

Report to: Climate, Energy and Environment Committee

Date: 22 March 2022

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 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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

1.1 To update members of the Climate, Energy and Environment Committee about the progress on the carbon impact assessment project.

2. Information

2.1 In order to develop programmes and schemes that will support our journey towards becoming a net zero carbon economy by 2038, it was identified that an improved methodology to assess the carbon impact of schemes is required, given the shortfalls in current methodologies. The aims of the carbon impact assessment project were therefore to:

- Develop methodologies for assessing the carbon impact of proposals at the different stages of the assurance process
- Incorporate these methodologies onto the assurance process so that decision makers are informed about the carbon impact of proposals.
- Use these methodologies to carry out an assessment of the carbon impact of a selection of existing projects which are currently going through the assurance process

- 2.2 The methodologies for assessing the carbon impact of proposals at different stages of the assurance process have been developed by the consultants engaged to work on the project. These are in the form of technical notes about the assessment of carbon impact at Stage 1 (Strategic Assessment and Strategic Outline Case) and Stage 2 (Outline Business Case and Full Business Case). The guidance documents received from the consultants are attached as Appendices 1 to 3.
- 2.3 The Stage 1 methodology focuses on the qualitative assessment of carbon impact at this relatively early stage in the development of a scheme. At Activity 1 (Strategic Assessment) this involves conducting an initial screening of the potential greenhouse gas (GHG) impact of a proposal so that its contribution to the achievement of climate goals can be assessed. Activity 2 (Strategic Outline Case) involves carrying out a high-level qualitative assessment of the impacts of a scheme with a spreadsheet tool which assesses the compatibility of projects and programmes with the West Yorkshire Climate Action Plan.
- 2.4 The Stage 2 methodology describes various procedures for quantifying the carbon impact of the proposal in terms of its capital (embodied) and operational (use) emissions of carbon. For transport schemes this involves building on the modelling and analysis work already carried out by promoters in preparing the economic assessment of a scheme.
- 2.5 The guidance documents will act as detailed technical guidance for promoters to assist them in carrying out carbon impact assessments of their schemes. Additional documentation is being prepared to make this guidance more accessible for promoters and to ensure they provide comprehensive and clear information about the process in a consistent manner, this is likely to be more focused and prescriptive than outlined in the guidance documents. At Stage 2 there will be a one-page proforma for promoters to complete which will provide information on the scheme, its carbon impact and the all-important context for the carbon impact assessment – details of the assumptions used and the features of the modelling which might have important implications for the quantitative carbon impact assessment.
- 2.6 Incorporation of carbon impact assessment into the CA assurance processes is being carried out at the same time as the ongoing revision of the guidance and templates for the assurance process. Carbon impact assessment will become a required part of the assurance process once the full guidance and templates are formally adopted.
- 2.7 In addition, a programme of training in carbon impact assessment is being planned for promoters and ongoing support will be provided by the Combined Authority. There will also be a requirement to scrutinise and, where necessary, challenge the carbon impact assessments that have been carried out. This will be incorporated into the audit functions carried out as part of the assurance process.
- 2.8 The incorporation of carbon impact assessment into the CA assurance process represents a significant step forward in making sure that carbon

impact can be considered by decision makers when deciding on the progress of a proposal. The changes that will be introduced will also mean that the costs and benefits of carbon will be more clearly presented to decision makers and significantly improve the transparency of carbon impacts when investment decisions are made.

- 2.9 The full recommendations from Phase 1 of the carbon impact assessment project (review of carbon impact best practice) are attached as Appendix 4. Many of these are currently being considered in the ongoing revisions to the assurance process.
- 2.10 This work on developing carbon impact assessment methodologies and incorporating carbon impact into the CA assurance process is at the forefront of developing best practice in this area. It represents an innovative joined-up approach to carbon assessment across different policy areas.
- 2.11 The third aim of the carbon impact assessment project was to assess the carbon impact of a selection of schemes currently being developed. These assessments were carried out both to attempt to understand the carbon impact of these schemes, but also to help in the development of the methodologies described above. This exercise has taken longer than expected but a substantial amount has been learnt about the practical challenges of assessing the carbon impact of schemes and this learning has been fed into the guidance that will be made available to scheme promoters. The assessments of the carbon impact of existing schemes have been completed and will be published in due course once they have been scrutinised.

3. Tackling the Climate Emergency Implications

- 3.1 The carbon impact assessment project should help decision makers to understand the implications of their decisions for carbon emissions and the climate emergency. The assessments of the carbon impacts of existing projects were carried out to attempt to inform the Combined Authority about the carbon impact of a selection of current projects.

4. Inclusive Growth Implications

- 4.1 The carbon impact assessment project should help decision makers consider carbon impact when making decisions about proposals which will have inclusive growth implications. Carbon impact is one aspect of inclusive growth which needs to be taken into account alongside other factors.
- 4.2 As for equality and diversity implications, the methodology for assessing the potential carbon impact of schemes at the early stages of project development (Stage 1 in the assurance process) should ensure these are taken into account in project design alongside inclusive growth implications.

5. Equality and Diversity Implications

- 5.1 The carbon impact assessment project does not have any direct impacts on equality and diversity. However, the methodology developed for assessing the carbon impact of schemes should help decision makers take this into account in decisions which might affect equality and diversity. Any measures necessary for addressing the climate emergency will need to be considered in terms of their impacts on equality and diversity and the work on carbon impact assessment described in this report should help decision makers to do this.
- 5.2. The methodology for assessing the potential carbon impact of schemes at the early stages of project development (Stage 1 in the assurance process) should help to guide the development of schemes and ensure project design incorporates carbon mitigation alongside equality and diversity implications.

6. Financial Implications

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

7. Legal Implications

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

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Climate, Energy and Environment Committee notes the contents of this report

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – WYCA Stage 1 (Activity 1) Carbon Assessment Guidance
Appendix 2 – WYCA Stage 1 (Activity 2) Carbon Assessment Guidance
Appendix 3 – WYCA OBC and FBC Carbon Assessment Guidance
Appendix 4 – Recommendations from Phase 1