

## **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. There is currently no core grant, revenue or capital, provided by central government to local authorities to work addressing the climate emergency.

In the last year, the council has made considerable progress. The council's Green Buildings Fund which was announced in October will use money from carbon offset to improve buildings in the borough with a focus on decarbonising community buildings, schools and social housing. 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. As well as improvements to Tooley Street, this is also supporting work in public facing buildings such as our libraries, which includes the installation of solar panels and air-source heat pumps. We will be using a portion of the £25m set aside in the capital programme to build on this work. Moreover, our investment in decarbonising heat networks and supporting the transition away from gas, is fully underway, with a £7m project to install water source heat pumps on three of our council estates, funded through the Mayor of London's Energy Efficiency Fund. This project is set to reduce energy usage by 34% whilst also creating 3.4MW of renewable energy.

In relation to green transport, the Council is committed to the promotion of active and sustainable travel across the borough and budgets have been prepared in order to support this vision, delivering more routes for walking and cycling and more cycle storage, including through our 'Cleaner, Greener, Safer' programme and Devolved Highways Budgets. There is however a reliance on TfL funding in order to deliver most of the strategic improvements required, and the lack of a current long-term funding settlement for TfL does mean that we are operating in a challenging environment. Within the revenue budget, there is income received from implementation of 'Low Traffic Neighbourhoods' across Southwark, which is supporting a range of environmental measures including those to help improve air quality. This is not considered a long-term source of income, as we anticipate that income received from fines will reduce as compliance increases.

The Council's investment in parks and green spaces continues to be significant. Southwark has 30 green flag parks, the most in Inner London, and through both the

capital programme and regeneration, improvements to parks such as Dickens' Fields and Bramcote Park, continue at a pace. Of particular note, is the increased investment in the tree service that is being proposed in the revenue budget. External funding from the GLA has also been secured to explore additional SUDS schemes on Rotherhithe New Road, and around Brimington Park, and greening improvements on Camberwell Station Road, and as the capital monitoring report notes, the council will also be investing significantly in SUDS across the borough, and in the major £1.77m flood alleviation scheme at Peckham Rye funded through the Environment Agency.

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 Social Housing Decarbonisation Fund, whilst welcome, does not come close to what is required, especially for a council such as Southwark which is the largest social landlord in London.

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, 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 ktCO<sub>2</sub>e. 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 will be undertaken in 2022.

This budget further strengthens the council's commitment to climate change. As well as the £25m capital fund, the Green Buildings fund and the £2m climate reserve fund already announced, this budget provides £500,000 of annual revenue spending to firmly establish the climate change team, enabling the council to deliver and scale up its climate change work.