

Appendix 1 – Statement of Requirements

Developing a Leeds City Region Carbon Assessment for strengthened decision making in light of the Climate Emergency

1.0 Background

- 1.1 The West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership (LEP) wish to procure an initial piece of consultancy work aimed at strengthening our understanding of the impact of our investments in light of the climate emergency declared by Leeds City Region.
- 1.2 The scope of this work reflects our need to better understand the emissions impact of the investments we have made and to improve our assessment approaches to future investments and project design.
- 1.3. The Combined Authority and the LEP 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. This is a programme of work that will be delivered in a phased approach, with short term projects and longer term, whole system actions.
- 1.5 In line with most of the region's local authorities, the Combined Authority formally declared a climate emergency (27 June 2019) and, in consultation with partners, strengthened the city region's ambition to become net zero-carbon by 2038, with significant progress made by 2030. The ESDP will be updated to reflect this new target and will act as the delivery mechanism to address the City Region's climate emergency.
- 1.6 The scale of the task ahead must not be underestimated with a 14.5 percent reduction in emissions required year-on-year and regional emissions halving every five years (Tyndall Centre 2019). Meeting this challenge now requires collective action from across all sectors and will require us all to change the way we live. This work must be supported by a robust evidence to ensure we can make significant progress to be net carbon zero by 2038, and with significant progress by 2030. Our ESDP illustrates how we will begin to tackle the climate emergency and meet our next zero carbon target.
- 1.7 In addition to this city-regional work, the Combined Authority has developed a new corporate approach to embedding clean growth, including reducing carbon emissions and tackling the climate emergency. It includes adopting a new clean growth policy, containing a set of principles for all staff to use, and a detailed action plan outlining what the Combined Authority will do as an organisation over the next two years. It covers the organisation's plans to reduce the direct environmental impact of how it works and behaves, as well as ensuring clean growth is embedded in proposals for projects and strategies to be delivered across the region in pursuit of corporate priorities. **Appendix A** is a summary of this programme.

An immediate action the Combined Authority has taken is to ensure all decisions made include clean growth and climate change impacts. The Combined Authority:

- has strengthened how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework
- now requires all reports to include clean growth implications, including climate change qualitative impact assessments/considerations.

- 1.8 Our Assurance Framework determines how the organisation makes investment decisions. It covers all funding flowing through the LEP enabling how the Combined Authority as the LEP's accountable body to ensure that there are robust, transparent and accountable processes in place to ensure value for money for the public purse.

The Assurance Framework has been prepared in accordance with [HM Government's National Local Growth Assurance Framework and it is in line with the Government's 5 cases principles and Green Book \(for appraisal of schemes\)](#).

All investment decisions are taken in accordance with the assurance process stages and activities, subject to agreed exceptions (such as small grant programmes, for example business growth grants and loans, where alternative arrangements are in place). More details can be found [here](#). Section 6.2 of the Assurance Framework sets out in detail the assurance process for schemes, and the decision points that take place at the end of each activity. These are summarised in Figure 2.2.

Carbon assessments and impacts are included as part of the Outline Business Case and Full Business Case activity stages (and appraisal stages). For transport related schemes WebTag is used.

Additionally, it should be noted that the CA does not have an agreed approach or methodology in place for quantifying carbon impacts for non-transport schemes. This means that currently we are unable to fully take into consideration the carbon impacts of projects when we are approving them. Our decision is therefore unbalanced and do not allow decision makers to see the full impacts of their decisions.

2.0 Aim and Objectives

2.1 Aim:

In light of the Climate Emergency, develop a robust new approach to balanced decision making that takes into consideration carbon impacts.

2.2 Objectives:

- Review and identify best practice for calculating carbon emissions in project development and appraisals processes and building on the latest government guidance and developments in modelling
- Review decision making practices within the Assurance Framework and identify where carbon impacts have been calculated well and where they have not been and what could be improved to ensure carbon is fully integrated and consistently calculated.
- Recommendations for what should be included in a new carbon assessment or a wider set of environmental impact assessments.
- Develop a new robust carbon assessment methodology for transport and non-transport schemes and make recommendations for how to embed it successful across the Combined Authority – including the Assurance Framework.
- Review and calculate the carbon impacts of all existing funded programmes within the Combined Authority's Local Growth Deal, West Yorkshire Transport Fund and LPTIP Funds and make recommendations for how schemes at DP 2 – 4 could be developed to be net zero carbon (and with estimated costs).
- Once the new robust carbon assessment methodology has been devised, recommend how to implement it across the Organisation

- and once new methodologies have been devised, increase capacity and capability across all organisations supporting delivery of WYTF and Local Growth Deal and the Combined Authority to ensure a consistent use of the new methodology and metrics to shape the design of all future projects and decisions.

3.0 Methodology and Tasks

3.1 We expect this project to involve drawing together a wide range of evidence and expertise in order to create a robust carbon assessment methodology for all future Combined Authority projects.

3.2 Key task areas:

Review of national and local examples of best practice

- For this task review how other combined authorities, local authorities / other public bodies, and central government are currently carrying out carbon and wider environmental assessments / similar and the models and assumptions used to determine these figures.
- Analysis of existing best practice methodologies, models and templates to determine effective elements for inclusion in the Combined Authorities new Carbon assessment – see below. This should also identify current problems with Carbon calculations and suggest ways to improve this.
- Scope out and make recommendations to the Board on a finalised list of what should be included in the new assessment – including whether embedded carbon emissions and any wider environmental elements / wider social and economic issues should be incorporated into any new assessment. There are a range of other wider sustainable development goals and specific environmental impacts that could also be included in any new assessment, including clean air, biodiversity, climate adaptation impacts (ecosystem services approach) and existing local tools such as Greenstreets Toolkit. This should also include recommendations on whether a wider approach should be taken in the longer term, with carbon assessments the priority for the short term.
- Engagement with partners to determine elements for inclusion in the Combined Authorities new approach.

Devise new robust carbon methodologies and assessments, supported by recommendations on how to implement the assessments across the Combined Authority.

Building on the scoping stage work above, this task, as a minimum, should develop a robust, quantitative carbon methodology and assessment for:

- Transport schemes (including benchmarking and cumulative impacts) including assess, review and provide advice on how carbon quantification in transport scheme economic appraisal is used and presented in assurance framework projects and make recommendations where required to improve the presentation and representation of carbon and greenhouse gas emissions from projects.
- Non transport schemes (including benchmarking and cumulative impacts) – including assess, review and provide advice on how carbon quantification in non-transport scheme economic appraisal is used and presented in assurance framework projects and make recommendations where required to improve the presentation and representation of carbon and greenhouse gas emissions from projects, including changes to the way carbon impacts are monetarised i.e. benefit cost ratio

- Recommendations for the development of Assurance Framework business case documentation such as those relating to the Outline Business Case and Full Business Case stages (consistent with 5 case model) and associated appraisal reports and appraisal reports (consistent with / strengthening of the Green Book / Magenta Book)
- We are also keen to understand what good looks like for our schemes. Please also provide a suitable methodology that will provide a range of benchmarks for different type of schemes to enable non specialist to interpret results. Standards that could be ramped up over time should also be considered.
- Care must be taken to ensure new assessments are proportional to the project proposed and can be easily used by project sponsors and project appraisers who have limited capacity.
- Recommendations for implementing the new assessments across the Combined Authority are needed, including strengthening existing Assurance Framework templates and other decision-making report templates such as RdF /IC / CA papers. Examples can be seen [here](#).
- We also require the proposed changes to be consulted on with key local partners and the Combined Authority's Leaders prior to them being finalised. This is likely to be in the form of as a minimum 2 workshops and 2 presentations to Leaders.

Estimate the existing carbon emissions associated with all Combined Authority funded programmes and projects

- We require the carbon impacts to be quantified for all projects and programmes within the Local Growth Deal, West Yorkshire Transport Fund and LPTIP funds (Over 180 projects are at Decision Points 1 – 7 of the Assurance Framework) – a definitive list will be provided at the start of the commission). Examples of the data we hold for a few sample projects is attached in **Appendix B – Current Practice**.
 - Analysis of what parts of the Assurance Framework's current processes / current methodologies / models i.e. WebTag are working well and calculating carbon emissions robustly and what is not working well. We are aware of some issues with the way we calculate carbon emissions for our transport programmes. To date these assessments have been carried out as part of the economic assessment and therefore used traditional transport models and the WebTAG methodology. We are concerned that this approach does not give a realistic estimate of the carbon impact of many transport schemes because the full range of responses to the scheme are not represented in the modelling approaches used. We will expect these issues to be identified, considered and factored into the task to give a more realistic picture.
- Provide advice and guidance on the higher-level counterfactual driving the assessment of transport schemes to meet WYTF aims and objectives and the wider aims and objectives of the West Yorkshire transport strategy.
- Engagement with project managers and partners to support this work.

Review a prioritised list of live, in-development schemes and make recommendations for how such schemes could minimise potential negative carbon impacts

- Of the existing schemes at Decision Point 2 (Strategic Outline Case (SOC)), 3 (Outline Business Case) and 4 (Early stages Full Business Case) of the Assurance Framework, review and make recommendations for how they can minimise potential negative carbon

impacts (as identified above) through new interventions. The estimated additional costs to implement new interventions per scheme will also be required.

- Given that we have a pipeline of 'live' projects in development it will be necessary to carry out the carbon assessments and make recommendations for schemes (as above) in line with any major decision required. As such priority to those schemes that are coming through to key investment decision stages this year should be prioritised first. This should be factored into the methodology of the commission.

Carbon Literacy Training for directorates and project sponsors on the preferred methodology

- Once task 3 is complete and the new robust, quantitative carbon and wider clean growth assessment and methodology has been developed and approved by the Combined Authority, hold 4 sub-regional training events for potential project sponsors across the City Region to promote the new methodology
- Hold at least three internal training session for Combined Authority Staff with supporting learning and material and content – it should be noted that consultants responding to or supporting this element of the work will need to make provision for the training of up to 100 core CA staff - this will need to address the needs of program managers, project managers, clean growth champions and appraisal specialists.

- 3.3 We are relatively open to the potential methodological approaches which might be adopted but it is important that there is a clearly structured approach in place which addresses the main objectives for the project and which reflects current academic, government and international best practice, see above – section 3
- 3.4 Those bidding are reminded of the need to clearly set out their proposed methodological approach its flow through to the key stages and tasks required to meet the briefs objectives.
- 3.5 Those responding to this tender are also reminded of the need for bidders to clearly set out the costs and consultancy days associated with each stage of the project alongside and overall cost for all phase of work.
- 3.6 Those organisations responding to this tender are reminded that we anticipate that detailed resource will be required to support the review of existing project and business case documentation.
- 3.7 Those responding to this tender are reminded that LCR LEP and West Yorkshire Combined Authority have a range of existing economic models which provided sectoral and transport related greenhouse gas estimates (including the Urban Dynamic Model and the Regional Econometric Model) whilst the LCR have established a detailed evidence base supporting the development of the Clean Growth Strategy – supporting information can found at INSERT.