
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 25 February 2020

Subject: **Green Economy Panel**

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1. Purpose of this report

- 1.1 To provide the Leeds City Region Enterprise Partnership (LEP) Board with a progress report on significant areas of activity related to the Green Economy Panel (GEP) following their meeting on 28 January 2020, particularly focusing on the significant areas of activity underway related to tackling the Climate Emergency.

2 Information

Panel meeting

- 2.1 On 28 January 2020, the GEP held a private workshop for members to help shape the emerging emission reduction pathways work and to help development of the Local Industrial Strategy.

Tackling the Climate Emergency: Background

- 2.2 The Combined Authority approved the Leeds City Region Energy Strategy and Delivery Plan (ESDP) in December 2018. It aims to dramatically reduce the City Region's carbon emissions. It is very challenging and will require coordinated action by local government, industry, business and people of all ages, and needs to be supported by significant funding and resources. This programme of work that will be delivered in a phased approach, comprising both short term projects and longer term, whole system actions.
- 2.3 The ESDP also aims to ensure the City Region plays its role in keeping global temperatures "well below" 2.0C (3.6F) above pre-industrial levels and will "endeavour to limit" them further to 1.5C. This aligns with the International Paris Climate Change Agreement and the latest recommendations by the Intergovernmental Panel on Climate Change (IPCC).
- 2.4 In line with most of the region's local authorities, the Combined Authority declared a climate emergency (27 June 2019) and, using a science-based

approach, in consultation with partners, strengthened the City Region's ambition to become net-zero carbon by 2038, with significant progress made by 2030. It is proposed that we update the ESDP to create a **Climate Emergency Strategy and Delivery Plan**, incorporating the existing work of the ESDP but also reflecting this new target and additional work required to meet it. This refreshed strategy will act as the delivery mechanism to address the City Region's climate emergency.

Scale of the Challenge

- 2.5 Under a strengthened target the scale of the task ahead is enormous. Government intervention will not be enough to reduce City Region emissions in line with the net zero carbon 2038 target.
- 2.6 To meet its 2038 target, and comply with the Paris Agreement, the City Region needs to reduce annual carbon emission by 14.5 percent year on year and halve emission every five years, with significant savings required over the next 10 years to 2030.
- 2.7 To keep within the target and the Paris Agreement, we have established a carbon budget, broken down into 5-year allocations, quantifying how much carbon we can emit whilst still meeting our targets. Keeping within the budget is essential, as slow progress in the early years will require substantial savings later (likely at substantial cost). As it stands, the City Region will emit the equivalent of its carbon budget in just 7.6 years if urgent action is not taken.
- 2.8 There are significant risks to delivering the regional ambition including:
 - if early carbon budgets are not met (i.e. by 2022 or between 2023-2027) there will need to be more severe emission reductions in later periods, this is likely to have a significant financial cost.
 - if one or more sectors do not fully decarbonise, greater reductions will need to be made in other sectors. This will not be possible if a sector has already completely decarbonised.
 - The ESDP is currently not fully resourced, with further resource needed to deliver the additional savings to meet the strengthened regional targets.

New Emission Reduction Pathways

- 2.9 Meeting this challenge requires urgent collective action from across all sectors and will require us all to change the way we live. There is a need for both immediate action as well as long term strategic planning and delivery. This must be supported by a robust evidence base to ensure we can make significant progress towards achieving net-zero carbon.
- 2.10 Through the ESDP we have identified some potential programmes and projects that will help the City Region to reduce carbon emissions. Some projects are already underway. The Panel received an update on these in October 2019, including 15 low/zero carbon projects receiving project development support through the Combined Authority's Energy Accelerator

and a new business support programme launching shortly called Re-Biz to help SMEs reduce carbon emissions and be resource efficient.

- 2.11 To determine how to stay within the carbon budget and meet the 2038 target, the Combined Authority has commissioned a study to identify carbon emission reduction pathways. This will highlight the contribution different sectors need to make and the interventions that need to be implemented if the target is to be achieved.
- 2.12 This work will bridge the gap between the CO₂ emission savings identified in the ESDP in 2018 and achieving the strengthened net zero carbon target.
- 2.13 The study will:
- Task 1 - develop emission reduction pathways for the power, buildings, industry, transport, and land-use, land-use change and forestry (LULUCF) sectors that enable Leeds City Region to meet their respective emission reduction targets and remain within their carbon budgets.
 - Task 2 - Produce a fully costed implementation roadmap for the Leeds City Region and North and West Yorkshire based on the outputs of Task 1.
 - Task 3 - Produce policy recommendations and an action plan for Leeds City Region that will deliver the activity identified in the roadmap.
- 2.14 This work is underway. The planned work and emerging results will be tested with partners between January – June 2020, through stakeholder engagement, including:
- Regular 1:1s with local authorities and officer workshops
 - Five sector specific stakeholder workshops (including civic society) (March)
 - Public consultation exercise (May/June)
 - All LEP panels will also receive a paper on how they can start to consider tackling the climate emergency and consider using the findings of the pathways work to inform policy recommendations and the action plan for Leeds City Region.
- 2.15 Members of the GEP on the 28 January 2020 reviewed and provided comments on the Emission Reduction Pathways study and scenario framework and assumptions behind the work. Members were supportive of the approach to the work to model different future scenarios. Key points:
- Additional local issues needed to be considered in the modelling work such as hard to treat older properties.
 - A range of issues need to be considered in the policy recommendations work including affordability, buildings skills, jobs and supply chain opportunities, behavioural change as well as technology solutions.
 - Consider the role for offsetting emissions in sectors that cannot fully decarbonise.
 - Vitally important to get all stakeholders to work and agree to one pathway.

- 2.16 It is proposed that over the summer the finalised policy recommendation and Climate Emergency Delivery Plan are finalised with stakeholders. A paper outlining the preferred options for the LEP to endorse and the Combined Authority to approve will come forward early autumn 2020.

Clean Growth Implications

- 3.1 The work outlined in this report is vital to ensuring that the city region understands how it can create clean growth by decarbonising key sectors by 2038, with significant progress by 2030. It will create a roadmap and action plan for the city region to work towards and will allow the Leeds City Region Climate Coalition to be built to ensure rapid delivery.
- 3.2 Fundamental to also tackling the climate emergency is preparing and building resilience in communities to more frequent extreme weather events, as our climate continues to change. Storm Ciara is the latest example of such an event, which has led to floods throughout West Yorkshire affecting homes, businesses, schools and infrastructure. Agenda item 6 outlines the impact of Storm Ciara, support available for businesses and the wider work of the Combined Authority to mitigate flood risk.

4. Financial Implications

- 4.1 Given the scale of the projects identified in the ESDP, and scale of the challenge to be outlined in the results of the emissions reduction pathways study, there will be significant financial implications for the Combined Authority and stakeholders/partners. Exploring and securing funding will form a large part of the work the LCR Climate Coalition. More investment is required from Government. A significant amount of money has been asked for in the City Region's devolution asks and budget submissions.

5. Legal Implications

- 5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

- 6.1 Given the scale of the projects identified in the ESDP, and scale of the challenge to be outlined in the results of the emissions reduction pathways study, there will be significant resourcing implications for the Combined Authority and stakeholders/partners. Exploring and securing resources to deliver the work required will be a key task of the Leeds City Region Climate Coalition.

7. External Consultees

- 7.1 Green Economy Panel.

8. Recommendations

- 8.1 That the Board notes the importance of the Emissions Pathways study in determining how the City Region can meet its net zero carbon ambitions by 2038.
- 8.2 That the Board endorses all panels playing a significant role in tackling the Climate Emergency and asks they consider and outline, within the next six months, what they will explore / influence.

9. Background Documents

- 9.1 None

10. Appendices

- 10.1 None