



NORTH AND WEST YORKSHIRE BUSINESS RATES JOINT COMMITTEE

Meeting to be held in the Ark Royal Room, Civic Hall, Leeds, LS1 1UR
on Monday, 7th October, 2019 at 11.00 am

(Members Pre-Meeting to commence at 10.00am)

MEMBERSHIP

Susan Hinchcliffe - City of Bradford MDC

Tim Swift (Chair) MBE - Calderdale MBC

Richard Cooper - Harrogate Borough Council

Shabir Pandor - Kirklees Metropolitan Council

Judith Blake CBE - Leeds City Council

Peter Box CBE - City of Wakefield MDC

Keith Aspden - City of York

Carl Les - North Yorkshire County Council

Steve Siddons - Scarborough Borough Council

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEAL AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded)</p>	
2			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration. (The special circumstances shall be specified in the minutes)</p>	
3			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF PRESS AND PUBLIC</p> <p>To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

4

APOLOGIES FOR ABSENCE

To receive apologies for absence (If any)

5

DECLARATIONS OF INTEREST

To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2000 and paragraphs 13 -18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19 - 20 of the Members' Code of Conduct.

6

MINUTES OF THE PREVIOUS MEETING

To approve as a correct record, the minutes of the previous meeting held on 27th June 2019.

(Copy attached)

1 - 4

7

MATTERS ARISING FROM THE MINUTES

To consider any matters arising from the minutes (If any)

WELCOME TO YORKSHIRE

To consider a report by the Chief Executive, Kirklees Council which sets out:

- a) The background to North and West Yorkshire Business Rates Pool Joint Committee funding of Welcome to Yorkshire (WtY).
- b) The current position of Welcome to Yorkshire and the key issues
- c) A report from the interim Chair of the Board of Welcome to Yorkshire
- d) A recommendation for future funding of Welcome to Yorkshire

(Report attached)

(Please note that Appendices 1 & 2 of this report are classified as Exempt under Schedule 12A Local Government Act 1972 and Access to Information Procedure Rule 10.4 (3) because it contains Information relating to the financial or business affairs of any particular person (including the authority holding that information)

NORTH AND WEST YORKSHIRE BUSINESS RATES POOL FINANCIAL REPORT

To consider a report of the Chief Officer Financial Services, Leeds City Council which sets out:

- a) The latest income estimate for the North and West Yorkshire Pool in 2019/20;
- b) The existing and proposed expenditure commitments for the Pool;
- c) An allocation methodology for the remaining balance;
- d) Applications from member authorities, supporting the allocation of funding;

(Report attached)

CLIMATE EMERGENCY EVIDENCE BASE

To consider a report which seeks approval for the allocation of £100,000 from the North and West Yorkshire Business Rates Pool for the project Climate Emergency Evidence Base, to be managed by the West Yorkshire Combined Authority in consultation with the York, North Yorkshire and East Riding LEP

(Report attached)

DATE AND TIME OF NEXT MEETING

To determine a date and time for the next meeting of the Joint Committee

THIRD PARTY RECORDING

Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties – code of practice

- a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
- b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

2

a)

b)

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NORTH & WEST YORKSHIRE BUSINESS RATES JOINT COMMITTEE

THURSDAY 27TH JUNE 2019

Present: Councillor T Swift (Calderdale MBC) - Chair
Councillor S Hinchcliffe (City of Bradford MDC), Councillor P Box (City of Wakefield MDC), Councillor S Pandor (Kirklees MC), Councillor R Cooper (Harrogate BC), Councillor J Blake (Leeds City Council), Councillor K Aspden (City of York Council), Councillor Les (North Yorkshire County Council) and Councillor Siddons (Scarborough Borough Council).

In Attendance: M McRae (City of Wakefield MDC), R Tuddenham (Calderdale MBC), I Floyd (York City Council), K England (City of Bradford MDC), N Edwards (Scarborough Borough Council), R Flinton (North Yorkshire County Council), M Farrington (LCC), R Ellis (LCC) C Jolley (LCC) , B Still (WYCA) and K Tomkinson (LCC)

1 ELECTION OF CHAIR

It was proposed and seconded that Councillor Swift be appointed to Chair the North and West Yorkshire Business Rates Joint Committee and upon being put to the vote it was;

RESOLVED – That Councillor Swift be appointed as the Chair of the North and West Yorkshire Business Rates Joint Committee.

2 APPEAL AGAINST REFUSAL OF INSPECTION OF DOCUMENTS

There were no appeals against the refusal of inspection of documents.

3 LATE ITEMS

There were no formal late items, however Members were provided with an updated page 4 of the agenda which set out a replacement table within the financial report. In addition to this Members received a letter from the Finance Director at Welcome to Yorkshire in respect of a Funding Agreement between this Committee and Welcome to Yorkshire.

4 EXEMPT INFORMATION - POSSIBLE EXCLUSION OF PRESS AND PUBLIC

There was no exempt information for consideration by the Committee.

5 APOLOGIES FOR ABSENCE

There were no apologies.

6 DECLARATIONS OF INTEREST

There were no declarations of any pecuniary interest made at the meeting, however both Councillors Cooper and Les brought it to the Committees attention that they were Board Members of Welcome to Yorkshire.

7 NORTH AND WEST YORKSHIRE BUSINESS RATES POOL FINANCIAL REPORT

Members considered an amended report that set out;

- a) The context in which the North and West Yorkshire Business Rates Pool had been set up;
- b) The governance arrangements and agreement for the North and West Yorkshire Pool;
- c) The current position of the North and West Yorkshire Pool, including the estimated 2019/20 financial position and the latest income projections;
- d) The proposed spending commitments for 2019/20;
- e) Further potential commitments for 2019/20;
- f) The proposed approvals required for funding provided by the Pool, including the proposed Accountability Framework for funding applications.

Members discussed in detail the various elements of the report and some Members asked that for future rounds of bidding it be recognised that not all authorities had directly benefitted from funding associated with the various cycle races and others required it to be noted that they had incurred additional expenditure as a result of the cycle races taking place in the region.

Members also discussed the timeline for bids and provisionally felt that bids should be submitted by mid-September 2019 and considered by this Committee in October 2019.

RESOLVED –

- a) To note the context and structure of the North and West Yorkshire Business Rates Pool as described in Paragraphs 1 and 2 of the report;
- b) To approve the Governance Agreement and Terms of Reference set out in Paragraph 3 and Appendices A and B of the report subject to the addition of an additional bullet point at 4.1 of the Governance agreement - Carbon Reduction;
- c) To note the projected Pool income for 2019/20 as shown in Paragraph 4 and Appendices C and D of the report;
- d) To note the report and approve the items of expenditure set out in Paragraph 5 of the report, subject to:
 - The payments to Welcome to Yorkshire being made quarterly

- and the comments from Cllr Aspden in terms of authorities not directly benefitting from cycle races being noted
- e) To note the potential areas of expenditure at Paragraph 6 in the report and that a further meeting of this Committee be held to consider the Welcome to Yorkshire Business Plan prior to approving payment of the Grant ;
- f) To note the different areas of expenditure described in Paragraph 7.1, of the report and approve the proposed funding processes as laid out in Paragraph 7.2 of the report, particularly noting WYCA's role in this process and a provisional bid submission deadline of mid-September 2019.
- g) To approve the Accountability Framework noted in Paragraph 7.3, and set out in Appendix E, subject to the addition of 'Carbon Reduction'.

8 DATE AND TIME OF NEXT MEETING

Members considered the date and time of the next meeting and agreed that 2 meetings should be scheduled;

RESOLVED – That dates be established as follows;

- 1 Early September 2019 to consider the Welcome to Yorkshire Business Plans – it was acknowledged that this meeting may eventually need to be cancelled.
- 2 Early October 2019 to consider any bids.

9 ANY OTHER BUSINESS

No other items for discussion.

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Report to: North and West Yorkshire Business Rates Joint Committee

Date: 7TH October 2019

Subject: Welcome to Yorkshire

Author: Jacqui Gedman, Chief Executive, Kirklees Council

SUMMARY

This report sets out:

- a) The background to North and West Yorkshire Business Rates Pool Joint Committee funding of Welcome to Yorkshire (WtY).
- b) The current position of WtY and the key issues
- c) A report from the interim Chair of the Board of WtY
- d) A recommendation for future funding of WtY

1. Introduction

1.1 Background

Welcome to Yorkshire was established in 2009 and is the strategic Destination Marketing Organisation for the region which aims to promote Yorkshire as the best tourist destination in the UK. It is a not for profit membership organisation, funded through income from membership, corporate membership, specific projects, sponsorship and public sector income through LA agreements. Currently WtY's funding consists of a 50:50 split of public and private sector funding.

Prior to the issues leading up to the resignation of the Chief Executive there was a strong commitment to support WtY from both the public and private sectors due to WtY's achievements in driving the Yorkshire visitor economy and the jobs that created.

The North and West Yorkshire Business Rates Pool Joint Committee previously agreed to fund subscription and activity costs to WtY for the financial year 2019/20 and this decision informed the WtY budget strategy for 2019/20.

WtY has delivered high profile, successful events across Yorkshire which has helped increase the value of tourism to Yorkshire from £6 billion in 2011 to £9 billion in 2017, and continues to maximise the Yorkshire brand.

Following the publicity surrounding the resignation of the Chief Executive, and subsequent investigations, Leaders of the North and West Yorkshire Business Rates Pool Member Authorities paused the release of funds to WtY pending assurances about clear progress on implementing recommendations from the investigations.

Since July a group of chief executives from across the Yorkshire and Humber region have worked with the WtY Board and Senior Leadership Team and provided advice, support and resources to accelerate change in key areas such as finance, recruitment, development of the business plan and overall improvements.

2. Issues

2.1 Finance

The financial position of WtY is challenging and there are cash flow issues due to a number of factors, including the one off costs associated with the investigations and the pause of and/or reprofiling of public sector funding.

As WtY is a not for profit company and does not have large cash reserves in place it was necessary for WtY to draw down from the loan facility it has had in place with North Yorkshire County Council for the past four years. The loan is repayable at a commercial market rate of interest and is secured on a property owned by WtY.

A report was commissioned on behalf of local authorities in the North and West Yorkshire Business Rate Pool to undertake a brief independent review of the financial position of WtY in order to help inform funding decisions. The report is attached as Appendix 1. ¹

Indications are that WtY can recover from the current financial situation. The contribution from the BRP is a commitment made before the resignation of the previous Chief Executive and as such has been built in to the WtY budget; consequently the organisation is reliant on this funding. Continued funding from the BRP would bring stability to the organisation and enable WtY to continue to deliver events and the boost to the local economy they bring.

The current cash flow issues have caused a delay in the increase of capacity within WtY and therefore the recommendations and improvements from the investigation reports have not been progressed at the pace required.

¹ Appendix 1 This part of the report is classified as Exempt under Schedule 12A Local Government Act 1972 and Access to Information Procedure Rule 10.4 (3) because it contains Information relating to the financial or business affairs of any particular person (including the authority holding that information)

2.2 Board Governance and Culture

The recent investigations identified significant gaps in the current governance arrangements. WtY need to strengthen governance arrangements in the organisation with particular attention to financial governance.

A review of governance arrangements is a key priority within the Improvement Plan. A plan is in place to recruit new Non-Executive Directors to the WtY board with the expectation that the recruitment will be complete no later than the end of the financial year.

2.3 Capacity

WtY has a lack of capacity in areas including Governance, Finance and HR. An increase in capacity across those functions is a key priority within the Improvement Plan. Since July local authorities across the region have offered support and some capacity in those areas, however more permanent resources are required to enable WtY to progress at the required pace.

3. Progress

The WtY Board has considered a number of options and the interim chair of WtY Keith Stewart has provided a report that outlines a range of scenarios based on different combinations of funding (Appendix 2).²

4. Recommendations

4.1. Members are recommended:

To agree to the release of the Business Rates Pool funding of £1m in 3 tranches in October, December and February conditional on:

- Recruitment to the WtY Board is carried out immediately and the new Board is in place no later than the end of the financial year
- A chief executive is recruited as soon as possible through a clear and transparent process
- Until the recruitment of the chief executive is complete Jacqui Gedman, Chief Executive, Kirklees Council is asked to provide strategic support to WtY, including authority to draw down the approved BRP funding as required
- Implementation of the recommendations in the investigation reports (Improvement Plan)
- A progress to the North and West Yorkshire Business Rates Pool Committee in December/January

² Appendix 2 This part of the report is classified as Exempt under Schedule 12A Local Government Act 1972 and Access to Information Procedure Rule 10.4 (3) because it contains Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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Originator: Victoria Bradshaw 0113 378 8540

Report to: NORTH AND WEST YORKSHIRE BUSINESS RATES JOINT COMMITTEE

Date: 7th OCTOBER 2019

Subject: NORTH AND WEST YORKSHIRE BUSINESS RATES POOL FINANCIAL REPORT

SUMMARY

This report sets out:

- a) The latest income estimate for the North and West Yorkshire Pool in 2019/20;
- b) The existing and proposed expenditure commitments for the Pool;
- c) An allocation methodology for the remaining balance;
- d) Applications from member authorities, supporting the allocation of funding;

1. Introduction

- 1.1. The North and West Yorkshire Pool was established on 1st April 2019, following a successful application to pilot 75% Business Rates Retention in 2019/20.
- 1.2. The North and West Yorkshire Pool aims to benefit the individual members and further the aims of the region as a whole. The Pool has two complementary objectives:
 - To support regional economic growth by providing support to and working in collaboration with regional partners;
 - To support the financial stability of the member authorities, both at an individual and a regional level.
- 1.3. Overall, the pilot application estimated that it would bring additional funding to the Region of £29m, of which £6.3m would be used by the pool to fund regional projects with the remaining growth being returned to member authorities to enhance their financial sustainability.
- 1.4. On 4th September 2019, the Chancellor of the Exchequer announced the Spending Round 2019, for the financial year 2020/21. Following this announcement and discussions with MHCLG (Ministry of Housing, Communities and Local Government) it is understood that business rates retention pilots at 75% were for one year only and therefore will not roll forward to 2020/21.

2. Latest Estimate Pool Income: 2019/20

2.1. Based on the latest available returns from member authorities, the estimated income figures for the 2019/20 Pool are shown in **Table 1** below:

Table 1: Projected Pool Income 2019/20

<i>Reported in:</i>	September 2018*	September 2019**
	£m	£m
"Additional growth" generated by the 75% retention pool pilot	-23.6	-27.7
Safety net payment from Pool to authorities in safety net	4.6	4.0
Balance to be shared between authorities and pool	-19.0	-23.7
Balance redistributed to member authorities:		
Based on Population (1/3 of "balance to be shared")	6.3	7.9
Based on Growth (1/3 of "balance to be shared")	6.3	7.9
Balance retained by the Pool (1/3 of "balance to be shared")	6.3	7.9
	19.0	23.7

* Based on projections during Pilot application

** Based on NNDR1 returns

2.2. As can be seen in **Table 1** above, additional growth and consequently the balance retained by the Pool is estimated to be higher than originally calculated during the Pilot application process.

2.3. However, Pool members should remain aware that the additional growth is subject to business rates growth in member authorities being realised. As Members will appreciate, because of the inherent volatility of business rates income, the 2019/20 estimate is, at best, tentative.

3. Existing and Future Commitments

3.1. The Joint Committee will recall that at the Pool meeting on 27th June 2019, commitments, to the value of £1.71 million were agreed. A further £1 million was noted for Welcome to Yorkshire's business plan and £0.18 million for a Screen Yorkshire grant application, both requiring further information to be provided to the Joint Committee. The Welcome to Yorkshire business plan will be presented at **Agenda Item No. 8**. These commitments are shown in Table 2 below.

3.2. Also shown in Table 2 are a number of further additional commitments to be agreed by the Joint Committee:

- Welcome to Yorkshire Subscriptions 2020/21 – Forward funding subscriptions costs for Member Authorities for the financial year 2020/21: **£0.32 million**.
- Secretariat Functions in North Yorkshire and West Yorkshire 2020/21 – Forward funding the LEP Secretariat costs for Member Authorities for the financial year 2020/21: **£0.82 million**.

- Combined Authority Transport Fund 2020/21 – Forward funding the Transport Fund contributions for Member Authorities in the Leeds City Region area: **£0.70 million**.
- Tour de Yorkshire starts/finishes 2020/21 – Forward funding the hosting fee for 2020/21 for Member Authorities. As the route is not yet known this is indicative based on seven starts/finishes: **£0.70 million**.
- Tour de Yorkshire North Yorkshire County Council hosting fee 2019/20 – At the Joint Committee meeting on 27th June, it was raised that NYCC incurred a hosting fee for Tour de Yorkshire, payable to Amaury Sport Organisation. This is in addition to the hosting fee incurred by the individual North Yorkshire Districts. As such, it meets the same criteria as the approved Tour de Yorkshire 2019 commitments for start/finish host authorities, and add this commitment to the Tour de Yorkshire 2019 expenditure: **£0.10 million**.
- Screen Yorkshire 2021/22 – Forward funding a commitment to Screen Yorkshire for 2021/22. Screen Yorkshire made an application to the Leeds City Region Pool to fund the Screen Industries support programme. The LCR Pool funded £0.18 million the first year (2019/20) with the NWY Pool noting the potential commitment of £0.18 million for the second year (2020/21), from the 2019/20 pilot monies. The Screen Yorkshire funding ties in to a three year match funding agreement with the BFI, and as such a third year (2021/22) of funding is included in **Table 2: £0.18 million**.
- Low Carbon 2019/20 – Funding made available from the estimated balance to meet the Pool’s Strategic Aim of Low Carbon. WYCA will identify a relevant piece of work that can be used to progress the Pool’s aim. This will be presented by colleagues from WYCA at **Agenda Item No.10: £0.10 million**.

Table 2: North and West Yorkshire Pool Commitments and Remaining Balance

North and West Yorkshire Pool		£m	£m
2019/20 Estimated Income			-7.91
Commitments agreed 27/06/19			
Welcome to Yorkshire subscriptions	2019/20	0.32	
Tour de Yorkshire	2019/20	0.55	
UCI Cycle Race	2019/20	0.60	
Secretariat Functions (NY)	2019/20	0.20	
Lead Authority Administration Costs	2019/20	0.03	
Subtotal Agreed Commitments:			1.71
Potential Commitments noted 27/06/19			
Welcome to Yorkshire draft business plan	2019/20	1.00	
Screen Yorkshire	2020/21	0.18	
Subtotal Potential Commitments			1.18
Remaining Balance to fund further activities			-5.03
Possible Additional Commitments			
Welcome to Yorkshire subscriptions	2020/21	0.32	
Secretariat Functions (NY+WY)	2020/21	0.82	
Combined Authority Transport Fund	2020/21	0.70	
Tour de Yorkshire starts/finishes (£100k x 7)	2020/21	0.70	
Tour de Yorkshire (NY CC)	2019/20	0.10	
Screen Yorkshire	2021/22	0.18	
Low Carbon	2019/20	0.10	
			2.92
Remaining Balance to be allocated to member authorities			-2.11

4. Allocation of Remaining Balance

- 4.1. Taking into account the above commitments, this leaves a remaining projected balance of £2.11 million to be allocated to member authorities. This remaining balance is subject to business rates growth in member authorities being as expected. There is always an inherent risk around the volatility of business rates, and the actual income to the Pool could fall below the values we are estimating. Should that happen, and if the Pool's commitments exceed the Pool's income, member authorities will be required to fund the difference in accordance with the governance agreement.
- 4.2. Following an informal discussion of the North and West Yorkshire Joint Committee, it is proposed that this residual remaining balance of £2.11 million will be allocated to member authorities, based on population and growth and in accordance with the Pool's governance agreement. Estimated allocated balances are as shown at **Appendix A**. Members are now asked to formally agree this proposal, noting the estimated balance used and potential risk identified at **Paragraph 4.1** above.

4.3. In order to access this funding, member authorities have completed a simple proforma application to identify how this share of the funding would be used to meet the Pool's Strategic Aims. The application process has been used to demonstrate that Pool funds will continue to be used to meet the Pool's Strategic Aims. The application process is shown at **Appendix B**.

4.4. The Member Authority applications will be shown at confidential **Appendix C**. This additional information will be circulated later.

4.5. The Joint Committee are asked to note and approve these applications.

5. Recommendations

5.1. Members are recommended:

- a) To note the latest estimated income to the Pool for 2019/20 at **Paragraph 2** and Table 1
- b) To approve the commitments listed at **Paragraph 3.2** and summarised in **Table 2**, noting the remaining estimated balance;
- c) To approve the method used in allocating the remaining balance, as shown at **Paragraph 4.2** and **Appendix A**;
- d) To note the application process described at **Paragraph 4.3** and **Appendix B**;
- e) To approve the applications submitted by member authorities, referenced at **Paragraph 4.4** and shown at **Appendix C** (information to be circulated later).

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Estimated Allocation of Surplus to Member Authorities

Based on Growth + Population:

North and West Yorkshire Pilot Authorities	Bradford	Calderdale	Kirklees	Leeds	Wakefield	York	North Yorkshire Area *	Total
	£	£	£	£	£	£	£	£
Balance to be shared between Authorities								-2,110,000
Balance redistributed to member authorities:								
Based on Growth (1/2 of "balance to be shared")	-97,135	-51,551	-50,644	-400,848	-199,986	-89,758	-165,078	-1,055,000
Based on Population (1/2 of "balance to be shared")	-181,073	-71,093	-148,120	-264,942	-114,157	-70,618	-204,996	-1,055,000
Total to member authorities	-278,209	-122,645	-198,764	-665,790	-314,143	-160,376	-370,074	-2,110,000

* North Yorkshire Area: The two tier system requires an additional redistribution calculation	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	North Yorkshire County	Total North Yorkshire Area
	£	£	£	£	£	£	£	£	£
Balance redistributed to NY member authorities:									-370,074
Based on NY 2-tier split (County share)								-185,037	-185,037
Based on Growth (1/2 of District share)	-9,960	-16,247	-29,471	-2,599	-9,578	-24,663	0	0	-92,518
Based on Population (1/2 of District share)	-8,613	-13,848	-23,909	-8,219	-8,181	-16,492	-13,256	0	-92,518
Total to member authorities	-18,572	-30,095	-53,380	-10,818	-17,760	-41,156	-13,256	-185,037	-370,074

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North and West Yorkshire Business Rates Pool: 2019/20
Process for Member Authorities to apply for allocated funds

Member Authorities to follow the process below to apply for allocated funds:

1. Note balance of funds allocated to Member Authority (Appendix B of attached Briefing Note).
2. Complete proforma to apply for funds, referencing the Strategic Aim to which the application refers (Appendix C of attached Briefing Note).
3. All applications to be received by Leeds City Council by 26th September for inclusion in October's financial report.

Subsequent Actions:

1. Lead Authority to table applications at meeting on 7th October
2. Joint Committee to approve applications (or otherwise)

Members Authorities should remain aware that the **Estimated Income (Table 1)** is subject to business rates growth in member authorities being as expected. It is possible that actual income to the Pool could fall below the values we are estimating. Should that happen, and if the Pool's commitments exceed the Pool's income, member authorities will be required to fund the difference in accordance with the governance agreement.

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Report to: North and West Yorkshire Business Rates Pool

Date: 7 October 2019

Subject: **Climate Emergency Evidence Base**

Author(s): Noel Collings, Policy Officer

1 Purpose of this report

- 1.1 To gain approval for the allocation of £100,000 from the North and West Yorkshire Business Rates Pool for the project Climate Emergency Evidence Base, to be managed by the West Yorkshire Combined Authority in consultation with the York, North Yorkshire and East Riding LEP.

2 Information

- 2.1 There are increasingly urgent calls at an international, national and local level to address the impacts of climate change and to set ambitious emission reduction targets.
- 2.2 The catalyst for these urgent calls was the Paris Agreement on Climate Change (Paris Agreement) which set out the need to keep global temperature rise to well below 2°C and to pursue efforts to keep the rise to 1.5°C above pre-industrial levels.
- 2.3 The Special Report of the Intergovernmental Panel on Climate Change (IPCC) further enhanced the need to act, setting out the impacts of global warming above 1.5°C.
- 2.4 In light of the Paris Agreement and IPCC Special Report and the need to address the impacts of climate change, a large number of local authorities across the country have declared climate emergencies, including 9 of the 13 local authorities that make up North and West Yorkshire. The West Yorkshire Combined Authority (Combined Authority) has also declared a climate emergency. The UK Government has also declared a climate emergency.

National, regional and local targets

- 2.5 The UK Government has recently strengthened its emission reduction target enshrined in the Climate Change Act. The Act now requires the UK to be net-

zero¹ greenhouse gas emissions by 2050 (the previous target was an 80 percent reduction in emissions by 2050).

- 2.6 The Leeds City Region has strengthened its emission reduction target, and several local authorities have set their own emission reduction targets e.g. Leeds and York (zero-carbon by 2030).

Climate Emergency Evidence Base

- 2.7 Addressing the climate emergency will require all sectors and society to reduce emissions to virtually zero. In order to deliver change at the pace and scale which is necessary, there is a need to increase knowledge, understanding and capacity across North and West Yorkshire.
- 2.8 As such there is a clear need to provide support and assistance to local authorities to enable them to begin to deliver against their climate emergencies and various targets.
- 2.9 The Climate Emergency Evidence Base ask to the Business Rates Pool for North and West Yorkshire would:
- Act to strengthen regional and local understanding of where local authorities should be focussing their resources to achieve the largest emission savings.
 - Facilitate the delivery of interventions which will enable local authorities to address the climate emergency.
 - Enable delivery to be accelerated in line with the urgency of needing to act.
- 2.10 The project would utilise £100,000 of Business Rates Pool funding for consultancy work to help local authorities to make decisions and implement interventions that would address the climate emergency.
- 2.11 The project would also enable a collaborative approach to be taken to addressing the climate emergency across North and West Yorkshire, achieving economies of scale and maximising the efficiency of the existing collective resource.
- 2.12 While subject to further consultation with local authorities, the initial options for work to be funded through this project are:
- North and West Yorkshire Emission Reduction Pathways
 - Large-Scale Solar PV Constraints Study

¹ Net-zero requires deep reductions in emissions, with any remaining sources offset by removals of emissions from the atmosphere e.g. by afforestation. Net emissions, after accounting for removals, must be reduced by 100 percent, to zero.

- Public Sector as Market Makers, including procurement guidance and mechanisms
- Local Authority emission baselines and interventions
- Tree Planting and Peatland Recovery Project Pipeline

2.13 Each of the proposed projects outlined above would help to support delivery against the climate emergency, whether this is through the development of a more robust evidence base on which to base decisions, or the identification of interventions that could be implemented by local authorities.

2.14 £100,000 will not fund all of the projects fully. Therefore Members of the Pool are asked to indicate which of the projects should be prioritised. Officers will then work to refine the preferred proposals.

2.15 More details on the proposal can be found in **Appendix 1**.

3 Recommendations

3.1 To approve the allocation of £100,000 from the North and West Yorkshire Business Rates Pool to the West Yorkshire Combined Authority for the North and West Yorkshire Climate Emergency Evidence Base.

3.2 To express any preferences for prioritising the proposed projects in the event that the funding is insufficient for all of them.

3.3 To endorse the proposed governance arrangements outlined in Appendix 1.

4 Appendices

Appendix 1 – North and West Yorkshire Business Rates Pool 2019-20 Proforma – Climate Emergency Evidence Base.

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North and West Yorkshire Business rates pool 2019 - 20

Lead organisation	West Yorkshire Combined Authority
Name of project	Climate Emergency Evidence Base
Area project covers	North and West Yorkshire
Lead contact	Jacqui Warren / Noel Collings
Accountable officer (within Authority)	Alan Reiss
Total cost of project	£100,000
Total BRP funding requested	£100,000

Project details	
Theme your project is applying under:	Low Carbon
Project description	
<p><u>Summary</u></p> <p>Nine of the 13 local authorities plus the West Yorkshire Combined Authority (Combined Authority) that make up North and West Yorkshire have declared climate emergencies, committing them to acting to address increasing emissions.</p> <p>This project will help to develop the evidence base that will enable local authorities to have a better understanding of how and where they should focus their efforts to address the climate challenge. The evidence base which is developed as part of this project will ultimately lead to the development and delivery of interventions that reduce emissions and provide resilience to a changing climate across the region.</p> <p>Funding allocated to this project through the Business Rates Pool will be used for several discrete consultancy pieces of work that:</p> <ul style="list-style-type: none"> • Act to strengthen regional and local understanding of where public authorities should be focussing their resources to achieve the largest emissions savings. • Facilitates the delivery of interventions which will enable public authorities to address the climate emergency. • Enables delivery to be accelerated in line with the urgency of needing to act. <p><u>Key activities to be funded as part of the project</u></p> <p>The project will fund up to five discrete consultancy pieces of work that further regional and local knowledge of the interventions, activity and mechanisms that are required to address the climate emergency. Key requirements of each piece of</p>	

consultancy work will be to facilitate the delivery at pace and scale of interventions that reduce emissions and improve climate resilience.

While subject to further consultation with local authority officers, the initial list of work that could be funded through this project is:

- **North and West Yorkshire Emission Reduction Pathways:** identify the sector-specific interventions, their costs and delivery timetable which will contribute to the region becoming net-zero carbon. A budget has already been secured for this work from the Combined Authority and the North East, Yorkshire and Humber Energy Hub in respect of the Leeds City Region and how to make progress towards the declared net-zero carbon by 2038 target. However, the additional funding provided through the Business Rates Pool will allow the work to be extended to the whole of North and West Yorkshire and for more detailed modelling and scenario development to be undertaken.
- **Local Authority Emission Baselineing:** producing emission baselines of existing local authority operational activities e.g. energy use in buildings, fuel use in fleet vehicles. There is a need to increase the level of knowledge across local authorities of where to prioritise investment to address the climate emergency.
- **Large-Scale Solar PV Constraints Study:** aiming to develop a pipeline of large-scale solar PV installations that could act as a joint investment project for local authorities in North and West Yorkshire. The project would be focussed on where current, and potential, local authority assets could be used to site large-scale solar installations. The information generated through this project could be used to seek a joint venture partner to undertake the development and delivery of the solar PV installations.
- **Public Sector as Market Makers:** developing the understanding of how and where the different powers, e.g. legal, financial, ownership, that local authorities have available to them can be used to stimulate the market to deliver against the climate emergency ambitions. This piece of work is likely to include a review of existing procurement strategies and how these can be refreshed to include the climate change agenda and the development of evaluation methodologies that build carbon reduction into procurement processes.
- **Tree Planting and Peatland Recovery Project Pipeline:** aiming to develop a strategic pipeline of tree planting and peat recovery schemes that could bid into future funding streams e.g. Northern Forest, Shared Prosperity Fund, Environment Land Management Scheme.

It is unlikely that £100,000 will fund all the projects identified above fully, therefore Members of the Pool are asked to indicate which of the project should be prioritised. Officers will then work to refine the preferred proposals.

Strategic fit

Clean growth, the reduction of emissions and the protection of the natural environment are key to the productivity and growth of North and West Yorkshire. Indeed, the emerging Local Industrial Strategies for the Leeds City Region and York, North Yorkshire and East Riding identify clean growth and emission

reduction as key priorities. This reflects the importance placed on the clean growth agenda at a national level with a Clean Growth Grand Challenge incorporated into the national Industrial Strategy. This project will make a direct contribution to the clean growth agenda at a regional level through the identification of interventions that reduce emissions and improve the natural environment.

In addition, the Leeds City Region Strategic Economic Plan (SEP) has the creation of a zero-carbon economy underpinned by high-quality green and blue infrastructure as a key ambition and identifies energy and environmental resilience as one of four priorities for the City Region. Again, this project will make a direct contribution to achieving the ambition and priority through the identification of interventions that reduce emissions and improve the natural environment.

Both the Leeds City Region and York, North Yorkshire and East Riding LEPs have recently completed Energy Strategies. These strategies begin the process of identifying the interventions that could be implemented to address climate change and reduce emissions within an energy context. This project will supplement the outputs of both strategies enabling the region to have a better understanding of where resources and funding should be targeted.

Climate emergencies have been declared by several local authorities in North and West Yorkshire. This replicates a trend that is being seen across the UK. By declaring a climate emergency local authorities are making a public commitment to address the causes of climate change and implement interventions that reduce emissions. This project will provide the evidence base on which local authorities can base their response to their respective climate emergencies.

The Tyndall Centre for Climate Change has recently developed an emission reduction target and carbon budget for North and West Yorkshire. To comply with the Paris Agreement on Climate Change the region should aim to be zero carbon by 2039 and to remain within a carbon budget of 134 MtCO₂ over the period 2018 to 2100. This equates to achieving savings of 13.5 percent per year. This project will help to identify the interventions that will deliver the pace and scale of change required.

Problem / Opportunity

The following problems and opportunities have been identified which this project seeks to address:

- The opportunity of transitioning to a zero-carbon economy was articulated in the Leeds City Region Energy Strategy and Delivery Plan. High-level modelling suggested that the transition could be worth over £11 billion in GVA and 100,000 jobs. This project will begin to identify where these financial benefits could be made.
- Nine of the 13 local authorities, plus the Combined Authority, that make up North and West Yorkshire have declared climate emergencies. An almost complete decarbonisation of all elements of society will be required if local authorities are to deliver against their climate emergencies. This project will provide some answers on how local authorities can deliver against their climate emergencies.
- Local authorities that have declared climate emergencies are all developing their local response. It is likely there will be synergies between each

response and economies of scale and efficiency of resources could be made by working on this agenda at a regional level. Given the regional focus of this project, it will enable these benefits to be achieved.

- Alongside the declaration of climate emergencies several local authorities have also set challenging emission reduction targets e.g. zero-carbon by 2030 (Leeds City Council and City of York Council). As with point two this project will provide some answers on how local authorities can deliver against these targets.
- Across North and West Yorkshire there is a need to increase the level of knowledge to deliver against the climate emergency declarations. This project will provide added capacity, knowledge and evidence on how to reduce emissions.
- While there is some evidence for North and West Yorkshire that can be used to prioritise interventions for delivery e.g. Energy Strategies for the Leeds City Region and York, North Yorkshire, and East Riding, there is a need for additional, robust evidence on which investment decisions, funding bids and resource asks can be based. This project will provide this information.

Project outputs and outcomes

The outputs of the project are:

- North and West Yorkshire Emission Reduction Pathways
- Large-Scale Solar PV Constraints Study
- Public Sector as Market Makers Study, including specific procurement guidance and mechanisms
- Local Authority emission baselines and interventions
- Pipeline of tree planting and peatland recovery schemes

The outcomes of the project are:

- Strengthened regional and local understanding of where local authorities should be focussing their resources to achieve the largest emission savings.
- Better understanding of the interventions that need to be implemented to address the climate emergency.
- Acceleration of the delivery of interventions in line with the pace and scale of change that is required to deliver against climate change commitments.

Timescales for delivery

It is proposed that the project begins in October 2019 and is completed by May 2020.

Governance and accountability

The proposed governance and accountability arrangements for the project are:

- The Senior Responsible Officer (SRO) for the project is Alan Reiss, Director Policy, Strategy and Communication for the West Yorkshire Combined Authority.
- The project managers for the delivery of the project are Jacqui Warren, Head of Energy and Sustainability, Noel Collings, Policy Officer for the West Yorkshire Combined Authority, and Katie Thomas, Circular Economy and Low Carbon Lead for the York, North Yorkshire and East Riding LEP.
- The Green Economy Panel of the Leeds City Region Enterprise Partnership (the LEP) will act to oversee progress and advise on project related matters.
- Update reports on progress will be reported to the Business Board of the York, North Yorkshire and East Riding LEP and North Yorkshire County Council.
- The Chief Executive of Harrogate Council as Lead Chief Executive for Energy in the Yorkshire and Humber will be provided with regular updates on progress to deliver the project.
- Engagement and input will be sought on the individual consultancy pieces from local authorities across the region.
- Other relevant panels of both LEPs will be engaged with on an as and when basis.

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