

Report to: West Yorkshire and York Investment Committee

Date: 5 November 2020

Subject: **Carbon Impact Assessment**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

- 1.1 This paper provides an update on the work commissioned by the West Yorkshire Combined Authority to develop a carbon impact assessment tool and incorporate this into the Assurance Framework. The aim of this work is to strengthen decision making in the light of the Climate Emergency.

2. Information

Background

- 2.1 Given the scientific consensus that human influence is overwhelmingly responsible for observed changes in the global climate, addressing the climate emergency is one of the Combined Authority's and West Yorkshire councils' key priorities.
- 2.2 The Combined Authority declared a climate emergency and strengthened the City Region's carbon emission reduction target in July 2019. The strengthened target commits the region to be net-zero carbon by 2038, with significant progress by 2030. The task is challenging and will require significant and swift action to decarbonise all sectors.

2.3 A recent paper to the West Yorkshire and York Investment Committee on 1 September 2020 outlined several different initiatives which are being undertaken to reduce carbon emissions to tackle the Climate Emergency. This includes strengthening the way clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.

2.4 To do this a methodology for assessing the carbon emissions and wider clean growth impacts of new schemes is being developed and the Combined Authority has appointed Mott Macdonald to carry out this work. A steering group, including representatives from all five West Yorkshire local authorities and York, has been established to develop this work and oversee the commission. This group has already held its first meeting.

2.5 The work is divided into five phases:

- Phase 1 Review of national and local examples of best practice in carbon assessment (September and October 2020)
- Phase 2 Development of the carbon impact assessment toolkit (October 2020 to February 2021 with initial proposals available in November 2020)
- Phase 3 Applying the toolkit to existing capital schemes currently going through the Assurance Framework (January and February 2021)
- Phase 4 Carry out an in-depth assessment and recommend carbon mitigation measures for a shortlist of schemes in development (February and March 2021)
- Phase 5 Carry out carbon literacy training to embed the toolkit in the Assurance Framework (February to August 2021)

2.6 This paper outlines the results from Phase 1 of the work. This involved:

- An external review of best practice in calculating carbon emissions and some wider environmental impacts
- A Review of how internal decision-making practices in the Combined Authority take carbon impacts into account
- Recommendations for what should be included in a new carbon impact assessment toolkit for the Combined Authority

2.7 A Draft Phase 1 report has been received from the contractors. This will be subject to further discussion with the contractors and may be revised in the

light of these discussions. The emerging findings of the Draft Phase 1 report can be split into general findings and recommendations which are relevant to particular parts of the Assurance Framework process.

2.8 General Findings:

- The proportionality principle should be followed when assessing the carbon impact of schemes
- A consistent set of assumptions and rules should be adopted (but see below a comment about background assumptions)
- The requirement to assess carbon impact should apply to all project types

2.9 Specific findings in the context of the Assurance Framework:

- At Strategic Assessment (Activity 1), there should be a check on the alignment of the proposal with Carbon Emission Reduction Pathways
- At Strategic Outline Business Case (Activity 2), proposals should be subject to a qualitative screening process which assesses the wider sustainability/environmental impacts.
- At Outline Business Case (Activity 3) and possibly Full Business Case (Activity 4), there should be a quantitative assessment of the carbon impact of proposals, this will need to consider:
 - The carbon included in the construction of any infrastructure (embodied carbon)
 - The best way to present the carbon impact of the proposal so that it is meaningful for decision makers
 - The carbon impact of the proposal should be presented separately from the economic appraisal
 - What background assumptions should be used in the assessment of carbon impact such as fleet composition and traffic growth
 - How to take account of the impact of the proposal itself on behaviour and related effects such as the impact of the proposal on new development

Next Steps

- 2.10 Work on Phase 2 of the project has already begun, and initial findings will be available in late November, in time to report on progress to the Investment Committee and Combined Authority meetings in December.
- 2.11 It is anticipated that there are several issues that will need to be considered when developing (Phase 2) and applying the tool (Phase 3). For non-transport schemes new techniques will need to be developed to assess carbon impact. For transport schemes, more detailed consideration will need to be given to the last two bullet points above and the assumptions made for the purposes of carbon assessment may have to be different from those used in the economic assessment. These assumptions include:
- Fleet composition and background traffic forecasts – Fleet composition and traffic forecasts over the appraisal period (typically 60 years) are uncertain, especially given Covid, but the assumptions used can make a significant difference to the carbon impact of a scheme, as well as to the economic appraisal.
 - The impact of the scheme on traffic levels – It is often difficult to assess what impact the scheme itself may have on levels of traffic and trip making, but for the purposes of carbon assessment, this is likely to be important.
 - Traffic associated with new developments and whether this should be included in the assessment of transport schemes which affect the viability or success of such developments.
- 2.12 It is not anticipated that significant changes to schemes which have already been developed to Full Business Case and beyond will be possible; these schemes were conceived and developed before the Climate Emergency was declared. The focus of carbon impact assessment will therefore be on schemes at Outline Business Case and earlier in the development process.
- 2.13 Partner councils are already represented on the Steering Group for the Carbon Impact Assessment project. Further data about schemes progressing through the Assurance Framework may be required as part of Phase 3 (applying the toolkit to existing schemes) and this may involve requests to scheme promoters. Phase 4 (in depth assessment and recommendation of carbon mitigation measures) represents a significant opportunity for promoters to improve the carbon impact of their schemes.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal Implications

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

5. Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6. External Consultees

6.1 A steering group, including representatives from all five West Yorkshire local authorities has been established to develop this work and oversee the commission

7. Recommendations

7.1 To note the contents of this report.

8. Background Documents

None

9. Appendices

None