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

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Subject: **Developing a LEP-wide response to tackling the Climate Emergency**

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1. Purpose of this report

- 1.1 To provide the Leeds City Region Enterprise Partnership (LEP) Board with a proposed approach to ensure the LEP and its advisory panels develop responses to tackling the Climate Emergency.

2. Information

- 2.1 The Combined Authority and LEP have declared a climate emergency and strengthened the city region's target to become net zero carbon by 2038, with significant progress by 2030.
- 2.2 Item 6(c) outlines some of the Green Economy Panel (GEP) work to date to tackle the Climate Emergency. However, it is not for one organisation or panel to deliver. We need everyone to play a role. This includes all of the LEP panels.
- 2.3 At the Board's meeting on 16 January it was agreed that a paper outlining suggested work areas that could be considered by all LEP panels return to the Board for consideration. This paper outlines some of the opportunities for the Board to consider. It is not an exhaustive or prioritised list. Nor has the impact of COVID-19 been fully considered as it is still emerging.
- 2.4 This work was underway prior to the outbreak of COVID-19, and the challenge of becoming a net zero carbon city region remains the same. The final impact of COVID-19 on the Leeds City Region will not be known for some time. Although the UK Government are expecting the impact of the virus to be temporary, it is already clear that it will be significant, and is likely to have a lasting impact for both individuals and the economy. This will necessitate a review of our strategies relating to industry, employment and skills, business support, innovation and growth, in order to position the region as strongly as possible for economic recovery.

- 2.5 When considering how to stimulate our economy, and once the pandemic is brought under control, efforts to safeguard economic stability can be supported by a range of green stimulus that will help also protect the environment and tackle the Climate Emergency. They have a strong role to play in boosting jobs and economic growth while also supporting and enabling an inclusive, healthy, clean and resilient transition. Work is being fed into the West Yorkshire Economic Recovery Board on this and includes themes such as capitalising on green behaviours seen during lockdown, accelerating / reprioritising clean physical infrastructure such as domestic energy efficiency programmes and clean energy generation, new training and skills programmes, green business support and avoiding incentivising carbon intensive practices.
- 2.6 Therefore this proposed work below could also start to develop how the LEP and Combined Authority recover in a way that maximises opportunity to do things differently and make sure we see outcomes that also benefit the environment and society.

Proposed LEP Approach

- 2.7 The following sections of this report propose an approach for all LEP Panels to consider.

Phase 1 – All panels review the Emission Reduction Pathways findings

- 2.8 To help the City Region understand how to meet its 2038 target a carbon emission reduction pathway study has been commissioned.
- 2.9 This commission will outline possible decarbonisation pathways for all major sectors within our city region. There is an opportunity for all LEP Panels to help steer and input into the preferred pathway's development. The culmination of this work will result in the development of a preferred pathway to be adopted by the Combined Authority and endorsed by LEP. The Panel Chairs are asked to provide comment and steer on how all Panels would like to receive this information and get involved.

Phase 2 - Develop panel specific actions

- 2.10 Based on the results of the pathways work, there is an opportunity for all panels to develop a series of actions to explore in response to the Climate Emergency. **Appendix 1** summarises the scale of the challenge and possible likely key actions/interventions that will be needed (the exact interventions will be determined through the Emission Reduction Pathways work). This is meant to prompt early discussions only.
- 2.11 The Green Economy Panel have led the development of all climate related work to date, including the development of the City Region's Energy Accelerator, Resource Efficiency Fund and the Energy Strategy and Delivery Plan and Green and Blue Infrastructure Strategy and Delivery Plan. More recently work has commenced with the Place Panel and BIG Panel, and there

is now an opportunity to ensure all panels contribute to tackling the climate emergency.

- 2.12 **Appendix 1**, paragraphs 2.13 – 2.30 below, **Appendix 2** and figure 1 below illustrates some opportunities that each panel may like to consider exploring. This is not an exhaustive list, and is meant to prompt early discussions only. It will be up to each Panel to explore and determine its own appropriate actions.

Green Economy Panel (GEP)

- 2.13 The Green Economy Panel have, on behalf of the LEP, led the development of all climate related work to date and including the development of the City Region's Energy Accelerator, Resource Efficiency Fund and the development of the Energy Strategy and Delivery Plan and Green and Blue Infrastructure Plan. They are steering current plans, including the Emission Reduction Pathways work and a new commission on accelerating energy efficiency across the City Region's housing stock. They will continue to lead the agenda and, building on the results of the Emission Reduction Pathway's results, develop new programmes of action through the City Region's Climate Coalition.
- 2.14 The outputs of the Emission Reduction Pathways work, along with the existing Leeds City Region Energy Strategy and Delivery Plan and Green and Blue Infrastructure Strategy and Delivery Plan, will be incorporated into one Tackling the Climate Emergency Strategy for West Yorkshire (and the Leeds City Region) by the end of the year. The Panel will lead this process and oversee its development and ongoing monitoring.

Transport Committee and Zero Emission Transport Working Group

- 2.15 In 2019 a new working group made up of members of the GEP and West Yorkshire Transport Committee was formed. This was to ensure the transport sector contributes to the net zero regional ambition and improves local air quality. This Group aims to:
- To support the delivery of the ESDP and its carbon dioxide emission reduction ambitions
 - To recommend the actions that will decarbonise the transport sector and improve air quality within the City Region.
 - To work with / influence partners, including regional organisations and government to deliver actions that decarbonise the transport sector.
 - To provide oversight of the delivery of outputs and outcomes of low-carbon / low emission transport related projects being developed by the Combined Authority.
 - To align activity on decarbonising the transport sector with activity to improve air quality in the City Region

This group will oversee the decarbonisation of the transport sector and will provide regular updates to the TC and GEP. They are currently inputting into the development of the emission reduction pathways work and will shortly be reviewing the initial results of this work.

Inclusive Growth and Public Policy Panel (IGPP)

- 2.16 The LEP's commitment to inclusive growth is particularly important as the economy recovers from COVID-19 and transitions to net-zero carbon, as changes in demand for skills, new opportunities and availability of jobs can impact both individuals and communities. Research by the London School of Economics demonstrates the need for this to be an inclusive process, delivering social justice for workers, communities and consumers: this is the agenda of the just transition.
- 2.17 According to IPPR, decarbonisation holds huge opportunities for the north of England. The North has a leading low-carbon goods and services sector - accounting for around a third of all jobs in the sector in England. It has world-renowned universities and leading expertise in technologies such as nuclear power, hydrogen and offshore wind. This is matched by the many historic, geographic and geological advantages that exist in the region. In short, there is substantial potential for the north of England to become the new heartland for a low-carbon energy economy.
- 2.18 Up to 46,000 jobs could be created by 2030 just in the power sector (IPPR). However, such an outcome is not guaranteed. Decarbonising the economy, if managed badly, carries significant risks for the North. As home to the majority of coal and gas power stations in England, the North could suffer approximately 28,000 job losses in the coal, oil and gas industries by 2030, IPPR analysis has shown. This is without considering the other potential job losses in high-carbon energy intensive industries and the wider economic and social implications that the loss of industry can bring about. In the past, industrial change has been poorly managed, including in the north of England, resulting in regional inequalities. But a well-managed 'just transition' could build on the economic strengths of the north of England and deliver a high-skill, high-wage, low-carbon economy of the future. Therefore, there is a range of opportunities for the Panel to consider exploring, and in conjunction with the BIG Panel and ESP.
- 2.19 In addition, climate change and extreme weather cause inequalities in health and wellbeing and, if unchecked, will exacerbate them. This needs consideration when formulating responses. Policy responses to climate change can place additional burdens on people and communities who are already vulnerable. The extent of these burdens is not always obvious. People in communities who are worst affected may be the least likely to speak or to be heard in decisions. Therefore, local authorities, LEPs and their partners in service provision need to take a socially just approach to building more resilient communities. There is therefore a range of opportunities for the Panel to consider exploring. This will be even more important as we recover from COVID-19.

Place Panel (PP)

- 2.20 Decarbonising our communities will require a range of actions, including spatial planning that encourages low / zero carbon living and working, building new homes and retrofitting existing homes so they are energy efficiency, low carbon, cheap to run and healthy.
- 2.21 The role of nature needs to play a greater role in tackling the climate emergency including restoring our peatlands and planting trees which can help store carbon. Currently our peatlands are not acting as stores as they are badly damaged and are actually emitting greenhouse gases. The role of quality green space and access to it is also vitally important for wellbeing and health. This has been seen across the world during the COVID-19 pandemic.
- 2.22 In addition, the impacts of a changing climate and ensuring communities are resilient to current and future changes in climate, including increasing flood resilience across the City Region's towns and cities is needed. Nature based solution, such as upper catchment tree planting, are a very effective example helping to reduce the impacts of flooding as our climate continues to change and can help build resilience for downstream businesses and communities.
- 2.23 Therefore, there is a range of opportunities for the Panel to consider exploring, and in conjunction with other LEP Panels including the GEP and also with the IGPP focussing on ensuring a just transition for communities.

Employment and Skills Panel (ESP)

- 2.24 Decarbonising our economy will result in a range of employment and skills opportunities as new industries and roles emerge. Work around the Energy Strategy and Delivery Plan and the Clean Growth Audit has identified a growing clean growth sector in the City Region, and the Combined Authority has begun to understand the current and future employment and skills opportunities. The Energy Strategy estimated that over 100,000 jobs could be created through taking early action to decarbonise the City Region. However, more work is needed to understand the potential. This is a huge opportunity for the Panel to consider exploring in the context of its current and future Employment and Skills Plan, Skills Commission and other planned work.
- 2.25 There is also a challenge that, as new opportunities emerge and roles change, some jobs and skills will become less relevant to a low-carbon economy. Policies and interventions will need to be developed to manage this transition, to encourage people to reskill and ensure opportunities are available. The role of the ESP aligns closely with that of the IGPP in this respect, providing an opportunity for collaboration on the just transition agenda.

Business Innovation and Growth (BIG) Panel

- 2.26 As seen in **Appendix 1**, we need to decarbonise our industry, buildings, power and transport sectors. Areas where the Panel could have the largest impact would be on helping businesses to decarbonise (including their buildings) whilst remaining productive and competitive. In addition to this they should also look at the impacts of a changing climate and ensure businesses

are resilient to current and future changes in climate, including increasing flood resilience across the City Region’s businesses.

2.27 Economic opportunities will arise through tackling the climate emergency. The opportunity for people and business across the country is huge. The low carbon economy could grow 11 per cent per year between 2015 and 2030, four times faster than the projected growth of the economy as a whole and deliver between £60 billion and £170 billion of export sales of goods and services (Clean Growth Strategy 2017). This is spread across a large number of sectors: from low cost, low carbon power generators to more efficient farms; from innovators creating better batteries to the factories putting them in less polluting cars; from builders improving our homes so they are cheaper to run to helping businesses become more productive. More locally, through the work identified in the existing Energy Strategy and Delivery Plan, £11 billion in GVA could be generated. There is a range of opportunities for the Panel to explore. Areas already being discussed include support for energy intensive industries, emerging clean growth sectors, innovation, Trade and Investment and supply chains. Potential changes to the LEPs grant conditions to encourage decarbonisation are also being explored.

2.28 Figure 1 summarises these some options per Panel below.

Areas of action	BIG	ESP	GEP	IGPP	Place
Industrial Business Support	✓				
Clean Growth Sector Support	✓				
Supply Chain Support	✓				
Innovation	✓				
LEP Grant Conditions	✓				
Green Business	✓				
Just Transition	✓	✓	✓	✓	✓
Climate Resilience	✓		✓	✓	✓
Future Career Programmes		✓			
Reskilling Programmes		✓			
Climate related skills evidence base		✓	✓		
Oversight of Tackling the Climate Emergency (TCE) Strategy and Action Plan			✓		
New TCE programmes including Energy Efficiency, new energy generation, Nature, Climate Resilience.			✓		✓
Public Sector Collaborations People and Communities				✓	
Zero Carbon Spatial Planning					✓
Zero Carbon Buildings			✓		✓
<i>(Note Transport schemes will be developed through Transport Committee)</i>					

LEP Board

- 2.29 The LEP Board can play a vital role in pulling together a central narrative on how the LEP is playing its role in helping address the Climate Emergency. It could consider asking its Panels to develop clear plans on how they will play their role. In addition, the Board should take overall ownership for these actions (once developed) to ensure they are explored, and subject to capacity and funding, delivered.

Investment Committee and Combined Authority

- 2.30 As critical decision making bodies essential for the LEP achieving its objectives, it is important they play a major role in ensuring that all projects, programmes and policies approved by the Combined Authority and LEP take into consideration the impact our actions have on tackling the climate emergency. As outline in item 17c, work is already underway to strengthen decision making. The Combined Authority is currently procuring consultancy support to develop a strengthened, robust, quantifiable methodology for assessing all new schemes predicted carbon emissions.

Champions

- 2.31 One of the barriers to progressing the climate emergency agenda to date has been the scale and cross-cutting nature of the solutions required. Action is required by all panels and by many programmes, and so although widely appreciated and supported it has not been fully considered strategically across the whole of the LEP agenda. As demonstrated above, there is a key role for each panel to play around this agenda, but also a need for aligned thinking and coordinated action. Therefore, it is recommended that “Climate champions/advocates” are identified for each Panel. They will be responsible for ensuring that tackling the Climate Emergency is fully considered in all decisions and new opportunities are considered and implemented where appropriate and where they can add value to the agenda of that Panel.
- 2.32 It is proposed that these Climate Champions will convene as a group and engage collectively with the GEP to help steer the climate emergency response across the LEP.
- 2.33 In the first instance champions/ advocates may be recruited as volunteers from existing panel members, but if there are gaps then future recruitment of LEP members should factor this in. Each Panel is asked to nominate a champion.

Clean Growth Implications

- 3.1 The work outlined in this report is vital to ensuring that the city region understands how it can tackle the climate emergency. It will create actions for

the LEP to work towards to ensure it plays a vital role in meeting the City Region's net zero carbon target by 2038 whilst maximising a range of economic benefits and promoting clean growth.

4. Financial Implications

- 4.1 Given the scale of tackling the climate emergency there will be significant financial implications for the Combined Authority, LEP and stakeholders/partners. Exploring and securing funding will form a large part of the work the LCR Climate Coalition will have to undertake.
- 4.2 This work will also need to be reviewed and prioritised considering COVID-19 and the economic recovery plans that are being developed.

5. Legal Implications

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

6. Staffing Implications

- 6.1 Supporting the LEP's panels to devise appropriate climate emergency responses and action will require support from the Combined Authority. Any actions suggested by the Panels will need to be prioritised against the resource available to work on proposed actions and existing work plans.

7. External Consultees

- 7.1 None

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 The Board provide comment and steer on how all Panels would like to receive information on the Pathways work and get involved.
- 8.3 That the Board endorses all panels playing a significant role in tackling the Climate Emergency and asks they consider the contents of this report and other opportunities and outline, within the next six months, what they will explore / influence.
- 8.4 The Board endorses the creation of Climate champions/advocates for all Panels.

9. Background Documents

- 9.1 None

10. Appendices

- 10.1 Appendix 1 – The scale of Climate Emergency challenge
- Appendix 2 – LEP Approach