

Policy and Resources Strategy 2023/2024

Climate Change Impact Analysis

Purpose of document

This document sets out the initial climate change impact of the budget savings and commitments proposed as part of the Council's Policy and Resources Strategy for 2023/2024.

By its nature, the Climate Change impact of these proposals is limited – the savings and efficiencies account for less than 4% of the total net General Fund Revenue Budget, and far greater impact on carbon reduction is delivered through the capital budget and the Housing Revenue Account.

Background and Context

Southwark Council declared a climate emergency in 2019 and since then has committed to doing all it can to make Southwark a net zero borough by 2030. In July 2021, Cabinet agreed the council's climate strategy and action plan which set out the council's approach and priorities to meet this challenge and reduce the borough's emissions.

As part of developing our climate strategy and action plan, the council commissioned experts from 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 as well as investing our own resources, Southwark will require considerable government investment and will need to find ways to leverage money into the borough to support not just the council, but businesses, institutions and residents. The scale of the challenge is huge. We estimate that the cost will be around £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.

Since publishing its action plan and strategy the council has established a climate change citizen's jury to work with our residents to better understand their priorities and approach to meeting the challenge. This work built on extensive public consultation we did as part of the initial development of the action plan and strategy. The strategy was assessed by Climate Emergency UK as the second best in London. The work of the jury enabled us to improve it further and publish an updated action plan and annual report in July 2022. This update recognises the ongoing financial challenge that we face to meet our commitment by 2030.

Since publishing our action plan we have made considerable progress. Our commitment to greener buildings is being delivered through a range of measures. The

council's Green Buildings Fund has been established using money from carbon offset to improve buildings in the borough with a focus on decarbonising community buildings, schools and social housing. The first grants from that have now been awarded and we plan to open the fund for public bids in 2023.

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. Work is underway to make improvements to Tooley Street, and other council buildings. This is central to our commitment to halve the council's operational emissions by 2026.

As well as money from the Public Sector Decarbonisation Fund, the council has committed £25m capital to projects to reduce emissions. £21m of the £25m has now been committed and in the coming year, we will continue to look further opportunities within the action plan to reduce emissions by using this capital fund.

The council is making buildings greener, and more energy efficient including supporting low carbon and renewable energy. This includes investment in a range of projects to reduce emissions including air source heat pumps at Burgess Park Sports Centre and pilot projects to retrofit schools starting with Brunswick Park and Crampton Primaries. We are also investing in retrofitting work of some of social care centres, and have allocated money to launch a new Library of Things. The council has continued to make capital investment in LED replacements moving to lower energy, more efficient lighting.

The council has made significant investment in retrofitting council owned buildings such as offices, libraries and youth centres, including LED installation, solar PV on nine new sites, air-source heat pumps, glazing improvements and insulation upgrades.

We have also secured £16 million of funding to bring a low-carbon heat network to a new area of Southwark, expected to deliver on average 11,100 tonnes of carbon savings each year. Money allocated through the council's climate change capital fund includes an additional £2.18 million of funding to accelerate plans to switch all street lighting to LED, cutting carbon emissions in half.

The climate action plan commits the council to supporting a circular economy with green jobs. We have secured funding with adjacent boroughs to establish a Green Skills Hub at London South Bank University. The budget provides resources to support the council in the creation of more green jobs and supporting our local economy.

The council is leading the way in divesting its pension fund from fossil fuels. In September 2022, we had reduced the carbon emissions from our pension fund by 56% compared with those at March 2017. This is part of our overall aim of reaching net zero carbon in our pension fund by 2030.

In addition to investment in projects such as those outlines, the council will use its resources to find new ways to secure funding. Work is underway on scoping the Southwark Green Finance initiative, which is a key commitment in the Council Delivery Plan and which will aim to maximise the resources available for climate action. Services such as the new Green Homes Advice Service will help residents to invest in

energy reduction in their own homes and access funding that may be available to do this.

The climate action plan commits the council to promoting active and sustainable travel. Budgets have been prepared in order to deliver this commitment including more routes for walking and cycling and more cycle storage. The council is developing a new EV strategy to ensure that the charging infrastructure is in place to facilitate the move away from petrol and diesel vehicles. While the council is resourcing these initiatives, there remains 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 continue to operate in a challenging environment.

While the council is using its budgets to tackle the climate emergency, without considerable government investment it will not be possible to become carbon neutral and so lobbying is 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. Government funding too is often short term, making planning and long term strategic investment challenging.

The council is open to all opportunities to increase investment into initiatives that promote climate neutrality and ecological protection. The council is collaborating with London Councils, and will collaborate with the GLA and others to cost share and find innovative green solutions to challenges we face.

The council's decision to amend the constitution to require decision makers to consider the climate impact of decisions in the council is now fully implemented and decision makers now need to be satisfied of the climate impact of a particular decision. Council procurement is one of the largest contributors to the councils emissions. Understanding the climate implications of decisions is therefore important if we are to reduce this impact. The council will review its procurement policy to see what more we can do to reduce the climate impact of our procurement.

Last year's budget introduced a baseline for the council's climate change team. This budget again supports the work of this team, which has a central role in coordinating and leading the council's response to the climate emergency.

Methodology

Through the budget setting process, officers have considered the climate implications of the proposals that have been submitted for consideration. This has enabled the council to consider whether the changes that are made to the budget will have a positive or negative impact on the council's overall emissions.

This is the first time that the council has made a line-by-line assessment of all proposed budget lines for climate impact. Each line was rated with a 1 to 5 score, where 1 was significant positive impact and 5 was significant negative impact. A score of 3 indicated that the proposal had a neutral climate impact.

These assessments, as the proposals were being developed, aimed to give an initial indication of potential impact, on the understanding that further work, in the form of detailed climate change impact assessments may be required for those rated either 1 or 5.

As this approach was developed, we looked at best practice from other local authorities and found no other council that had developed, or was developing, a climate change impact analysis for this purpose. As such we are at the forefront of this work, and will develop the approach further for future years.

Climate Change Impact

From the initial assessments, over 80% of the proposals had a neutral impact on climate change. This is unsurprising given that the majority of our climate impact will naturally occur through our capital programme and Housing Revenue Account as described earlier.

Less than 3% had a potentially negative impact on climate change and just over 15% had a potentially positive impact on climate change.

It is important to recognise that any impact, positive or negative, will be very insignificant in terms of carbon impact.

No proposals were rated as 5 (significant negative impact) and two lines were rated as 1 (significant positive impact). These were two commitments for the creation of the Southwark Energy Advice Service (ref 434) and the Cycling Initiatives (ref 440), both being commitments from the council's Delivery Plan.

Assessing the climate impact of savings and commitments focuses only on those changes, and not the impact of the council's budget overall on climate change. Building on the first year of this process, it is intended to develop the process further and to review the council budget in its entirety rather than just the changes made in the annual budget process.

Looking ahead, the Climate Change Strategy and Action plan established the council's approach to tackling the climate emergency and the work that it will do to tackle it, and these will be updated later in the year. As set out in both the climate strategy and the budget report, it is clear that all the resources that are needed are not available to deliver this.

The table below sets out those lines in the budget which had either a positive or negative impact. In many cases, even when they are positive or negative this is only a relatively small impact for example where there is a reduction in staffing, this may have a positive

impact as there is less travel, office space and resource used to support that staff member. Where a budget proposal has a greater potential impact, this is detailed in the table below.

Budget Lines and Carbon Impact

The table below is a summary of the budget proposals in the full report. This table includes an assessment of the climate impact as positive, negative or neutral. Those which are positive or negative include further details.

Ref.	Description	Climate Impact	£000
101	Council Tax Restructure reflecting digital & online efficiencies	Neutral	(175)
102	Digital Transformation and Channel Shift across financial control, council tax and benefits	Positive - Reduction in resources such as paper, post, travel across London. Also reducing administration requirements generating efficiencies in staffing/office space requirements.	(125)
103	Termination of the Lambeth SMART contract (community alarm and tech enabled care services) - reduction in management support and overtime budgets	Neutral	(45)
104	Cease annual revenue contribution to Brexit risk reserve	Neutral	(300)
105	Reduction in inspection preparation capacity	Neutral	(130)
106	Reduction in PAUSE Service capacity	Neutral	(59)
107	Reduce Clinical Service capacity	Neutral	(78)
108	Public Health investment in Children's and Young People's mental health services	Neutral	(700)
109	Reduction in Data Team Capacity following full implementation of PowerBi and automation of data updates from Mosaic.	Neutral	(70)
110	Reduction in Professional Fees paid for various external services	Neutral	(130)
111	Reduction in business support following the co-location of all Children and Family Division Services to one site.	Neutral	(178)
112	Cessation of buildings costs associated with Children's Service buildings by co-locating divisional services in one building	Neutral	(303)
113	Redistribution of caseload capacity across Safeguarding & Corporate Parenting Services	Neutral	(110)
115	Efficiencies in MASH following implementation of referral portal	Neutral	(35)
116	More efficient use and flow-through of commissioned 16+ provision for children in care and care leavers	Neutral	(535)
117	Develop new commissioned semi-independent accommodation capacity for care leavers	Neutral	(102)
118	Reduction in external legal costs	Neutral	(50)
119	Utilise Smart Working to reduce public transport usage	Neutral	(30)
120	Redesign Children & Family Centre Delivery Model	Neutral	(100)
122	Restructure Family Early Help Delivery Model	Neutral	(150)
123	Reduction in the capacity to evaluate the impact of early help services to a minimum required level.	Neutral	(40)
124	Reduce management capacity across division	Neutral	(172)

125	Reduce capacity within Keeping Families Together Team	Neutral	(54)
126	Increased recruitment of internal foster carers	Neutral	(46)
127	Increasing capacity of existing internal foster care resource to reduce use of agency carers	Neutral	(250)
128	Targeted support to increase access to Housing Benefit entitlements for care leavers	Neutral	(96)
129	Continue to support fewer children to enter or remain care	Neutral	(120)
130	Reduction in Independent Review Officer activity through targeted review of activity for children in long term placements	Neutral	(10)
131	Reinvestment of funding currently spent on health services to protect Family Early Help, mitigated by NHS growth monies.	Neutral	(186)
132	Public Health to fund investment in daily fruit for primary school children as part of our approach to tackling obesity. This results in a saving to the general fund, but no change in provision to children.	Neutral	(363)
134	Efficiency as result of review and re-distribution of work across the Older People & Physical Disability service (OPPD)	Neutral	(275)
135	Management restructure in OPPD Service	Neutral	(70)
136	Review of service and potential efficiencies through in-sourced direct service delivery of the front door of OPPD	Neutral	(400)
137	Redesign hospital discharge pathways and creation of Transfer of care service in line with best practice to achieve earlier reviews and timelier discharges through the system.	Neutral	(250)
138	Creation of Transfer of Care Assessment Unit to deliver bed based reablement with the aim of supporting people to return home and reducing the need for costly residential care.	Neutral	(425)
139	Improved performance outcomes in Reablement	Neutral	(300)
140	Adult Social Care reviews undertaken in line with Care Act eligibility.	Neutral	(600)
141	Work with colleagues to appropriately access NHS funding for complex needs that are eligible for Continuing Health Care or NHS joint funding.	Neutral	(150)
142	Maximise the use of Extra Care Housing for short term step down and step up accommodation	Neutral	(38)
143	Reducing the need for external Best Interests Assessors (BIAs) by increasing in-house capacity, through a programme of staff training.	Neutral	(50)
144	Reduction in training budget as there is now a greater variety of digital training options which can be utilised and provide value for money	Neutral	(20)
145	Business support efficiencies in the Deprivation of Liberty Safeguards (DoLS) team.	Positive - Marginal impact as a reduction in staffing reduced overall office requirement and travel impact	(39)
146	Business efficiencies in the Strategy and Policy team	Positive - Marginal impact as a reduction in staffing reduced overall office requirement and travel impact	(50)
147	Efficiencies in the Learning Disability Service through regular reviews of care, rightsizing packages of care to meet Care Act eligible needs and utilisation of universal services where appropriate.	Neutral	(216)
148	Supported Living re-modelling through work with commissioning to re-procure contracts through greater shared provision	Neutral	(100)

149	To reduce the cost of All Age Disability Service placements through close working with placements team to identify specialist providers and early negotiation of fees.	Neutral	(200)
150	Review care packages for All Age Disabilities service users and carers in line with Care Act eligibility.	Neutral	(137)
151	Reduction in costs of Mental Health section 117 placements through the outcome of Complex Care pathway work	Neutral	(350)
152	Review of ASC contribution to Open Access Hostel provision	Neutral	(80)
153	Review of mainstream packages of support for people with mental health needs in line with Care Act eligibility.	Neutral	(31)
154	Widening the scope of the joint funded team will enable an integrated approach to commissioning that should provide opportunities to improve outcomes and provide reduce inequalities. Expansion of scope will include Public Health, Learning Disability and SEND commissioning. There are vacancies in the joint funded and council-only funded teams.	Neutral	(130)
158	Reduction in IT costs arising from changes to software licensing.	Neutral	(48)
159	Efficiencies (6.5%) in the funding of housing related support services	Neutral	(22)
160	Sexual Health - Efficiencies arising from re-specification of clinic contract	Neutral	(540)
161	Efficiencies of the 0-19 visiting and school nursing contract as result of the continuing reduction of the 0-19 population. The reduction is proposed to be reinvested into other Public Health services as well as children's mental health provision.	Neutral	(863)
162	Reduction in the cost of the Free Healthy School Meals programme due to falling rolls and increasing entitlement to benefits-linked scheme. No reduction in the per-meal amount paid to schools.	Neutral	(190)
163	Efficiencies in Addiction services	Neutral	(260)
164	My Southwark Service Point (MSSP) - service efficiencies - split Housing Revenue Account (£37k) and General Fund (£15k)	Neutral	(15)
165	Phased reduction in Temporary Accommodation contingency.	Neutral	(1,000)
167	Strategic plan required to close operational buildings and move staff into Tooley Street and Queens Road with resultant operational savings	Positive - Closing some operational buildings and making better use of others will reduce the overall energy consumption of the council's estate and have a positive climate impact.	(50)
168	Digital Innovation Fund (DIF) - reduce budget (currently £200k pa)	Neutral	(200)
169	Rationalisation of applications and reduction of Licensing costs for service area.	Positive - By reducing applications, there are less servers which are needed to be maintained. This reduces the carbon emissions of the servers and cooling required.	(25)
170	Reduction of devices as technologies change based on requirements of the service area	Positive - Reducing devices will reduce the requirement for devices being disposed of in the future, which is better for the environment.	(10)
171	Efficiency savings in light of Review of Divisional management overheads	Neutral	(22)
172	Saving from review of business support IT systems	Neutral	(40)

201	Review internal trading fees in line with inflation (still significantly lower than market rates). Necessary in order to ensure that appropriate charges are made to the HRA, other statutory accounts and to external parties where appropriate	Neutral	(300)
202	Improvements in processes for financial assessments and invoicing, creating a more efficient invoicing and payment process in order to maximise client contributions	Neutral	(500)
203	Revenue gained by Southwark Resource Centre (SRC) from increased referrals of more complex health funded clients, and a review of charges for this service in line with inflation.	Neutral	(20)
204	Uplift for increasing number of instructions and maximising fee charging opportunities	Neutral	(116)
205	Insourcing planning P1 viability valuation fees.	Neutral	(150)
206	Recharge of M&A services to external 3rd party	Neutral	(45)
207	Increase in Local Land Charge fees	Neutral	(62)
208	Increase in pre-application fees	Neutral	(92)
209	Income from Community Infrastructure Levy (CIL) administration charges	Neutral	(243)
210	Award of new on-street advertising contract from April 2023	Neutral	(1,000)
211	Increase Garden Waste charge from £40 to £60 per annum. This remains below both the London average and near neighbours.	Negative - Potential negative impact if there is customer resistance to the increased charges	(250)
212	Increase the number of commercial waste collection contracts.	Neutral	(100)
213	Increase bulky waste charge from £25 to £35 per booking, maintaining a low fee compared with the London average.	Neutral	(100)
217	Additional income as a result of extended schemes to licence private rented sector property	Positive - The licencing scheme will improve standards in the private sector this will include the fuel efficiency of homes	(250)
218	Increased Night-time Levy Licencing Fees	Neutral	(200)
219	Additional Income from Increased Fees and Charges across services	Neutral	(300)
222	Reduction in income anticipated through success of Streetspace schemes across the borough. Significantly increased compliance resulting in fewer PCN's issued.	Neutral	2,500
227	Savings from Active Travel (combined savings from Implantation of CPZs across borough and review of Parking Charging Policy)	Positive - These interventions should reduce car use and/or promote alterative sustainable travel	(1,300)
301	Review of corporate contact centre/Exchequer customer services to promote digital first, align performance standards/look at generating economies and consistent approaches to perf management.	Neutral	(95)
305	Reduce Clinical Service Capacity	Neutral	(140)
307	Reduction in building security	Neutral	(43)
308	Reduction in Youth Offending Service	Neutral	(110)
309	Reduce Family Group Conferencing Service	Neutral	(60)
310	Downsizing Council Parenting Team	Neutral	(58)
175	Review of short breaks provision though greater use of direct payments, voluntary sector provision and spot purchased respite care.	Positive - Will reduce overall building usage.	(600)

313	Savings from subsequent review of the new Sustainable Growth Division following its creation in March/April 22	Neutral	(45)
315	Reduce size of commissioning budget that supports residents into employment, apprenticeship and training opportunities	Neutral	(35)
316	Reassessment and re-prioritisation of vulnerable young people commissioning and internships activity	Neutral	(27)
322	Reductions in highways maintenance budgets arising from better upkeep of public realm and tree stock.	Neutral	(50)
324	Take a needs-based, neighbourhood approach to clean streets, focusing activity on town centres and areas of high footfall, making best use of technology, and enhancing flexible working arrangements for staff.	Positive - This review will result in a more efficient use of resources through technology which will reduce vehicle miles	(500)
330	Reduce Mayors transport service to key civic events rather than all mayoral engagements achieving a saving of £50,000 from a transport budget of £70,000. The reduction would leave a budget of £118,000 for the total cost of the civic office including staff costs.	Positive - Will reduce the total number of car journeys. Greater use of the corporate taxi service which will use electric or hybrid vehicles, and more use of public and active transport (walking and cycling)	(50)
401	Elections Act – increase in communication costs and workload of electoral services	Neutral	50
402	Managing the constitutional and governance changes arising from emerging and new legislation e.g Health & Social Care Act.	Neutral	60
403	Safety Valve investment	Neutral	1,311
404	Investment in our service to support Unaccompanied Asylum Seeking Children	Neutral	155
407	Investment in smoking cessation services	Neutral	100
408	Staffing inflation costs for Public Health funded team (ring fenced)	Neutral	80
409	Investment in Substance Misuse - Enhance Young Persons offer and prevention	Neutral	260
410	Funding of the Council's Free Fruit daily offer to primary school children	Neutral	363
411	Contractual uplift to the Public Health Section 75 contracts	Neutral	250
412	Investment in Children's and Young People's Mental Health Services - Prevention and Early Help	Neutral	700
413	New FM contract commences 1 October. Asset verification as part of mobilisation may reveal additional contract costs.	Positive - 50% electrified fleet of vehicles used by the supplier with a rise to 100% planned. Further additions to the net zero programme such as future LED roll out and, solar and insulation projects	200
417	Cloud Infrastructure Azure Phase 2 - revenue costs and associated staffing	Neutral	311
418	Enhancement of the in-sourced leisure budgets to reflect unprecedented pay, high utility cost and inflation pressures.	Neutral	1,400
419	Request for a base budget for gardeners as permanent members of staff	Positive - Increase in increase greening of estates and capacity to absorb CO2 and increase in recycling of organic waste, and increase local food production. Programme raises awareness of climate impact and provide opportunities for residents to work together to contribute to an environmentally more sustainable borough,	70

420	Request for funding to support borough-wide review of playgrounds, including a report with proposed measures to address findings and improve provision and accessibility.	Neutral	110
420	Request for funding to support borough-wide review of playgrounds, including a report with proposed measures to address findings and improve provision and accessibility. Commitment proposed to be funded from Reserve Ref 312:Public Realm	Neutral	(110)
421	Request for funding to support borough-wide review of sport and youth provision.	Neutral	40
421	Request for funding to support borough-wide review of sport and youth provision. Commitment proposed to be funded from Reserve Ref 115 Youth Review	Neutral	(40)
424	Base budget for civic leadership programme	Neutral	150
429	South Dock Marina- One off feasibility, project management and planning cost for extension to berths at Greenland Dock to generate additional income of £420k in 2025/26	Neutral	100
429	South Dock Marina- One off feasibility, project management and planning cost for extension to berths at Greenland Dock to generate additional income of £420k in 2025/26. Commitment Proposed to be funded from Reserve Ref 312- Public Realm	Neutral	(100)
430	Highways maintenance cost as a result of delivering Council Plan targets	Positive - Investment in the delivery of council plan targets which will have a positive impact on the climate.	50
430	Highways maintenance cost as a result of delivering Council Plan targets. Commitment proposed to be funded from Highways Reserves	As above	(50)
432	Investment to develop a thriving neighbourhood model for delivery during 23/24 with further roll out in future years using existing funding	Neutral	200
432	Investment to develop a thriving neighbourhood model for delivery during 23/24 with further roll out in future years using existing funding. Commitment Proposed to be funded from Reserve Ref:111 Neighbourhood Fund	Neutral	(200)
433	To support the achievement of the delivery plan and other key priorities within the department	Neutral	348
434	Creation of Southwark Energy Advice Service through extension of Citizen's Advice Bureau contract	Positive - Providing energy advice to a range of residents including how to improve the energy efficiency of the home; private rented sector tenants needing to engage their landlord about how to improve the energy efficiency of their home; and small private landlords seeking independent advice and about how to improve the energy efficiency of homes they rent out in Southwark – or information, for example, about new statutory Minimum Energy Efficiency Standards	100
435	Changes in the Council's liability for funding the London-wide Freedom Pass scheme.	Neutral	(250)
437	Increase in external Audit fees (net of new grant funding), including objections to accounts	Neutral	262
439	Digital Inclusion - General Fund share of additional investment in internet infrastructure across the borough.	Positive - Investing in our customers will enable them to self-serve using digital means. The outcome will result in less transport required to meet face to face.	36
440	Delivery of Council Delivery Plan Cycling initiatives 2023 - 2027.	Positive - Delivery plan targets in relation to increasing cycling will have a positive impact on climate by encouraging more cycling and reduce reliance on more polluting transport.	300

441	Delivery of Council Delivery Plan Cycling initiatives 2023 - 2027. Commitment to be funded from Highways and Parking Climate Emergency projects reserve	As above	(300)
442	Creation of base-budget for Independent Living Fund to reflect 'rolling-in' of grant in 23/24 Settlement.	Neutral	179
443	Creation of base-budget for Local Council Tax Support Admin Subsidy to reflect 'rolling-in' of grant in 23/24 Settlement.	Neutral	556
444	Creation of base-budget for Natasha's Law funding to reflect 'rolling-in' of grant in 23/24 Settlement.	Neutral	15
445	Impact of Pay Settlement on Members' Allowances	Neutral	60
446	Additional Business Rates payable on Council owned properties arising from the 2023 revaluation	Neutral	975
447	Baselining of correction to London Weighting / Overtime pay calculation, to be distributed across impacted departments	Neutral	1,000
448	Provision to receive bids to alleviate excessive inflationary pressures in the Voluntary Sector	Neutral	200
449	Planned contribution to Public Health reserve	Neutral	100