
Report to: Climate, Energy and Environment Committee

Date: 4 October 2022

Subject: **Climate and Environment Monitoring Indicators and Response to Crisis**

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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 checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To present the latest position on the State of the Region monitoring indicators relating to Climate and the Environment.
- 1.2 To initiate a discussion on the crisis in the cost of living and doing business and the identification of activities that should be prioritised to address the crisis.

2. Information

Monitoring Arrangements

- 2.1 At its meeting on the 27 March 2022, the Climate, Energy and Environment Committee agreed a new approach to monitoring and reporting. The Committee approved a set of indicators relevant to its remit and agreed to receive regular reporting against these indicators, with this topic becoming a standard item on the Committee's agenda. These are the key regional indicators that measure the outcomes that the work of the committee is seeking to improve. Indicators will be reported on by exception i.e. when fresh data becomes available for each indicator, allowing the analysis to be updated.

- 2.2 The indicators have been incorporated into State of the Region 2022 report, the Combined Authority's annual stock-take of West Yorkshire's socio-economic performance. The State of the Region indicators are intended to provide a high level, strategic picture of performance against this priority rather than a detailed examination of operational performance of specific projects.

The Indicators

- 2.3 The core indicators agreed by the Committee are set out below. A headline overview of performance against these indicators is provided in Appendix 1:
- Greenhouse gas emissions (ktCO₂ equivalent)
 - Greenhouse gas emissions (ktCO₂ equivalent) by sector
 - Greenhouse gas emissions intensity ratio
 - Building energy efficiency
 - Premises at risk of flooding
 - Households in fuel poverty
 - Access to greenspace.
- 2.4 The analysis contained in the appendix has been updated since the July meeting of the Committee with the following changes made.
- The emissions indicators have been revised to reflect emissions of a fuller range of greenhouse gases emissions rather than carbon dioxide only
 - A chart has been added to show trend in greenhouse gas emissions vs carbon reduction pathways
 - A chart has been added to show the forecast prevalence of fuel poverty in October 2022, taking into account the government's energy price cap.
 - An updated analysis of access to local natural greenspace has been added.
- 2.5 As requested by the Committee work has been undertaken to present emissions trends in the context of a clearer picture of the required rate of reduction to achieve West Yorkshire's net zero commitments (carbon reduction pathways). A dedicated paper has been prepared under item 7 of the agenda (Carbon Budgets), covering the approach taken to this analysis and the headline results.
- 2.6 In response to a request raised at the July meeting of the Committee supplementary analysis has been included in the appendix relating to renewable energy generation in West Yorkshire.

Crisis in the Cost of Living and Doing Business

- 2.7 A paper on the crisis in the cost of living and doing business crisis was due to be presented to the Combined Authority meeting on the 9 September 2022. The meeting was subsequently cancelled due to the death of HM the Queen. The paper provides information on the latest economic and business intelligence within West Yorkshire. The paper is attached at Appendix 2. The paper does not take account of the measures announced by the Prime Minister on 7 September 2022, nor any announcements made at the emergency fiscal event. Updates on this are set out below.

- 2.8 The timing of the announcement of the governments energy support package enabled the LEP Board to discuss the measures announced at its meeting of the 21 September within the context of its substantive item on the state of the economy and the cost of living crisis. The Board welcomed the announcement of the Energy Bills Relief Scheme but emphasised the need for the CA to focus its development, advocacy and policy work around interventions which support energy efficiency in West Yorkshire businesses – building on the current high level of demand for business support products such as ReBiz. The board agreed that it was essential that there were no gaps in coverage as we transitioned from the ReBiz programme to the new CA Business Sustainability Program.
- 2.9 The announcement of the Energy Bills Relief Scheme by the government confirms a short-term commitment to provide a discount on wholesale gas and electricity prices for all non-domestic customers (including all UK businesses, the voluntary sector and the public sector such as schools and hospitals) whose current gas and electricity costs have been significantly inflated by current global energy prices. This support will be equivalent to the Energy Price Guarantee put in place for households and will run for a period of 6 months between October 2022 and March 2023. Support will be automatically available to all eligible bills and businesses will not need to take action to apply to the scheme. If businesses are on fixed contracts, the discount applied reflects the difference between the government supported price and the businesses wholesale price for the day the contract was agreed. If businesses are on varied, deemed or all other contracts, the discount reflects the difference between the government supported price and the relevant wholesale price.
- 2.10 In parallel to the announcement of the EBRs the government confirmed its intention to commission a review of the scope of EBRs in January to focus on how best to ostensibly target the most vulnerable business users. The Government set out its position that non energy intensive businesses that are less vulnerable to energy price increases should use the support provided by EBRs up until March 2023 to ensure they take action to become more resilient – presumably through improved energy efficiency measures.
- 2.11 The Board discussion focused on the key next steps the LEP and CA could take in helping businesses to respond to the cost of doing business recognising those levers we have control over and those which we need to influence.
- 2.12 The board agreed that the CA should influence central government to:
- Increase energy efficiency grants/interventions at a national level for business and consumers.
 - Create the conditions - as part of its ongoing work through the Energy Market Review and Skidmore Commission – to incentivise investment into renewable energy generation and the adoption of sustainable technologies such as hydrogen and carbon capture.
 - Decouple the link between gas and electricity prices to stimulate the consumer market for low carbon electricity.

- 2.13 Following on from detail set out in the CA Cost of Living and Doing Business paper and specific to the agenda of this Committee two projects have been identified that could be developed and delivered swiftly to provide some support in response to the crisis. They are a voucher scheme for SMEs and a retrofit booster programme.

SME Voucher Scheme

- 2.14 To assist SMEs in West Yorkshire approval is being sought from the Combined Authority at its 21 October 2022 meeting for £1,100,000 to be allocated to an energy efficiency and renewable energy voucher scheme.
- 2.15 The scheme would offer lower value (between £500 and £5,000) high intervention grants to small businesses across all sectors, supporting them to reduce energy costs.
- 2.16 As the scheme would be open to all sectors it could potentially reach a wider range of businesses than the current ReBiz programme, increasing the volume of grants that are provided and businesses that are supported.
- 2.17 If approved by the Combined Authority it is anticipated that the scheme will be operational by November, and there will be no gap in the availability of support to businesses.

Retrofit Booster Programme

- 2.18 A new programme focussing on the rapid delivery of carbon retrofit projects targeted at social housing provider properties in areas of high deprivation and low incomes. The measures e.g. insulation for floors, walls and lofts, would contribute to reducing tenant energy bills for the coming year and contribute the reduction in carbon emissions from homes in West Yorkshire.
- 2.19 The programme would target the installation of measures in approximately 1,700 properties through West Yorkshire at a cost of £6,696,850. Approval is being sought from the Combined Authority at its 21 October 2022 meeting for £4,834,429 to be allocated to the programme.
- 2.20 If approved by the Combined Authority it is anticipated that the scheme could commence during winter 2022/23 and be delivered in full prior to winter 2023/24.

3. Tackling the Climate Emergency Implications

- 3.1 The indicators and monitoring arrangements enable us to assess West Yorkshire's progress in tackling the climate emergency.

4. Inclusive Growth Implications

- 4.1 The indicators feature several with direct implications for inclusive growth, including those relating to fuel poverty, energy efficiency and access to green space. The growth of the green economy presents potential inclusion issues. Future reporting on the green economy will bring out inclusive growth implications.

5. Equality and Diversity Implications

- 5.1 State of the Region report brings out equality and diversity implications across all indicators, where availability of data allows; for example the impact of fuel poverty on different communities.

6. Financial Implications

- 6.1 The necessary financial decisions to enable the programmes to be brought forward will be taken by the Combined Authority at the 22 October 2022 meeting.

7. Legal Implications

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

8. Staffing Implications

- 8.1 The schemes detailed in the report will be delivered or managed by existing teams within the West Yorkshire Combined Authority.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Committee:
- Notes the headline analysis of the indicators.
 - Provide feedback on the proposed schemes identified to address the crisis in the cost of living and doing business.
 - Identify additional measures / schemes that could be implemented quickly or brought forward to address the crisis.
 - Provide any initial reflections on how the CA should engage with the Government's review of the Energy Bill Relief Scheme.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1: Indicator report

Appendix 2: Combined Authority Cost of Living / Cost of Doing Business Report