can to make the borough carbon neutral by 2030.

To develop the plan, the Council commissioned Carbon Descent and Anthesis to carry out work to assess the scale of the challenge and the cost of meeting our ambition. This work demonstrates that Southwark will require considerable government investment. We estimate that this will cost over £3.92bn in capital expenditure, supported by additional revenue funding.

Potential investment or funding streams include, but are not limited to, the council's carbon offset fund, HRA funding, central government grants, revenue and capital funding from the GLA or TfL and various funding bids across the public, private and charity sectors.

In the last year, the council has already started work in this area. The council's Green Buildings Fund which was announced in October will use money from carbon offset to improve buildings in the borough. The council has successfully bid for and received funding from the Government's Public Sector Decarbonisation Fund which is improving the energy efficiencies and reducing carbon emissions in council buildings.

While external funding like this and use of funds such as carbon offset will have an impact, the resources to meet our climate commitments are not yet available. Without considerable government investment it will not be possible to become carbon neutral and so lobbying will be a central part of our response to the climate emergency. The council will call on the government for the required financial and political resource to achieve our target including for a Green Homes Investment Fund at the required scale.

The strategy sets out that the council will be open to all opportunities to increase investment into initiatives that promote climate neutrality and ecological protection. For example, it should explore ideas like municipal community investment bonds, introducing workplace parking levies and collaborating with the GLA and others to cost share to reduce capital costs on financing innovative green solutions to challenges we face.

Council Assembly amended the council constitution last year to require decision makers to consider the climate impact of decisions in the council. This amendment means that across the council, officers are now ensuring that decisions, including budgetary decisions consider carbon and ensure that decision makers are able to evaluate this alongside other considerations when taking decisions.

This is particularly important when considering the procurement and use of resources. Analysis of Southwark Council's operations and assets shows the council's own carbon footprint is 432 ktCO₂e. 80% of these are scope 3 emissions. This includes carbon associated with the production of goods that are later bought by the council, such as building or highway materials. While the council does not have direct control over these emissions, the council recognises that how it uses its resources, and procures goods and services has an environmental impact. We therefore have a

responsibility to spend resources well, and procure in a sustainable way. One of the key actions which the climate strategy proposes is to review our procurement policy to ensure that we are reducing the carbon impact of our procurement.

This budget further strengthens the council's commitment to climate change. As well as the £25m capital fund, the green homes fund and the £2m climate reserve fund already announced, this budget provides £500,000 of annual spending for the climate change team to deliver the council's climate change work.

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