Notice of a public meeting of

Corporate Services, Climate Change and Scrutiny Management Committee

To: Councillors Fenton (Chair), Merrett (Vice-Chair), Ayre, B Burton, Coles, Healey, Melly, D Myers, Rose, Rowley, K Taylor, Waller and Widdowson

Date: Monday, 20 January 2025

Time: 6.00 pm

Venue: West Offices - Station Rise, York YO1 6GA

AGENDA

1. Apologies for Absence
To receive and note apologies for absence.

2. Declarations of Interest (Pages 7 - 8)
At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

[Please see the attached sheet for further guidance for Members.]

3. Minutes (Pages 9 - 12)

To approve and sign the minutes of the meeting held on 9 December 2024.

4. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee. **Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings.** The deadline for registering at this meeting is **5:00pm on Thursday, 16 January 2025.**

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of this agenda.

Webcasting of Public Meetings

Please note that, subject to available resources, this meeting will be webcast including any registered public speakers who have given their permission. The meeting can be viewed live and on demand at www.york.gov.uk/webcasts.
During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

5. Social Value Policy (Pages 13 - 62)

Members will consider the draft City of York Council Social Value Policy.

6. Major Projects - Castle Gateway Update (Pages 63 - 78)

This report summarises the steps that have been taken to progress the Castle Gateway project, in line with the decisions that were made in November 2023.

7. Development of a Carbon Offsetting/Insetting Strategy (Pages 79 - 164)

This report provides a summary of the key research findings relating to carbon offsetting/insetting. It defines a draft set of best practice principles to underpin any emerging strategy. It also identifies an approach the council could take to directly address its organisational residual emissions and contribute towards addressing city-wide residual emissions using carbon offsetting/insetting.

8. Work Plan (Pages 165 - 172)

To consider the work plans for the committee and for scrutiny overview.

9. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:
Jane Meller

Contact details:

- Telephone: (01904 555209)
- Email: jane.meller@york.gov.uk

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
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Contact details are set out above.

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我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

Declarations of Interest – guidance for Members

(1) Members must consider their interests, and act according to the following:

Type of Interest	You must
Disclosable Pecuniary Interests	Disclose the interest, not participate in the discussion or vote, and leave the meeting unless you have a dispensation.
Other Registrable Interests (Directly Related) **OR** Non-Registrable Interests (Directly Related)	Disclose the interest; speak on the item only if the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting unless you have a dispensation.
Other Registrable Interests (Affects) **OR** Non-Registrable Interests (Affects)	Disclose the interest; remain in the meeting, participate and vote unless the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item only if the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting unless you have a dispensation.

(2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.

(3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations,

and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.

City of York Council	Committee Minutes
Meeting	Corporate Services, Climate Change and Scrutiny Management Committee
Date	9 December 2024
Present	Councillors Fenton (Chair), Merrett (Vice-Chair), Ayre, B Burton, Coles, Crawshaw, Healey, Rose, Widdowson, Whitcroft, Steward (Substitute for Cllr Rowley), K Taylor (Substitute for Cllr Melly) and Vassie (Substitute for Cllr Waller)
In Attendance	Cllr Lomas, Executive Member, Finance and Major Projects
Officers Present	Claire Foale, Interim Director, City Development Debbie Mitchell, Director of Finance Ian Cunningham, Head of Business Intelligence Shaun Gibbons, Head of Carbon Reduction

36. Apologies for Absence (5.31 pm)

Apologies were received and noted from Cllrs Melly, Rowley and Waller.

37. Declarations of Interest (5.31 pm)

Members were asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on the agenda, if they have not already done so in advance on the Register of Interests.

None were declared.

38. Minutes (5.31 pm)

Resolved: That the minutes of the last meeting held on 11 November 2024 were approved as a correct record.

39. Public Participation (5.33 pm)

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Debby Cobbett spoke on Item 7, York Climate Commission Update. She raised some concerns regarding the accuracy of the report, noting some omissions to the working groups and highlighting that the Commission's website was out of date. She also urged the city to sign up to the fossil fuel non-proliferation treaty.

40. York Central Update (5.38 pm)

The Interim Director, City Development, presented the update to the committee and, together with the external partners, responded to questions from Members.

Members asked questions covering issue resolution, the provision of housing, including affordable housing, office space, including civil service accommodation, progress against funding and payback period, ward councillor and resident communications and sustainability.

It was reported that:

- An internal officer group had been put together to speed up the resolution of issues within the council remit.
- The provision of commercial space was needed, as the city lacked a central business district; the office accommodation was designed to provide for the core technologies already present in the city, to enable industry growth and to provide jobs for graduates in these industries.
- The Government Property Agency (GPA) act of behalf of various government departments, to arrange the co-location of departments to share costs. These offices operate at around 40% occupancy.
- The funding position was on track and the payback period had been extended, as part of the devolution deal, to 2054.
- Partners were aiming to achieve at least 40% affordable housing, subject to a government spending review due in 2025.
- Phase one would deliver 1,000 homes over two years.
- There would be a consultation to decide how to invest the community fund. They would continue to work Ward Cllrs and with residents on the consultation and to communicate safety messages.
- Sustainability was a particular focus for all the project partners, the submitted plans were baseline proposals. Timber frame buildings were an aspiration for the whole scheme. The development was planned to be 'car light', to create a modal shift away from cars.

- The 6,500 jobs to be created were permanent and unrelated to the construction phase of the development.

Resolved: That the report be noted.

Reason: To keep the Committee updated on the progress of the York Central project.

41. Finance and Performance Monitor 2 2024/24 (7.05 pm)

The Director of Finance presented her report on the projected financial position for 2024/25 and the performance position for April-September 2024. The Head of Business Intelligence noted that previous Member requests relating to benchmarking for energy performance certificates, carbon emissions data and freedom of information requests had been included in the report.

Members asked a range of questions which covered carbon emissions, customer call centre response times, housing benefit processing times, staff numbers and response times to complaints and FOI requests.

Officers reported that data was held on department wait times for call response, this information could be included in future reports. Response times had increased recently due to the garden waste initiative. The housing benefit measure related to the Department of Work and Pensions performance; officers agreed to liaise with customer services to look at CYC processing times. The risk increase for large projects related to the York Station Gateway.

The Executive Member for Finance and Major Projects reported that there was a system in place to add additional resources to customer services when a higher level of demand is anticipated. She also stated that the rise in staff numbers was a result of a cost saving strategy to reduce agency workers. A permanent work force also meant that the council was a good employer.

Resolved:

i. That the finance and performance information be noted.
ii. That the continued work to identify savings be noted.

Reason: To ensure that expenditure was kept within the approved budget.

42. York Climate Commission Update (7.24 pm)

The Executive Member for Environment and Climate Emergency was unable to attend the meeting and the Chair therefore asked Members to consider what should be included in a future report which would be rescheduled in the new year. Members made the following suggestions:

- Provide the Terms of Reference for the York Climate Commission (YCC), to provided context.
- Examples of good practice.
- How scrutiny could support the work of the YCC.
- The role of the Combined Authority.
- Reports from the working groups on what had been achieved to date.

It was also noted that the website was out of date and should be updated.

Resolved: That the item be added to the work plan and brought back to the committee at a future date, to be agreed by the Chair and Vice-Chair.

Reason: To ensure that the Committee has an opportunity to review the work of the YCC.

43. Work Plan (7.40 pm)

Members considered the committee's work plan and the scrutiny work plan for the four scrutiny committees.

Resolved: That the work plans be noted.

Reason: To ensure an overview of the scrutiny work programme.

Cllr S Fenton, Chair
[The meeting started at 5.30 pm and finished at 7.41 pm].

Corporate Services, Climate Change and Scrutiny Management Committee **20 January 2025**

Report of Director of Finance

Social Value Policy

Summary

1. This is a short covering report for the draft City of York Council Social Value Policy which is appended for the consideration of Corporate Services, Climate Change and Scrutiny Management Committee and to gather feedback in shaping the final version of the policy.

Background

2. The council's Social Value policy outlines the council's approach to Social Value, how this is to be implemented, managed and maintained. It clearly shows the connection to the Council Plan and the four core commitments made, in addition other criteria factors are included which fits into the Social Value Outcome Framework (annex 2).

Consultation

3. The Social Value policy (annex 1) has been developed in consultation with officers across the corporate structure and through learning and best practice taken from taken from regional and national procurement forums.

The Social Value Policy outcomes framework (annex 2) was initially created by NHS North of England Commercial Procurement Collaborative (NOE CPC) on behalf of Humber and North Yorkshire Procurement Collaborative and City of York Council. It is intended to be used as guidance when embedding social value within public procurement in, or for the city.

It has been further developed by the council's internal policy network to ensure it reflects the council's 10-year strategies and Council Plan commitments. Following this, it has been refined in collaboration with

York CVS and shared with the Pride of Place Group, a panel of private sector partners hosted by Aviva to explore the extent to which the private sector could also incorporate shared social value outcomes in their procurement activity.

The Social Value Policy Outcomes Framework is a live document that will continue to evolve. It provides guidance and a steer for contract managers to focus on a smaller number of outcomes, aiming to use the collective purchasing power of council and partners achieve more for the city.

The council are exploring options to measure the value of social value and the extent to which the outcomes drive the changes anticipated in the annex.

Council Plan

4. The Social Value policy directly references and supports the Council Plan. The four core commitments have been recognised, referenced, and imbedded into the Social Value policy to help the council achieve its vision. The four core commitments will be used to help determine Social Value outcomes and link into other Social Value requirements to achieve the strategic goal.

Implications

5. The policy has been designed to have positive implications on Social Value, there are not considered to be any negative implications for the council from developing and implementing the policy.

Risk Management

6. There are not to be any risks from developing and implementing this Social Value policy.

Recommendations

7. Members of the Corporate Services, Climate Change and Scrutiny Management Committee are asked to:

   Consider and provide feedback on the draft City of York Council Social Value policy set out in Annex 1 for consideration in completing the final version of the policy.

Reason: To give the opportunity for the Committee to have input into the development of the final policy.

Contact Details

Author:	**Chief Officer Responsible for the report:**
Chloe Wilcox Head of Procurement Commercial Procurement chloe.wilcox@york.gov.uk	Debbie Mitchell Director of Finance **Report Approved** Y **Date** 08/01/2025

Wards Affected: **All** X

For further information please contact the author of the report

Background Papers:

None

Annexes

Annex 1 – Draft City of York Council Social Value Policy
Annex 2 – City of York Council Social Value Outcome Framework

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Annex 1

City of York Council
Social Value Policy

Contents

Introduction to City of York Council's Social Value Policy

This policy outlines City of York Council's approach to social value through the procurement process whilst incorporating core commitments from the Council Plan.

As a council we spend £140m on goods and services each year, more than any other organisation in the city. This provides the council with significant leverage to incentivise suppliers to be more sustainable in their practices and to encourage the organisations we buy from to deliver additional social, environmental, and economic benefits to the city and to the residents of York.

This policy sets out City of York Council's commitment to embedding social value into its procurement and commissioning processes, creating a supply chain that helps us work towards our strategic priorities, achieving targets and bettering the city for our residents.

We aim to maximise the value of every pound we spend, and we must work with developers, suppliers, our partners, and local communities to create and develop opportunities for the local economy, local wealth building and retention to help to achieve our social value requirements. As service delivery increasingly shifts to external providers, this will become ever more important part of the council's aspiration to become a more sustainable and resilient city.

The council include a minimum of 10% weighting in the decision-making award criteria for our procurements, and in 2020, Government issued a National Procurement Policy Statement (PPN06/20) which requires Contracting Authorities such as the council to have regard to social value and national priority outcomes.

The statement will also enable us to meet our legal obligations set out in the Social Value Act (2012). The Act places an obligation on the council to have regard to economic, social, and environmental wellbeing within any procurement for public sector contract which are subject to the Procurement Act 2023.

This policy and the legislative requirements, necessitate our consideration of social value at the earliest possible opportunity in our procurements, and ensure we meet our obligations as well as achieving our objectives. The council endeavours to not only meet the legal requirements, but exceed them, through consideration of Social Value within all procurement activity.

Policy brief and purpose, Council Plan Commitments

City of York Council's Social Value policy outlines our commitment towards measuring and managing the Social Value our organisation is creating. We understand that this process is important, and our priorities have been linked to the Council Plan 2023-2027.

The council's Council Plan (2023-2027) sets a strong ambition to increase opportunities for everyone living in York to live healthy and fulfilling lives. It builds on our strengths, to help us prepare for the future, and improve the quality of life for residents today.

The Council Plan identifies what the council will aim to deliver with partners over the next four years. It is important that we are both ambitious and realistic. We will focus the council's limited resources where it will make the biggest difference, whilst exploring innovative ways to attract investment into the city.

By focusing on our core commitments at all stages of decision making, those outcomes that are most important to us - creating equal opportunity, finding innovative ways to make the city more affordable, tackling climate change, and improving health and wellbeing - we will improve the lives of residents now and for generations to come.

There are 4 core commitments City of York Council believe to be the key parts to achieve the Council vision of healthier, fairer, more affordable, more sustainable, and more accessible city where residents feel valued. As such, the Social Value policy has captured these commitments and made it the heart of the policy. These are:

i. Equalities and Human Rights

ii. Affordability

iii. Climate

iv. Health

Scope of the policy

Whilst the above commitments are fixed, suppliers may propose to deliver social value in any number of ways. This is to cater for the varied nature of public sector contracts; encourage innovative approaches to service delivery; and ensure that any benefits meet specific local needs. There is no "one size fits all" model and each procurement exercise will be different and require different outcomes.

This Social Value policy applies to all procurement activity undertaken at the council and each procurement will capture one of the commitments detailed above, but also other areas of high focus such as:

i. Community Engagement

ii. Charity Engagement

iii. Apprenticeships

iv. School, College, and University Engagement

v. Work Placements

vi. Supporting the Local economy – Use of local businesses

vii. Supporting local and sustainable food suppliers and maximise sustainable and fair-trade food

Section One: Understanding change and management

Understanding change

City of York Council will ensure that our approach to understanding change is:

- Outcomes rather than objectives-focused

We will involve our stakeholders and markets in our Social Value journey and ensure we are able to evidence Social Value achievements and encourage creative and innovative solutions to be driven through spend activity.

- Celebrate success

We will celebrate successful Social Value outcomes and feedback to stakeholders to help drive success across further procurements and spend activity. We will inform and engage with markets to highlight expectations and explain how this must be monitored during the contract term for continuous improvement.

- Identify areas of improvement

We will actively monitor areas of improvement to ensure the appropriate Social Value is applied. Social Value will form part of the legal contract which will enable City of York Council to hold suppliers accountable if poor performance occurs. We will actively seek assurances from suppliers on how they intend to deliver and monitor Social Value as part of the contract and imbed those assurances into the contract.

Section Two: Driving Social Value in submissions

Submission requirements

To ensure good quality social value submissions from the market, the following principles are required in any future tenders:

i. The submission clearly delivers and against one or more social value objectives or the four core commitments

ii. The submission clearly defines the social value additionality offered during the lifetime of the contract

iii. The submission clearly references how this delivers against specific aspects of the service specification

iv. The submission clearly defines any legacy intended beyond the lifetime of the contract.

v. The submission clearly defines what intelligence is being used to inform the proposal

vi. The submission clearly identifies the outputs and outcomes that will be used by both the organisation and the commissioner to both demonstrate delivery and effectiveness of the delivery

vii. The submission demonstrates that the proposal is realistic and achievable through track record and or proposed partnership approaches to effectively deliver. Where appropriate the evaluation panel will seek additional guidance from City of York Council leads across specialist areas.

Section Three: When will the Social Value policy apply

Application

The policy must be considered when buying goods or services over the value of £100k but can also apply to contracts of any value. The degree of consideration should be proportionate to the value of the contract. At least 10% of bid scoring will be allocated to social value.

Section Four: Why is there a Social Value policy and what does Success look like

Why is there a policy?

City of York Council have created this policy to ensure we are maximising public benefit, and to achieve value for money through procurement activity. It is crucial to not only meet legal obligations, but to reduce demand on services by encouraging suppliers to support our strategic priorities and to deliver for the residents of York. Creative and innovative ideas are required to drive change and better the city during the term of a contract.

What does success look like?

A higher number of procurements that have social value included as part of the award criteria will set the tone and expectation from City of York Council. We will link Social Value to the Council Plan and other policies to ensure we are achieving strategic objectives.

Suppliers who are in contract with City of York Council will be held accountable to their Social Value submission and this will form part of the legal contract. It is expected of suppliers to evidence they are meeting Social Value requirements and to ensure improvement plans are in place and implemented if this is not being achieved.

All stakeholders and markets are aware of Social Value and the importance it carries during a procurement. It will enable City of York Council to identify gaps and find solutions to fill those while meeting key priorities.

We will continue hosting and leading Market Engagement events to encourage suppliers and the market to do business with the council. This will enable City of York Council to clearly articulate our requirements and set out the vision for procurements.

It will enable suppliers to create, collaborate, and understand the needs and desires of the City of York Council, which will result in success stories, positive outcomes, and the desire to do more.

Section five: Social Value Outcome Framework

The Outcome Framework

The goal of this document, is to suggest social value questions to be used within City of York's public procurements to directly address defined needs in the Joint Health and Wellbeing Strategy 2022-2032, the Climate Change Strategy 2022-2032, the Economic Strategy 2022-2032 the Skills Strategy 2020-2030 and York Cultural Strategy 2020-25 as well as the Council Plan (2023-2027).

The City of York Council, NHS partners and city partners see social value as a "golden thread" that flows through the entire procurement process, rather than just a question asked at tender stage.

This document is intended to be used as guidance and is not intended to be mandatory.

The social, economic and environmental outcomes suggested within this document are suggested to be sought through utilising PPN 06/20 – the Social Value Model.

This model seeks additional outcomes (outside the core deliverables of the tender) through specific commitments made by suppliers during the tender stage. It is added value, rather than funded value through the terms of the contract.

For this local strategy to be a success, holding suppliers to account on the commitments made is essential. This must be done through robust and effective management.

The framework can be found here (link to be inserted)

Chloe Wilcox – Head of Procurement, City of York Council
Date of review – 08/01/2025

CITY OF YORK COUNCIL

DRAFT FOR DISCUSSION

NHS

North of England
Commercial Procurement Collaborative

Social Value Outcomes Framework

Formulating a Consistent Approach to Social Value in York

DRAFT FOR DISCUSSION

This document was created by NHS North of England Commercial Procurement Collaborative (NOE CPC) on behalf of Humber and North Yorkshire Procurement Collaborative and City of York Council. It is intended to be used as guidance when embedding social value within public procurement in, or for the city.

CITY OF YORK COUNCIL

NHS North of England Commercial Procurement Collaborative

NHS Humber and North Yorkshire Procurement Collaborative

NHS

Contents

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Introduction

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The goal of this document, is to suggest social value questions to be used within York's public procurement to directly address defined needs in the Joint Health and Wellbeing Strategy 2022-2032, the Climate Change Strategy 2022-2032, the Economic Strategy 2022-2032 the Skills Strategy 2020-2030 and York Cultural Strategy 2020-25.

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For this local strategy to be a success, holding suppliers to account on the commitments made is essential. This must be done through robust and effective contract management.

Importance of Contract Management for Social Value

Without contract managing social value commitments made by suppliers at the tender stage, the City of York will likely never receive the intended social, economic, or environmental benefits intended.

A key recommendation of this document is to ensure that all social value committed using the outcomes listed within this guidance are contract managed in a consistent way.

To do this, there are several recommendations that are made as part of the delivery of social value overall:

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To track in a central location what social value commitments have been made by successful suppliers that are aligned to the outcomes suggested in this document (not all city wide commitments).

To ensure all social value commitments across contracts are managed in a consistent way.

To communicate a strategy of contract management to bidding suppliers as part of tender documentation.

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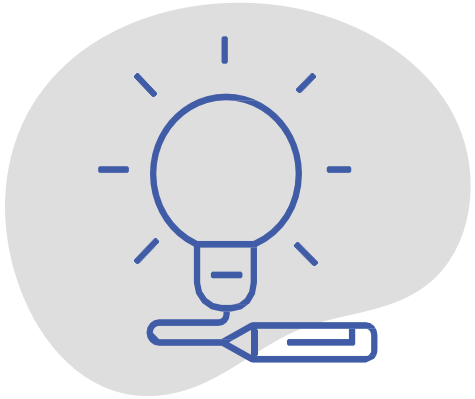
To develop and share a contract management template with awarded suppliers to complete throughout contract award – encouraging evidence in a consistent way from all supplier vs. their commitments made at the tender stage.



Importantly, to track over the medium / long-term if the social value being provided is making a difference within the city vs. the outcomes listed in the 10 year strategies

What does local mean?

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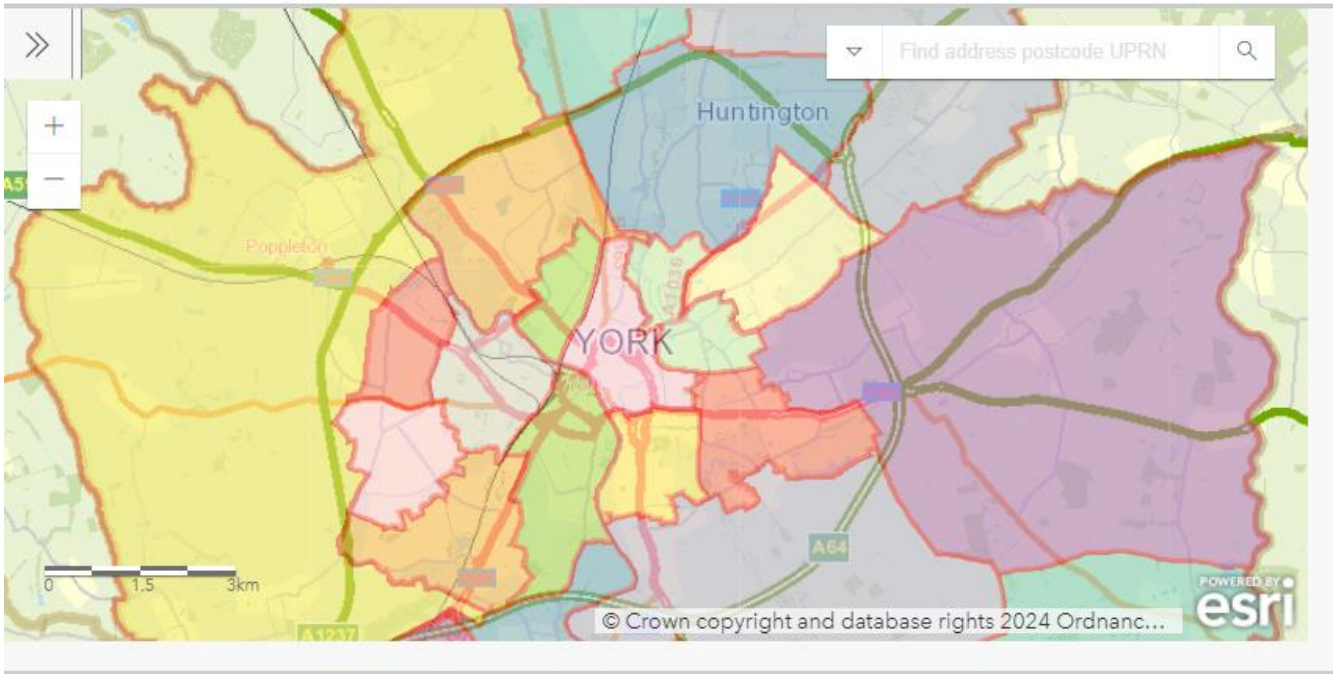
The social value outcomes set out in this document are to be considered within every increasing geographic areas, dependent on the contract, the value and the outcomes intended.

Commissioners should set out the geography they would like the social value to be directed towards, or be clear on the flexibility for the supplier to determine:

1. Within immediate neighbourhood of where project delivered
2. City of York areas of deprivation
3. City of York Council boundary
4. North Yorkshire Council boundary
5. North of England
6. England



Which contracts are applicable?

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Commissioners and contract managers are encouraged to consider the below aspects before setting those social value outcomes that are most relevant to the contract. It is not expected that all outcomes will be applied to all contracts:

Consider the value of the contract

Ensure social value is added to the service commissioned

The number of competitors in the market will determine the additionality possible through social value

Suppliers will develop their own Key Performance Indicators, set against metrics provided by the City of York Council (inc. industry benchmarks) (link to the monitoring and evaluation tool)


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The Following Process Was Followed to Develop the Suggested Social Value Questions

The questions defined later in the document seek to pair recognised health and wellbeing, environmental and economic needs within York with relevant social value questions for use at the tender stage. These questions were developed through the below process:

1) An initial review of the 10 Year Strategies key concepts and outcomes.

2) Secondary review of the concepts highlighted for relevancy in what can credibly and realistically be influenced by social value.

3) The detail showcased in 'Table 1' indicates which content / outcomes within the 10-year strategies are relevant to social value at the tender stage and what are out of scope (i.e. not in scope of social value).

4) These outcomes have then been converted into a standardised question set, along with suggested content on additional supplier commitments and contract management KPIs.

5) A review by York CVS to determine the level of support to and provided by the community and voluntary sector.

Relevancy of York Health and Wellbeing Strategy 2022-2032 10 Big Goals to Suggested Social Value Outcomes*

In-scope	Out of scope
Reduce the gap in healthy life expectancy between the richest and poorest communities in York	Bring smoking rates down below 5% for all population groups
Reducing anxiety scores and increasing happiness scores by 5%	Reduce to 15% the proportion of York residents drinking no more than 14 units a week
Reverse the rise in the number of children and adults living with an unhealthy weight	Reduce both the suicide rate and the self-harm rate in the city by 20%
Reduce sedentary behaviour, so that 4 in every 5 adults in York are physically active	Improve diagnosis gaps in dementia, diabetes and high blood pressure to above the national average, and detect cancer at an earlier stage
Reduce the proportion of adults who report feeling lonely from 25% to 20% of our population	Reduce health inequalities in specific groups

**The role of this table is not to detail social value questions at this stage, but to highlight which of the 10 Goals can be influenced by potential social value activity from awarded suppliers by contracting authorities in York.*

Relevancy of York Cultural Strategy 2020-2025

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(all are in scope as these are the current social value objectives within the CYC Social Value Policy)

Exceptional Place

- Use arts and culture as a tool to engage local people in decision making and in developing York's new shared vision and narrative
- Ensure any place based developments bring arts and heritage ingredients, activity and events

Retaining and developing talent with children, adults and intergenerationally

- Enhance the connections between the cultural offer and the universities and colleges in York in order to aid talent development and enhance community cohesion
- Create deliberate connections with local schools to enable enhanced encouragement and/or access to the arts
- Enhance/support any community based intergenerational opportunities through the medium of culture

Relevancy of York Cultural Strategy 2020-2025

DRAFT FOR DISCUSSION

(continued)

A National Pioneer in Culture and Wellbeing – creating the most creative collaborative city.

- Enhance the offer through social prescribing through enabling inclusive offers through arts and heritage engagement
- Support of young people's mental health through cultural and wellbeing commissioning
- Support of an aging population through cultural and wellbeing commissioning
- Support development of an effective and engaging network of artists, musicians, designers, makers and practitioners in the city to table ideas, explore possibilities and seek new collaboration
- Create opportunities for take-over and participative events

World Class Ambition and Profile:

- Enhance international relationships where there is connection to local communities eg/ through arts, culture and heritage within ethnic minority groups of York
- Support existing, developing cultural programmes and festivals in York to enhance the profile and prestige of the cultural offer

Other social value outcomes that are out of scope in this document are:

Specific social value questions that may be relevant to each individual tender but not relevant to the content listed within this guidance. Contracting authorities must always seek to ask social value questions that seek the most relevant commitments for what is being tendered.

Specific environmental, social or economic priorities related to individual tenders that aren't listed within this guidance but will benefit the City of York

Specific economic outcomes relatable to individual tenders.

Other social value models, such as the National TOMs or the Impact Evaluation Standard.

Involving the Voluntary, Community and Social Enterprise (VCSE) sector

The Voluntary, Community and Social Enterprise sector can help organisations meet the social value requirements of the tender process. York CVS has collated a list of organisations across the city who are keen to support businesses increase their social impact.

Here are some key suggestions for effectively engaging the sector:

- Contact York CVS to access a directory of VCSE organisations who may be able to support you to deliver on social value
- Consider what issues your organisation is interested in addressing e.g. mental health, poverty, homelessness; this will help guide your choice of organisations to reach out to
- Involve the VCSE organisation at the earliest possible opportunity to discuss your ideas

The next slide includes practical suggestions for engaging the VCSE sector. For additional guidance and support, please contact York CVS on comms@yorkcvs.org.uk

How you can involve the VCSE sector

Strand	Description	Examples	Social value outcomes
Contract delivery	• Using VCSE facilities • Purchasing items • Purchasing services	• Training provided by VCSE e.g. MHFA • Room hire • Consultancy • EAP	• Sustainability • Health and Wellbeing • Economic growth • Culture and arts • Community interventions
People	• Volunteering opportunities • Trusteeships • Sharing expertise • Mentoring and coaching • Fundraising • Raising aspirations	• Volunteering days • Pro bono consultancy • 1:1 mentoring • Sponsored activities • Work experience placements for young people	• Health and wellbeing • Work and training opportunities • Health interventions • Workforce skills opportunities • Community interventions
Support in kind	• Building maintenance • Training opportunities • Meeting rooms • Donations in kind • Digital support • Expert advice	• Sponsored development opportunities for staff • Free office space • IT equipment • HR/Legal advice	• Economic growth • Community interventions • Work and training opportunities • Health and wellbeing
Financial	• Sponsorship • Project funding • Financial donations	• York Community Fund • Match funding • Payroll giving	• Health and Wellbeing • Biodiversity & Sustainability • Community Interventions • Health interventions • Work and training opportunities • Economic growth • Workforce skills opportunities • Culture and arts

Health and wellbeing:

DRAFT FOR DISCUSSION

Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, detail how you will seek to provide local staff working on the contract with access to a health and wellbeing programme.

The answer must include, but not be limited to the following content:

- Physical health programmes
- Health diet plans and offers
- Health assessments
- Employer Supported Volunteering programmes
- On demand access to wellbeing resource
- If the supplier would also consider making available a set no. of logins to disadvantaged local residents in York

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

DRAFT FOR DISCUSSION

- Description of the proposed health and wellbeing scheme and its benefits
- How staff on the contract will be able to access the scheme
- Benefits of the scheme
- The length of staff access to the scheme
- Assurance that the scheme proposed is either; new to the staff on the contract or new to the organisation
- How the supplier would commit to making the scheme available to local residents / how many logins to be provided / for what period of time
- Description of staff benefiting from scheme, including whether expanding existing scheme to non-staff/supply chain

Biodiversity:

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Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, detail how you will contribute to maintaining, improving or creating biodiversity within the City of York as part of the delivery of the contract.

The answer must include, but not be limited to the following content:

- How you plan to connect with stakeholders within York to define areas / biodiversity schemes to support or maintain
- How you will commit to engaging with local individuals facing inequality to support you in the delivery of this social value
- What exact benefit your support will deliver to biodiversity within the area
- How you plan to assign time for staff or local inhabitants to support in this action

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

DRAFT FOR DISCUSSION

Description of the stakeholders they have engaged with / commit to engaging with, in the defining of what areas they can create or maintain. Examples of this could be: City of York Council, local VCS organisations, Universities in York, NHS Trusts located in York and the surrounding area

How the supplier will commit to creating time for employees to support in local initiatives

Who the supplier will engage with locally to access individuals facing deprivation, unemployment or may have mental / physical disabilities to support in the activities (if relevant)

Detail on biodiversity they are seeking to benefit

Sustainability:

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Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, what contribution could you make to reducing carbon emissions across the city?

The answer must include, but not be limited to the following content:

- Working with their supply chain to reduce emissions
- Provide pro-bono expertise for different voluntary/community energy projects (York Skills Share)
- Supporting their workforce and networks to reduce their emissions and change behaviours
- A financial or resource contribution to the York Community Fund or local climate action community group.
- Reduce, reuse or recycle materials throughout supply chains for a circular economic approach

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

DRAFT FOR DISCUSSION

Description of the stakeholders they have engaged with / commit to engaging with, in the defining of what areas they can reduce emissions. Examples of this could be: City of York Council, local VCS organisations, Universities, NHS Trusts located in York and the surrounding area

How the organisaiton is operating an open door policy to hear direct from community projects about their approach to carbon emission

How the organisation encourages Active Travel opportunities to their workforce?

How the organisation proposes offsetting carbon emissions through investment in community carbon sequestrian projects

Community interventions:

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Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, how you will build community capacity, supporting the growth of community social action initiatives with a focus on local neighbourhood priorities?

The answer must include, but not be limited to the following content:

- What particular intervention you're committing to support based on local need
- How will you support growth of York Community Fund?
- Which particular group of people you would propose to target, e.g. adults or children, location, demographics, etc.

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

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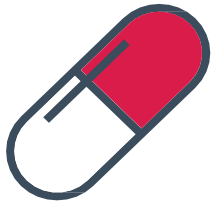
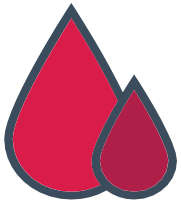


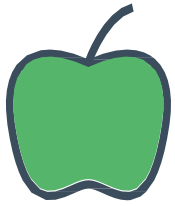
A description of the local initiatives you will engage with, in which neighbourhood and why?

How will you measure the impact?

How might you support the impact through volunteering initiatives? (Skills Match)

What the targeted metrics of the intervention should be





Health interventions:

Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, how you will commit to supporting local initiatives to engage people with local health interventions. These can be schemes such as smoking cessation, loneliness/social isolation, healthy eating, physical inactivity etc.

The answer must include, but not be limited to the following content:

- What particular local health intervention you're committing to support
- How you as a supplier will provide support to this outcome, e.g. via a local partnership with a Voluntary Community Scheme.
- Which particular group of people you would propose to target, e.g. adults or children

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

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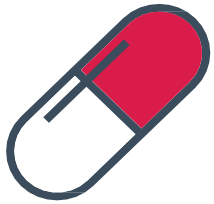
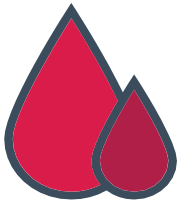


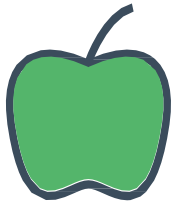
A description of the local initiatives they will engage with in York

How the scheme will support health in York

How they will provide the support to the initiative per 12 months

What the targeted metrics of the scheme should be





Work & Training opportunities:

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Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of the contract, how you will create opportunities towards or into work, such as work placements or apprenticeship opportunities, for individuals living in York that are facing deprivation or inequality.

The answer must include, but not be limited to the following content:

- Detail of the types of apprenticeship / work experience/ placement schemes already undertaken corporately and how that will be applied additionally to this contract
- How the proposed activity will be targeted at local residents in York, and who will be targeted – particularly care leavers, SEND, those furthest from the market or disadvantaged?
- How you will offer these opportunities to individuals (see below) or those facing deprivation, have recognised physical or mental disabilities, or have been out of work for a defined period of time

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

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A description of the types of opportunity / opportunities that they will offer throughout the duration of the contract

How they will target these opportunities to individuals living in York

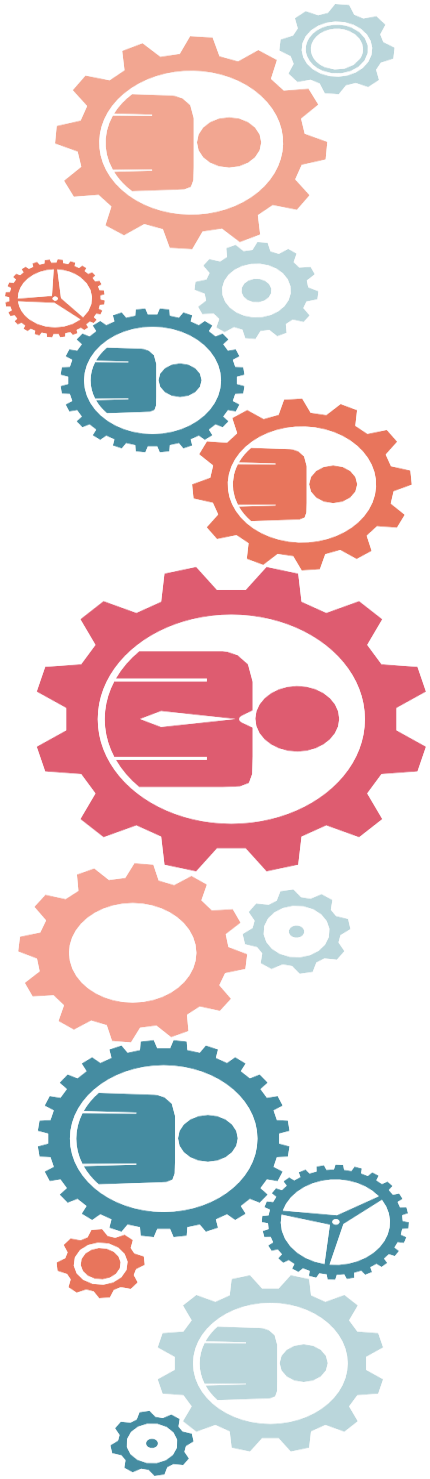
Specific groups of individuals that will be offered the work / training opportunities and why

Numbers of opportunities delivered throughout the duration of the contract: New jobs, Apprenticeships, Taster Days, Work Trials, Supported Internships etc

Not exhaustive list & need to define each – links to quality

Using examples from other projects you've worked on, how would you ensure that the work opportunities delivered throughout the duration of the project are high quality.

How will you work in partnership and align with local activity to ensure work opportunities reflect the needs of York residents and are flexible to their needs?



Economic Growth

Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, how will you commit to supporting local economic growth and development of the York area? This can include initiatives such as supporting local businesses in your supply chain, contributing to supporting education institutions, local community projects or attracting Inward Investment to the City.

The answer must include, but not be limited to the following content:

Supply Chain: How much of your supply chain will be sourced from local businesses, and how will this support the local economy? How will local suppliers become aware and quote for tender opportunities?

Support: What support will you provide to local entrepreneurs, Community Associations or further / higher education providers ?

Promotion: Contribute to the promotion and attraction of Inward Investment to York, acting as an advocate for the City.

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

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A description of how the supply chain will be sourced from local businesses

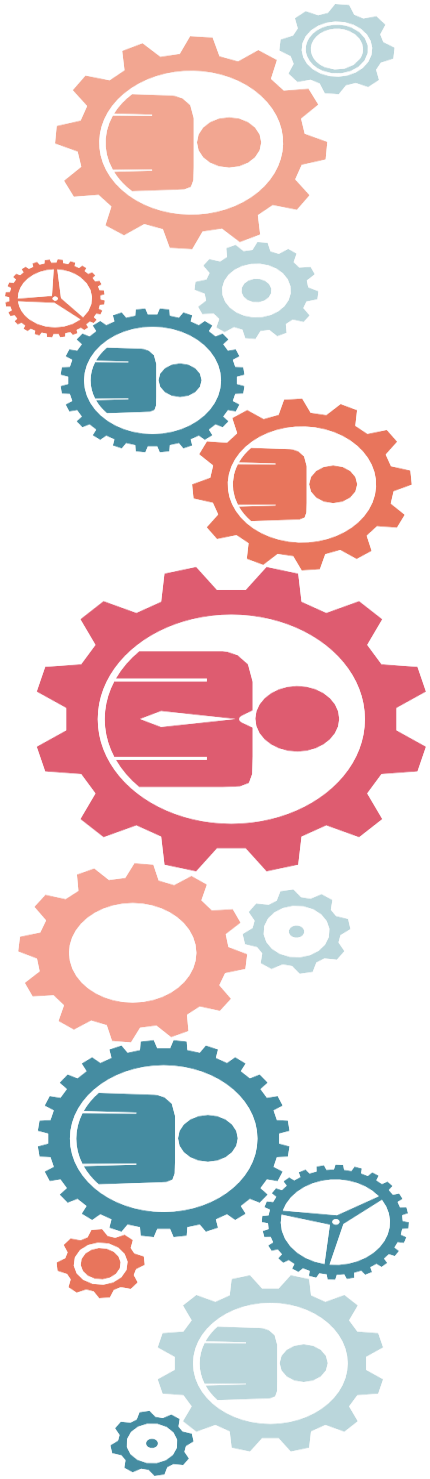
A description of how much of the supply chain will be locally sourced

A description of the support you will provide local colleges / schools

A description of how you will share your expertise with local community groups (for example, marketing, web design, etc)

Using examples from other projects you've worked on, how will you promote the work you are delivering in York, showcasing good practice across the region.

How will you highlight your delivery regionally, nationally And/or internationally – showing York as a place that Is open to growth and innovation



Workforce Skills opportunities:

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Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of the contract how will you inspire your future workforce, and support your existing workforce, to develop the skills they need [to adapt] for the future?

The answer must include, but not be limited to the following content:

Details of the types of workforce skills development schemes already undertaken corporately and how that will be applied additionally to this contract

Details of the types of future workforce engagement activity to be undertaken and how it will be targeted to support people with hidden talent or from underrepresented groups

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

A description of future skills needed within your organisation and/or sector (including transferable and industry-specific skills)

A description of the skills development schemes you will offer throughout the duration of the contract

How you will target these schemes to specific groups e.g. new entrants, ageing workforce, career changers, and why

Numbers of workforce skills development schemes delivered throughout the duration of the contract: Information, advice and guidance events, upskilling programmes, short duration training courses,

Numbers of future workforce engagement activities delivered throughout the duration of the contract: Careers events, mock interviews, CV workshops, mentor programmes, Ambassador schemes, video case studies, curriculum development

How will you work in partnership and align with local activity to ensure York residents are developing the skills needed for an inclusive economy?

Culture and arts:

Suggested Social Value Outcomes (Questions and Responses)

Question:

Through the delivery of this contract, detail how you will seek to encourage greater participation and access to York's extensive culture

The answer must include, but not be limited to the following content:

Place: Including culture or arts in place making

Talents: retaining and developing talents

Collaboration: Creating a creative, collaborative city

Ambition: Developing a world class ambition and profile

Ideal Supplier Bid Responses

Bidding supplier to provide qualitatively:

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Place: Description of the cultural scheme and its benefits. Specifying the place the offer will be in and how the offer will enhance the community.

Description of resident and/or staff participation opportunities and benefits from the scheme.

Talents: Description of the approach used to provide the opportunity for cultural talent to flourish

Description of the partners that will be used and how the partnership will enable the opportunities to be realised.

Collaboration: description of how you will work in collaboration to target specific groups within the community to enable inclusive offers through arts and heritage

Description of the partners you will work with, networks you will engage with and processes you will use to create effective outcomes

Ambition: description of what international initiatives you will engage with to enhance the profile of York as a cultural city and bring new opportunities to the city.

Or description of how you will support existing international initiatives that are taking place in York and identifying what part of the community will benefit and in what way.

Description of the indicators that will be used to demonstrate impact

Successful Contract Management

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As detailed earlier in the guidance, the social value commitments made by awarded suppliers will only be delivered if they're held accountable

It is recommended that you do the following:

1. Re-confirm your understanding of social value commitments with awarded suppliers prior to contract launch
2. Agree the frequency of both social value delivery and supplier updates
3. Agree what content / format the supplier social value updates should be provided in
4. Be prepared to hold suppliers accountable for non-delivery on social value.


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Corporate Services, Climate Change and Scrutiny Management Committee **20 January 2025**

Report of the Interim Director of City Development

Major Projects – Castle Gateway Update

Summary

1. In November 2023, a review of the Castle Gateway Masterplan and component schemes was undertaken to ensure they aligned with the recently approved Council Plan, and the three key city strategies (Climate Change, Economy, Health, and Wellbeing), and the recently relaunched “Our City Centre” Vision.

2. Following this review, the Executive approved a number of recommendations relating to the individual Castle Gateway schemes.

3. This report summarises the steps that have been taken to progress these schemes in line with the decisions that were made in November 2023, mainly focusing on the Castle and Eye of York.

Background

4. The original masterplan was approved in 2018, with the business case for Phase 1 delivery being approved in January 2020. Since the approval of the Phase 1 delivery strategy, the projects have been impacted by a number of macro-economic factors, including:

- construction cost inflation driving increases in delivery costs
- rising interest rates impacting borrowing costs
- housing market uncertainty

5. There had also been two unsuccessful Levelling Up Funding (“LUF”) bids, which sought to fund the delivery of the public realm around Clifford’s Tower and the Eye of York.

6. Considering these external influences impacting on the delivery strategy for Phase 1, and approval of the 10-year strategies and a new Council Plan (2023-2027) being adopted, a review of the masterplan and schemes was required.

7. Following this review, recommendations were presented to the Executive on each of the projects to ensure they delivered positive outcomes for the city, in accordance with both the original master plan principles, and the then recently approved Council Plan and “Our City Centre” Vision, together with ensuring they deliver ambitions set out in the three key 10-year strategies (Climate Change, Economy, Health, and Wellbeing) that were approved by Council in December 2022.

8. The key recommendations approved by Executive are set out below, with this report then providing an update on progress against each recommendation:

Castle and Eye of York

9. Confirm the re-purposing of the Castle car park to support the delivery of a revised Castle Gateway Masterplan, with retained Blue Badge parking; subject to an updated business case being brought back to Executive for full consideration, and where closure will only occur when a revised Scheme has been approved for delivery.

10. Confirm the re-design of the Castle and Eye of York Scheme, with a specific emphasis on the retention of blue badge parking numbers, flexible green space with children’s play provision and a keen focus on reducing capital and management costs and the submission of revisions to the planning application.

St George’s Field Car Park

11. Confirm the Council will not proceed with the building of a Multi-Storey Car-Park on St George’s Car Park and that officers are to develop proposals which balance - improved parking capacity; pedestrian and cycle connectivity; and coach drop off facilities within a surface level layout. This decision acknowledges that there will be an in-year revenue impact to the Council of up to £1m.

Castle Mills

12. Confirm that further work on developing the Castle Mills site is paused and ask officers to investigate appropriate meanwhile use options in

parallel with exploring longer term opportunities for the future delivery of 100% affordable housing on this Council owned site.

13. Instruct Officers to progress work to secure delivery of the pedestrian/cycle bridge, sustainable travel links, subject to confirmation of funding with West Yorkshire Combined Authority ("WYCA"); updated delivery costings; and all necessary approvals, planning, highways, and bridge agreement.

Progress update

Castle and Eye of York

14. In February 2022, the council submitted a planning application for a new public space at the Castle and Eye of York, the heart of the masterplan. The design was informed by extensive engagement with residents and businesses about what they want to see in the area.

15. Two funding bids which sought to deliver the public realm around Clifford's Tower and the Eye of York have been unsuccessful, so there is a significant funding gap for the previous project.

16. At the Executive in November 2023 recommendations were approved for the next steps of the Castle Gateway project, to align these with the new Council Plan.

17. In respect of the Castle Car Park and the Eye of York, the council is working with BDP, the landscape architects, to amend the submitted planning application in line with the recommendations approved by Executive, which were to:

    a. provide a flexible green space which includes children's play provision
    b. retain the 30 blue badge parking spaces on Castle Car Park (position and access point to be confirmed)
    c. focus on reducing capital and management costs

18. The council is seeking planning permission for the whole site with the red line boundary of the planning application staying the same, however there is now a need to phase the delivery due to reduced funding being available to bring forward the scheme. The phasing of the site is yet to be determined, with the business case including financial case under development, with the aim of inviting Executive approval in the spring.

19. Combining the new brief with the existing wealth of engagement feedback, BDP developed revised concept design ideas. The revised brief, along with the high-level optioneering design was tested with Members, key stakeholders and the public between May and September 2024.

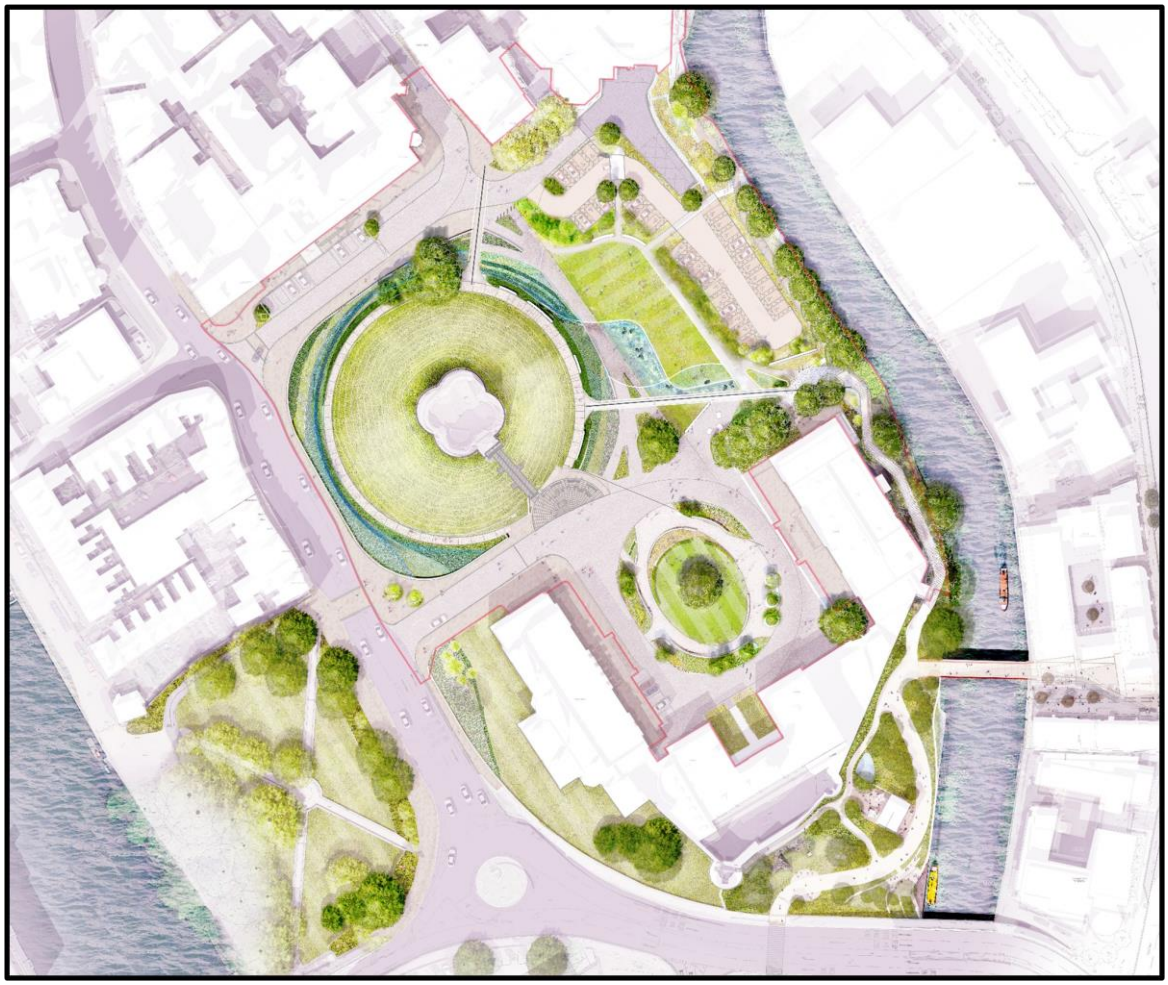

Figure 1. BDP concept design to aid engagement.

20. Working with My Future York, the public consultation ran 15 August until the 20 September 2024. The consultation included several methods for people to provide their feedback:

    a. Four on site tours and one online tour 7/9 Sept – total 70 participants
    b. Pre-recorded YouTube video – 1,358 views
    c. Guildhall Ward Committee 12 Sept – 10 attendees
    d. Blog posts through the project website
    e. Social media posts

f. Press and media coverage, including YorkMix York Press, YO1 Radio and That's TV.

21. The council also directly engaged with the Castle Gateway Advisory Group (a group of external stakeholders in the city including the Civic Trust, York Museums Trust, York Bid, Make it York, Environment Agency, English Heritage, Historic England, York Crown Court), as well as other key stakeholders including York BID Board, York Liberal Jewish Community and the York Access Forum.

22. The engagement feedback is summarised below, with more detailed perspectives outlined in the My Castle Gateway blog (linked below).

a. Parking and Accessibility

- Majority supported the removal of Castle Car Park, though some were concerned that loss of parking would affect **local businesses**. Need a wider **parking and movement strategy**.
- **Blue Badge Parking** was pretty universally seen as necessary. Some asked whether alternative locations could be found, some felt 30 was too few spaces, some felt 30 was too many.
- Need **parking enforcement** of Blue Badge spaces including Tower Street (near Hilton).
- Some welcomed **screening** of car park, whilst others felt this left car park users vulnerable/ unsafe.
- **Path** across car park could be centred on Clifford's Tower/ symmetrical approach.
- Need accessible **seating, toilets** and links to **mobility schemes**.

b. Movement and connectivity

- Concern that **Castlegate junction** would not feel like a pedestrian route - speed tables don't work well, will traffic lights be needed, will paved surface be robust enough for HGV's/ suitable for users of mobility aids?
- Need a **drop off and pick up** point.

- Will **Castlegate** be pedestrianised? Need to reinsert new proposals back into wider masterplan area.

- **Boardwalk** was welcomed to connect Coppergate path and Raindale Mill. Concern regarding impact on flats opposite. Path around the Coppergate centre is very unpleasant/ experiences anti-social behaviour.

- Scepticism as to whether cyclists will **dismount** on boardwalk (3m is wider than other York shared use paths).

- Need clarity on **cycling routes** – chance to contribute towards city cycling network. Castlegate allows cycling one way. Need a segregated cycling path on Piccadilly over the proposed new Foss Bridge.

- Need convenient **bike parking**, including for adapted bikes and cargo bikes.

c. Heritage, uses and telling stories

- General consensus that concept design respects the **setting** of Clifford's Tower and the historic buildings.

- Incorporating **castle** outline/ wall was well received - offers a chance to sit/ play/ enhance understanding.

- The outline to the 19th century **prison** had been lost.

- Circular walk around **Clifford's Tower** and the importance of commemoration (saying Mourners' Kaddish and laying stones) was widely welcomed. Tension with misbehaviour on the Motte. Potential conflict between a space for remembrance and a space for protest.

- Desire to **interpret and share** the many layers of histories and stories.

- Some welcome the range of potential spaces in **Eye of York,** but also concern that it was 'doing something for the sake of it'. Might the benches/ planting prevent it being used flexibly as a place to gather? Need to retain kerbs (not a level shared space).

- **Benches** were welcomed, some with backs and of interesting designs. What about **shade, shelter and bins?**

d. Play and getting close to the Foss

- The balance between **play** and **respecting the quiet spaces** was recognised as important, although hard to achieve (including noise disturbing the court).
- Will the play elements be **playful enough**? Could they be more **interactive**? The loss of the fountains from the previous scheme was felt by some.
- Idea of the **swathe** to represent historic role of water was very popular, but is it practical? Will it be hard to keep looking good/ will it look muddy/ attract rubbish/ will there be a dedicated **maintenance** team?
- Enhance **connection** between Clifford's Tower and River Foss, car park shouldn't be a barrier.
- Need **native planting** to both provide biodiversity and cool the city.
- Opportunity to improve **habitat** and re-naturalise the stagnant River Foss.

e. Usage and economy

- How do we bring life to the area at all times of day/year and in all weathers. Great in the daytime when it is nice weather – but **what about when it is raining or at night?**
- A place to sit, meet up in a green space was very much welcomed. Where might food and drink be bought – was there an opportunity for a **café or street food**?
- What the area would be like if it was raining, as there is **no indoor focal point**.
- Some felt the **loss of the events space** function of the previous plan (e.g. skateboarding).
- Should the design include **future proofing** the site with **event infrastructure**?

- A warning of disruptive activity at night was issued by residents who overlook the site (music, cars doing doughnuts, rubbish). Current plans don't provide any **focus for the evening** that might help displace the current activity, so it could be an intimidating space for Blue Badge drivers and people walking through.

- **Lighting** was seen as important – but it was noted that what really makes a place safe is lots of people.

- Creating a vibrant space requires **activity** to bring people in both during the daytime and after dark.

f. Maintenance and funding

- Whilst landscape proposals look good – how will **long term maintenance** be afforded by CYC, especially with complex or ambitious planting – should not rely on volunteers.

- Loss of revenue from the current car park was noted. Could maintenance be enabled through **revenue generation**/ build economic activity into design?

- How much will it **cost**? How will it be **funded**? Is this the right **priority** for the council?

- Stop talking - start **delivering** it!

23. A detailed summary of all the engagement feedback can be found via the My Castle Gateway Blog: https://mycastlegateway.org/2024/11/21/revised-concept-proposals-for-castle-and-eye-of-york-summer-2024-responses-via-all-engagement-routes/

24. Following discussions with York Liberal Jewish Community, Dr Louise Hampson also wrote a guest blog presenting new insight into York's mediaeval Jewish communities and life around the time of the 1190 massacre, for us to consider the opportunity to "walk in the footsteps of those who died" more than eight centuries later as part of the new design: https://mycastlegateway.org/2024/11/26/in-the-footsteps-of-those-who-died-new-spotlight-on-1190-by-dr-louise-hampson/

25. All the feedback received through the engagement is being used by BDP to shape a preferred design which will be tested again with key stakeholders throughout January and February, before being submitted to planning to update the existing pending application.

26. The preferred design is also being informed by the cost plan work that is currently being undertaken by Turner and Townsend to ensure that, inline with the Executive recommendation, we are designing a deliverable scheme.

27. The council is currently preparing the evidence base and information required to inform the next decision point with the Executive which we are aiming for April 2025. This Executive report will seek a decision to close Castle car park and approve the budget to proceed with the detailed design and delivery of the scheme, taking a phased approach.

St George's Field Car Park

28. The decision was taken in November 2023 not to proceed with the multi-storey car park on St George's Field car park and instead explore maximising the capacity of the surface level car park by removing coach parking and creating coach drop off. Officers were asked to explore opportunities for improving pedestrian and cycle connectivity within the scheme.

29. This work is ongoing with a final scheme to be implemented prior to Castle car park closing.

Castle Mills

30. Officers were asked to explore longer term opportunities for the delivery of 100% affordable housing on the Castle Mills site. This work is underway with the council in discussions with Registered Providers. Progress will be reported back to the Executive in the spring.

31. At various points in 2024 the vacant Castle Mills site was used as a site compound, firstly for the contractor delivering the Hostile Vehicle measures, and then by the contractor undertaking the station frontage work. We are continuing to explore more active meanwhile uses for the site while the opportunities for 100% affordable housing is explored.

32. The council is also progressing work to secure delivery of the pedestrian/cycle bridge over the Foss between the rear of the Castle Museum and the Castle Mills site. This work is ongoing in terms of

reviewing the cost plan, confirming the funding with West Yorkshire Combined Authority ("WYCA"); and reviewing the deliverability of the scheme without impacting the Castle Mills residential scheme.

Council Plan and Key Council Policies

33. The Castle Gateway scheme contributes to the delivery of the commitments in the Council Plan (2023-27), 'Our City Centre' Vision and the Local Plan.

34. The Castle Gateway projects will contribute to the delivery of the four core 'EACH' commitments in the Council Plan 2023-27 – One City, for all by:

- **Equalities and Human Rights** – by re-purposing the Castle car park and redesigning the proposals, blue badge parking will be retained close to the city to aid accessibility, aligning to the emerging Local Transport Strategy's Policy Focus Area 1 - shaping a city centre that is accessible for all, and in response to the MIMA report published last year.

- **Affordability** – by investigating opportunities to increase the supply of affordable housing within the city centre in the longer term and creating a free amenity/play space for families and children.

- **Climate & Environment** - by providing a new green space within the city centre, and enhancing/improving biodiversity, this will aid urban cooling for climate resilience. The public realm improvements will consider climate adaptions features for example passive shading/cooling, rest areas, water refill stations. It will also provide sustainable transport modes.

- **Health** – by creating a free amenity and play space for families to encourage healthier lifestyles, coupled with improved connectivity and travel opportunities across the site**.** Improving walking and cycling routes will contribute to active travel and help improve air quality, contributing to the Joint Health and Wellbeing's Strategy ambition to be a health-generating city.

35. Below are Council Plan actions to illustrate the above:

- Pg 18 3.2 - develop family friendly foot streets to bring playful exploration to the city centre.
- Pg 26 5.2 Work with partners to develop the city centre.
- Pg 30 3.2 Co-design a plan for Our City Centre to make foot streets more welcoming and accessible.
- Pg 30 4.1 Improve streets, cycleways and footpaths for walkers and wheelers.
- Pg 32 2 Create more affordable housing.
- Pg 36 2.2 Make the most of our green and blue infrastructure to improve biodiversity, improve health and wellbeing and support nature recovery.

36. The Castle Gateway projects will also help deliver the 'Our City Centre' Vision, approved by Executive in October 2023, as set out below:

- **Theme 1 – Family friendly and affordable city centre**
    - The new public realm around Clifford's Tower will create valuable new play space in the city centre and create a space that can be used by people of all ages.
- **Theme 2 – An attractive, active and healthy city centre**
    - The creation of the new public realm space delivers investment in public space and squares.
    - Deliver active travel options for getting into and around the centre of York.
- **Theme 3 – A sustainable city fit for the future**
    - New green space will increase biodiversity in the city and improve climate resilience and reduce surface water run-off.
- **Theme 5 – Embracing our riversides**
    - The Castle and Eye of York designs will celebrate the cultural and environmental benefits of the River Foss, providing a new river edge and walkway linking to the new river park behind the museum.

- **Theme 6 – A safe city centre, which is welcoming and accessible to all**

    - Blue badge parking will be retained close to the city to aid accessibility.

    - Future affordable housing provision on Castle Mills are being explored.

    - The new public space at the Castle and Eye of York will provide open space and facilities for residents and will be specifically designed to improve accessibility. This supports the Health and Wellbeing strategy, “Creating an age friendly city for older adults.”

- **Theme 7 – Thriving business and productive buildings**

    - Projects will explore and deliver temporary uses in empty buildings and spaces. Spark York is great example of this, and an extension of its lease forms part of this Report. Meanwhile opportunities on the Castle Mills site will be explored, whilst affordable housing options are considered.

- **Theme 8 – Celebrating heritage and making modern history**

    - The new public realm development in the Castle and Eye of York will enhance the setting of the heritage assets surrounding the spaces by; repurposing the car park, enhancing the Eye of York, and transforming the connectivity to this area.

37. In the emerging Local Plan, which we expect to progress to adoption soon, **Policy SS5 – Castle Gateway** is allocated as an “Area of Opportunity.” It is identified as a major regeneration area of the city centre. The projects in the Castle Gateway masterplan are key to delivering this policy.

38. The projects also contribute to delivery of the three 10-year strategies approved in 2022:

    - Economic Strategy (2022-2032).

    - Health and Wellbeing Strategy (2022-2032).

- Climate Change Strategy (2022-2032).

Implications

39. This report contains an update on progress so far and as such there are no implications.

40. Implications will be included in the preparation of the next Executive decision point, due in the Spring 2025.

Risk Management

41. The principal risks associated with the Castle Gateway project at this stage are reputational from non-delivery. Re-evaluating the projects in 2023 and Executive approving a revised way forward mitigates this risk of non-delivery, so that the regeneration of this area can progress to a phased completion.

42. There is a risk that having engaged extensively and raised expectations amongst the public, the change of approach will not fully deliver initial expectations.

43. However, the bigger risk is that by not changing the approach, the regeneration of this important southern gateway into the city will stall. The key principles and outcomes remain and are embedded in the over-arching proposal, which once delivered will mitigate this risk.

Recommendations

44. Members are asked to note the progress to date following the Executive decisions taken in November 2023, and the detailed Castle and Eye of York business case being presented to Executive Spring 2025.

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Report Approved	Y	**Date**	09/01/2025

Wards Affected:	**All**	X

For further information please contact the author of the report

Background Papers:

Report to the Executive, 'York's Southern Gateway,' October 2015
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=

Report to the Executive, 'York Castle Gateway,' January 2017
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=9309

Report to the Executive, 'The Castle Gateway Masterplan,' April 2018
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=10197&Ver=4

Report to the Executive, 'Castle Gateway phase one delivery strategy,' January 2020
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11115&Ver=4

Report to the Executive, ‘Update on Castle Gateway and Business Case Review,’ October 2020
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12297&Ver=4

Report to the Executive ‘Castle Gateway Update’ June 2022
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13287&Ver=4

Report to the Executive ‘Castle Gateway Update Report and Next Steps’
https://democracy.york.gov.uk/mgAi.aspx?ID=66069#mgDocuments

MIMA: York City Centre Accessibility Findings and Recommendations Report 13/06/2024
https://democracy.york.gov.uk/documents/s177490/Annex%20C%20MIMA%20York%20City%20Centre%20Accessibility_%20Findings%20and%20Recommendations%20Report.pdf

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Corporate Services, Climate Change and Scrutiny Management Committee **20 January 2025**

Report of the Interim Director of City Development

Development of a Carbon Offsetting/Insetting Strategy

Summary

1. The City of York Council (CYC) Climate Change Strategy sets out a commitment to develop a dedicated 'Carbon Offsetting/Insetting Strategy', which defines the council's approach to addressing its residual emissions through offsetting and/or insetting.

2. CYC has undertaken a comprehensive review of the existing literature, guidance, and best practice around carbon offsetting and insetting to inform the development of a dedicated strategy.

3. This report provides a summary of the key research findings. It defines a draft set of best practice principles to underpin any emerging strategy. It also identifies an approach the council could take to directly address its organisational residual emissions and contribute towards addressing city-wide residual emissions using carbon offsetting/insetting.

4. Further work will be required to build on the research findings and recommendations outlined within this report to produce a Draft Carbon Offsetting/Insetting Strategy. The Executive Member will be invited to approve initiation of the development and consultation of a draft strategy at a later date.

Background

5. In March 2019, the council declared a climate emergency and committed to the ambition for York to be net zero by 2030. The council's Climate Change Strategy and Action Plan, published in December 2022 provide the framework and overall approach for achieving the council's 2030 net zero target. Alongside this, the council's Climate Change Action Plan sets out a comprehensive list of actions that will contribute to an

estimated 77% reduction in total emissions across York by 2030 (based on a 2005 baseline).

6. The Climate Change Strategy acknowledges that it will not be possible to eliminate all council and city-wide emissions before the 2030 target date. Once all possible emissions reductions have been achieved across York, it is estimated that 361,000 tCO_2e of residual emissions will remain in 2030. The council will also need to prepare for its own residual emissions from corporate activity in 2030.

7. To achieve the net zero, carbon offsetting and/or carbon insetting could be used as a last-resort for the remaining city and corporate residual emissions.

8. The Climate Change Strategy includes a commitment to develop a dedicated 'Carbon Offsetting/Insetting Strategy' that defines the recommended approach to carbon offsetting and insetting for the council and the city to consider.

9. Following a comprehensive review of the existing literature, guidance, and best practice around carbon offsetting and insetting to inform the development of a dedicated strategy, this report provides a summary of the key research findings.

10. Following Scrutiny review, the Executive member will be invited to approve initiation of the development and consultation of a draft Insetting Strategy for the city.

Definitions

11. A **carbon offset** refers to a reduction in greenhouse gas (GHG) emissions, or a removal of GHG emissions from the atmosphere, that is used to compensate for emissions that occur elsewhere [1].

12. Carbon offsets are usually represented by a **carbon credit** which is a tradeable certificate that represents an emission reduction or removal of one metric tonne of CO_2, or an equivalent amount of greenhouse gases (CO_2e). Purchasers of a carbon credit can 'retire' carbon credits on a registry to claim the underlying reduction or removal towards their own carbon reduction goals.

13. The buying and selling of carbon credits takes place within **carbon markets**. The voluntary carbon market (VCM) enables organisations to

[1] https://www.offsetguide.org/wp-content/uploads/2020/03/Carbon-Offset-Guide_3122020.pdf

voluntarily purchase and sell carbon credits that represent the avoidance, reduction, or removal of GHGs from the atmosphere. Unlike the compliance market, the VCM operates not because of legal obligation but as a way of demonstrating corporate social responsibility and/or making voluntary climate claims such as carbon neutrality or net zero.

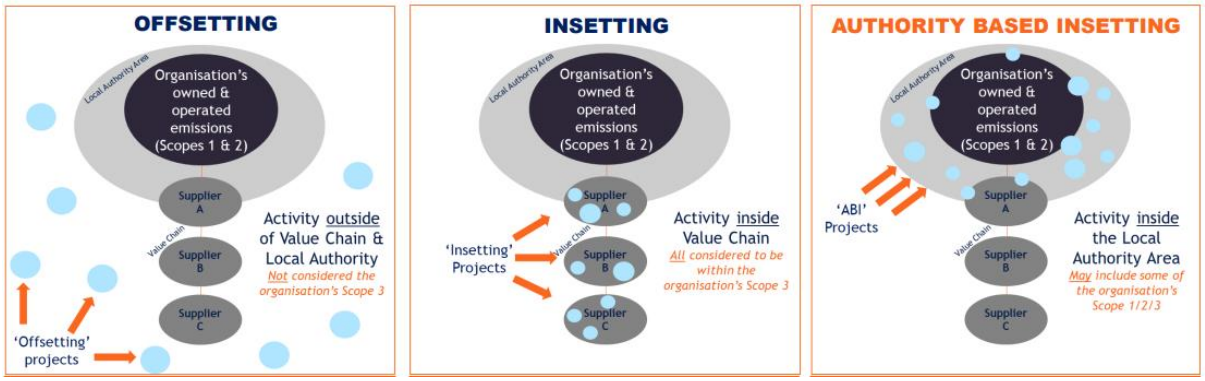

Figure 1: Diagram which illustrates the differences between offsetting and insetting (Source: Anthesis, 2022).

14. **Carbon insetting** refers to the investment in emission reduction or removal activities within an organisation's value chain, as opposed to outside of the value chain, in order to compensate for residual emissions[2]. In a local authority context, the investment boundary is shifted from within the value chain to the local authority boundary [3] (see Figure 1). The authority boundary could be set at an individual district or unitary council, along with counties and combined authority areas.

15. Carbon offsets and insets can both be generated through a variety of different projects or activities. These activities are categorised into two main types – carbon reduction and carbon removal – and can be further divided into five different sub-types – types I, II, III, IV and V [4] (see Figure 2).
    - **Carbon reduction** (Type I – III) – generated by activities that reduce or avoid greenhouse gas (GHG) emissions that otherwise would have occurred. This includes methods such as improving energy efficiency, increasing renewable energy generation, or preventing deforestation. Whilst these activities help to reduce the rate of new GHG emissions entering the atmosphere, they do not remove GHGs that are already in the atmosphere.

[2] https://www.insettingplatform.com/insetting-explained/
[3] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[4] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf

- **Carbon removal** (Type IV and V) – generated by activities that remove GHGs directly from the atmosphere and store it. Emissions removal methods can be divided into two sub-categories: nature-based solutions such as afforestation, peatland restoration, and soil carbon sequestration that store the carbon in the biosphere; and engineered solutions such as bioenergy with carbon capture and storage (BECCS), direct air carbon capture with storage (DACCS), and enhanced weathering that store the captured carbon in the geosphere.

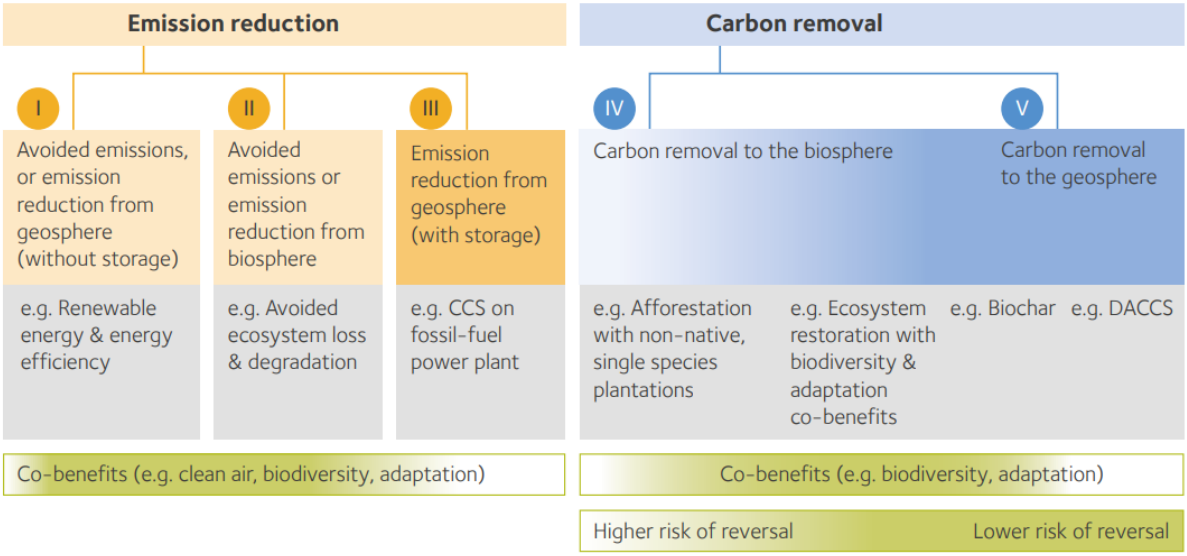

Figure 2: Taxonomy showing five different classifications of carbon offset/inset projects (Source: Axelsson et al, 2024, pg.12)

Best Practice

16. A growing set of literature, guidance, standards, and regulations is contributing to international consensus on what constitutes credible use of carbon offsetting/insetting to achieve net zero targets. To inform the recommended approach, a comprehensive review of existing literature, guidance, and best practice has been carried out.

17. To achieve and maintain net zero, organisations should prioritise reducing emissions as much as possible following science-based pathways. The introduction of carbon offsets and/or insets should not replace, nor detract from, the rollout of carbon reduction measures across York; they must only be used to counterbalance residual emissions that remain in the net zero target year and onwards.

18. Efforts to define offsetting best practice is set out within various voluntary standards such as: the Science Based Targets Initiative's (SBTi) Net

Zero Standard [5] and Beyond Value Chain Mitigation guidance [6]; the ISO Net Zero Guidelines [7]; the Voluntary Carbon Markets Initiative's (VCMI) Claims Code of Practice [8]; and the Oxford Principles for Net Zero Aligned Carbon Offsetting [9]. These initiatives provide guidance, mainly aimed at the corporate sector, to reduce the well-known risks associated with the current use of credits and improve the credibility and integrity of net zero claims.

19. Due to the relatively immature nature of insetting, there is only a limited set of literature, standards, and guidance available setting out what constitutes credible use of insetting to achieve net zero targets. This includes standards and guidance produced by organisations such as the International Insetting Platform [10], Anthesis [11], and the Scottish Government [12]. There is currently no Local Authority guidance.

20. Therefore, until there is convergence on a common set of standards and accountability mechanisms for local authorities, it is recommended that the council develops its own principles based on current best practice. A series of draft principles have been provided in Annex 1. The draft principles are intended to serve as a starting point for further discussion, consultation, and evaluation as part of the next stage of strategy development:

    1) Develop a dedicated Carbon Offsetting/Insetting Strategy
    2) Ensure use of carbon offsetting and/or insetting is aligned with best practice
    3) Update strategy over time as best practice standards, guidance, and legislation emerges
    4) Prioritise reducing emissions before using carbon offsets and/or insets
    5) Address residual emissions through investment in high-quality carbon removals by the net zero target date

[5] https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf
[6] https://sciencebasedtargets.org/beyond-value-chain-mitigation
[7] https://www.iso.org/obp/ui/en/#iso:std:iso:iwa:42:ed-1:v1:en
[8] https://vcmintegrity.org/vcmi-claims-code-of-practice/
[9] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
[10] https://www.insettingplatform.com/
[11] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[12] https://www.gov.scot/publications/public-sector-leadership-global-climate-emergency/pages/12/

6) Prioritise opportunities for developing carbon insetting projects within the local authority boundary prior to investing in external carbon offset schemes

7) Disclose details of any carbon offsetting and/or insetting investments

8) Ensure any investments in offsetting and/or insetting projects represent value for money

9) Address residual emissions from corporate activity before selling credits to other local organisations

10) Support local businesses and organisations in York to address their residual emissions

Offsetting vs insetting

21. The council could consider counterbalancing its residual emissions through carbon offsetting – i.e., purchasing or creating carbon credits via the VCM in order to counterbalance organisational and/or city-wide carbon emissions. This is an approach that has been used by councils such as Devon County Council [13] and Basingstoke and Deane Borough Council [14].

22. There are, however, several challenges that the council may face if it decides to pursue this option:

- There is a limited supply of high-quality verified UK-based carbon credits available;
- It is expected that the costs of UK-based carbon credits will increase significantly in the future as pressure to achieve climate mitigation targets will increase demand from corporate buyers;
- Purchasing carbon credits will not provide the council with any financial return on investment;
- Purchasing carbon credits from schemes outside the local authority boundary will not deliver benefits to local residents and communities.

23. As a result, some councils are using carbon insetting as an alternative method to compensate for residual emissions. Plymouth City Council, for example, has committed to developing 'local offsetting projects' (i.e.,

[13] https://www.local.gov.uk/case-studies/offset-options-achieve-net-zero-2030#:~:text=Our%20preferred%20offset%20type%20is,Woodland%20and%20Peatland%20Carbon%20Codes.
[14] https://democracy.basingstoke.gov.uk/documents/s29385/Carbon%20Offsetting%20report%20v1.pdf

insetting) such as seagrass restoration, domestic retrofit, and woodland creation, to provide options for the council and others to meet their offsetting needs within the local area [15].

24. Carbon insetting is often promoted as a solution that should be prioritised over traditional carbon offsetting, particularly amongst public bodies with access to significant landholdings. The Scottish Government, for example, has issued guidance for public bodies which states that "*investment in insetting projects should be prioritised ahead of the purchase of carbon offsets*" [16]. Anthesis suggests that "*for local authorities, traditional offsetting options may present even greater challenges than for the corporate market*" and recommends that insetting within the local authority's boundary (i.e., area-based insetting) should be the focus of investment [17]. The Oxford Principles for Net Zero Aligned Offsetting suggest that organisations should "*prioritise reducing own emissions and scaling removals within your value chain to minimise the need for offsetting" [18].*

25. To maximise benefits for York, it is recommended that the council prioritises insetting (ie. projects within the organisational or geographical boundary) before purchasing credits from out-of-boundary projects. The council could directly deliver its own carbon insetting projects and/or work with other local stakeholders in York to identify and fully, or partially, fund projects in return for a claim on the realised carbon removals.

26. As with carbon offsetting, there are some challenges to using carbon insetting:

    - Resources and funding will be required to develop, operate, and maintain insetting projects if delivered directly by the council;
    - Not all types of nature-based removal projects will be suitable within the local authority area;
    - Carbon removal projects will require a period of time to develop and implement. Nature-based schemes will also require further

[15] https://democracy.plymouth.gov.uk/documents/s144938/240318%20Appendix%20A%20NZAP%202024-27%20FC%20FINAL.pdf

[16] https://sustainablescotlandnetwork.org/uploads/store/mediaupload/2110/file/Public%20Bodies%20and%20Climate%20Change%20Duties%20-%20Guidance%20on%20carbon%20insetting%20and%20offsetting%20-%20February%202023.pdf

[17] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/

[18] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf

periods of time before they are able to sequester significant volumes of carbon.

27. As a result, the council may be unable to deliver insetting projects that remove enough carbon to counterbalance both council and city-wide residual emissions by 2030. If the council is unable to address its residual emissions through carbon insetting alone, it could consider supplementing this with carbon credit purchases as a last resort.

Addressing Residual Corporate Emissions

28. The council has set a target to reduce its carbon emissions from its corporate activity to net zero by 2030 in line with the city-wide target date. The council's most recent Annual Carbon Emissions Report for 2023/24 calculated that the council's total corporate emissions equate to 5,625 tCO_2e.

29. Although a forecast has not yet been calculated, the council is preparing for some residual emissions remaining by 2030. Further work will be required as part of the next stage of strategy development to quantify an estimate of the likely residual emissions that will remain in 2030, and where these emissions are from.

30. The council will be directly responsible for counterbalancing any residual emissions that remain from its corporate activity using carbon offsets and/or insets. In line with best practice, it is recommended that the council adopts the following hierarchical approach to address its corporate residual emissions (see Figure 3):

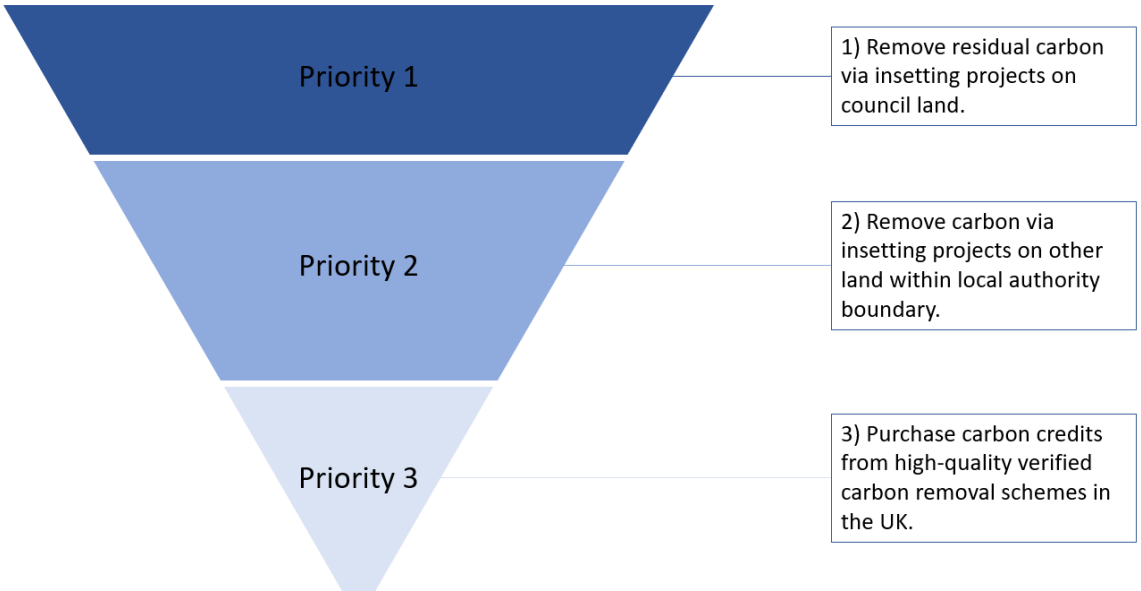

Figure 3: Hierarchical approach for the council to address its residual emissions from its corporate activity.

Priority 1 – Remove carbon via insetting projects on council land

31. The council should first explore opportunities to maximise the carbon removal potential of its own landholdings through the deployment of removal-based carbon insetting projects.

32. There are a range of potential carbon removal insetting projects that the council could consider developing such as nature-based removals (i.e., Type IV) and engineered removals with more durable storage (i.e., Type V).

33. Woodland creation, for example, is one of the most established nature-based carbon removal technologies in the UK, reflected by the creation of the Woodland Carbon Code (WCC). The council is already establishing its first carbon insetting project through its 78-hectare York Community Woodland project. Once fully planted in 2024, the woodland is expected to remove 18,070 tCO_2e over a 100-year period. By 2030, the project is expected to remove 102 tCO_2e, a small contribution towards addressing the council's corporate residual emissions. There may be further opportunities for the council to deliver woodland creation projects and tree planting on either its own landholdings, or other land in York.

34. Other nature-based removal approaches such as soil carbon sequestration and hedgerow creation may emerge as potential options for the council and/or local partners to develop in the future. At the time of writing there are a number of new codes in the process of development including a new Soil Carbon Code [19] and Hedgerow Carbon Code [20]. Some nature-based removal solutions such as the restoration of peatlands, coastal and marine habitats (i.e., saltmarsh, seagrass) will not be viable within York due to the geographical constraints of the city and surrounding area.

35. The council could consider deploying engineered technologies such as direct air capture and storage (DACCS), bioenergy with carbon capture and storage (BECCS), and enhanced rock weathering (ERW) to remove carbon (i.e., Type V). The majority of technologies are at an early stage of technological and commercial readiness and are significantly more expensive to develop than nature-based solutions. Hence, it is unlikely the council will be able to develop and build its own engineered carbon removal projects in York at scale before the 2030 net zero target date.

[19] https://sustainablesoils.org/soil-carbon-code/
[20] https://www.allertontrust.org.uk/projects/hedgerow-carbon-code/

Priority 2 – Remove carbon via insetting projects on other land within local authority boundary

36. If the council cannot remove all residual emissions with priority 1, it would then consider investing in insetting projects on other land within the wider local authority boundary.

37. The council would acquire land to deliver its own carbon insetting projects and/or work with other local stakeholders in York (i.e., community groups, local businesses, project developers etc.) to identify and fully or partially fund projects in return for a claim on the realised carbon removals.

38. The council would conduct an assessment of land use within the wider local authority boundary, including its own landholdings, to identify opportunities for carbon removal projects. Opportunity mapping will enable the council to quantify the carbon removal capacity of land in York, and to identify a pipeline of projects that could be delivered within the local area.

Priority 3 – Purchase carbon credits from high-quality verified carbon removal schemes in the UK

39. As a very last resort, and only if priority 1 and 2 do not address all residual emissions through carbon insetting projects within the local authority boundary, the council would consider purchasing carbon credits from the VCM (i.e., carbon offsetting). This option should be used as a last resort once all efforts to reduce carbon across the council's operations, and to maximise insetting opportunities have been exhausted.

40. The council would ensure that it purchases high-quality verified carbon credits from projects in the UK. It is not recommended that the council purchase carbon credits sources from projects outside the UK as any carbon savings or co-benefits that result from the purchase will not be retained within the UK.

41. Currently, only verified WCU's (from the Woodland Carbon Code) or PCU's (from the Peatland Code) are recognised in the UK Government's Environmental Reporting Guidelines. However, a suite of additional UK carbon codes are currently under development or in pilot phase for other types of nature-based removal methods including soil carbon;

hedgerows; saltmarshes; seagrass; and kelp forests. These emerging codes may create new sources of UK-based verified carbon credits for the council to purchase in the future.

42. The current key limitation of UK-based schemes is the availability of credits, particularly as many of these nature-based projects require time to establish and sequester significant carbon. If insufficient credits are available under the WCC and PC (or other emerging UK carbon codes), the council would consider purchasing high-quality credits from UK-based projects that have been verified by high-integrity international standards. The council should ensure that it purchases credits that have been verified under standards that have been endorsed by the International Carbon Reduction and Offset Alliance (ICROA).

43. Best practice states that organisations should progressively shift their focus to purchasing credits from carbon removal projects with long-term durable storage (i.e., Type V). This includes technologies such as DACCS and BECCS. However, there is a very limited supply of high integrity externally verified credits from durable removal projects available for purchase.

44. Large corporations such as Microsoft, Stripe, and Shopify are committing to forward purchases of highly durable carbon removal credits to provide developers with early-stage finance to support the development and commercialisation of these technologies. The council would also consider opportunities to forward purchase credits and support market development in the UK. This is a significantly more expensive option and carries additional risk (i.e., failure to deliver promised credits), making it difficult to justify the additional expenditure.

Addressing City Wide Emissions

45. City-wide emissions accounted for 906 $ktCO_2e$ in 2020, with the council responsible for less than 3% of emissions. Based on the Projected Emissions Reduction Pathway for York, it is estimated that 361 $ktCO_2e$ residual emissions is likely to remain in York by 2030 and will need to be counterbalanced through local carbon removals to achieve net zero.

46. Whilst not solely responsible for addressing the entirety of the city's residual emissions, the council recognises the important role that it can play in contributing towards addressing these emissions. In addition to addressing its own emissions, the council can play a leading role in supporting and enabling other local businesses and organisations to

develop offsetting/insetting strategies and address their residual emissions.

47. A number of potential actions that local authorities could consider taking to address city-wide residual emissions are outlined below. At this stage, the council has not committed to any specific action(s). Further work will be required as part of the next stage of strategy development to determine the suitability and feasibility of these options, including wider consultation, including with the combined authority to consider the insetting approach for the region as a whole:

1) Develop local carbon removal projects

48. Local authorities could focus on developing carbon removal projects within their administrative boundaries beyond that required to address their own corporate residual emissions in order to generate new income streams. These projects could be developed on a council's landholdings or by acquiring additional land within the local authority boundary.

49. Any surplus carbon credits generated by these projects could be sold to local organisations with residual emissions to enable them to achieve their net zero targets. Revenue generated through the sale of credits could be used to bridge funding gaps for further carbon reduction or removal projects throughout the city. It is recommended that local authorities only consider selling credits to generate revenue once they have secured sufficient carbon credits to counterbalance their own residual emissions from its corporate activity.

50. This option will only be financially viable if there is sufficient demand for credits and if carbon credits can be sold at a high enough price to cover the costs of project development and ongoing maintenance. At current carbon credit prices, it is unlikely that the revenue from credit sales would cover the cost of project development without additional grant funding. However, it is expected that the cost of carbon credits will increase significantly in the future as demand for carbon credits increases.

2) Develop an "Area Based Insetting (ABI)" framework

51. Local authorities could lead on establishing their own local area-based insetting (ABI) frameworks. ABI is an innovative framework developed by Anthesis that aims to support councils and other local organisations to

identify potential insetting projects within their administrative boundaries, attract finance for projects, and effectively measure and report project impacts.

52. There are several local authorities currently developing their own ABI mechanisms in order to direct business and developer investment towards local carbon reduction and removal schemes as an alternative to traditional offsetting. For example, Oxford City Council has secured £157,243 of grant funding from Innovate UK to launch its FutureFit Area Based Insetting (FABI) project which aims to explore how localised insetting can be used to help fund retrofit projects across the city and support their net zero goals [21].

53. Anthesis has developed a practical guide for local authority representatives seeking to establish their own ABI mechanism [22]. This guidance helps local authorities to consider a number of options to be able to adopt and implement ABI and to understand the various commercial, legal, and reputational implications across a number of operational models (e.g., in-house, hybrid, and outsourced approaches).

3) Knowledge sharing and collaboration

54. Local authorities can play a role in sharing knowledge and experience of carbon offsetting and insetting with local organisations and neighbouring local authorities, offering advisory support to local organisations to assist them with developing their own carbon offsetting/insetting strategies and ensuring these are aligned with the city-wide 2030 net zero target.

55. Councils are also well placed to facilitate collaboration and mobilise partnerships between local communities, businesses, project developers, and investors to promote best practice and support local investment in carbon offsetting and insetting.

4) Establish a council carbon offset fund

56. Local authorities could consider establishing a local carbon offset fund to support net zero carbon development. This is an approach that has been implemented by several London Borough Councils; the West of England authorities (Bath and North East Somerset, Bristol, South Gloucestershire, and North Somerset); Greater Manchester Combined Authority; and Milton Keynes.

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[21] https://www.lowcarbonhub.org/p/programmes/futurefit-area-based-insetting-fabi/
[22] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/

57. To set up a carbon offset fund, local authorities would need to adopt a planning policy which requires new developments to achieve carbon savings targets through on-site design measures such as highly efficient building fabric and on-site renewables. Where it is clearly demonstrated that the required carbon reduction standard cannot be fully achieved on-site, developers would provide a financial contribution into a council's carbon offset fund. The financial contribution is then ring-fenced and used to offset the carbon footprint of the new development by funding carbon saving projects elsewhere in the local authority area.

58. If the council were to set up an offset fund, it would need to develop and publish a carbon offset price (i.e., price per annual tonne of carbon) based on either a nationally recognised carbon pricing mechanism, or the estimated cost of offsetting carbon emissions in York. The Greater London Authority guidance, for example, suggests using a carbon offset price of £2,850 per tonne of carbon. This is calculated at a rate of £95 per tonne of carbon over a 30-year period (the assumed lifetime of the development's services).

59. It is important to note that carbon offset funds can only compensate roughly for the additional carbon emissions from new development, **not** to counterbalance existing residual emissions. Without defined structures and processes to stimulate new markets and opportunities for carbon saving projects, there's also a danger that carbon offset funds will remain unspent and potentially returned to developers. Carbon offset funds are also subject to criticism as they can inadvertently enable developers to carry on emitting. Should the council opt to pursue this option, it would be important to consider how to maximise carbon reductions achieved on-site and avoid creating an opt-out for developers.

Consultation

60. Internal consultation has been conducted with the council's Climate Change and Natural Capital Programme and Corporate Management Team. The research findings and recommendations were presented to the group, and the group were invited to provide any feedback.

61. It is proposed that further internal and external consultation takes place during the next stage of development of the Draft Strategy, including with the Sustainability Leads Group.

Options

There are no options presented with this report.

Scrutiny are invited to consider the report to help inform the next stage of the development of the Strategy, prior to wider consultation.

Council Plan

62. The proposal to develop a dedicated Carbon Offsetting/Insetting Strategy as set out within the council's Climate Change Strategy. Despite the significant steps taken by the council and city partners to date, the Climate Change Strategy acknowledged that it will not be able to eliminate all council and city-wide emissions before the 2030 net zero target date.

63. Carbon offsetting and/or insetting will need to be used in order to address the council's residual emissions and achieve its 2030 net zero target. Reaching this ambitious target is a key priority of the council and one of the four core commitments within the council's Council Plan 2023-2027.

Implications

64. No implications associated with this report. It is provided for information only.

Risk Management

65. As outlined in the Climate Change Strategy, the council will not be able to achieve its 2030 net zero target without using carbon insets and offsets to counterbalance its residual emissions. Without a clear strategy in place, there is a risk that the council will be unable to address its residual emissions or use insets/offsets in the way that does not align with best practice, creating more issues than it aims to resolve.

66. Developing a dedicated Carbon Offsetting and Insetting Strategy is imperative to ensure that the council applies a measured and consistent approach to reach its net zero target and to ensure its approach to offsets and insets aligns with best practice.

Recommendations

67. Scrutiny are invited to consider the priorities outlined above and draft principles (Annex 1) to help inform the next stage of the development of the Strategy, and to inform the preferred approach prior to wider consultation.

68. The Executive Member will be invited to approve the priorities, and draft strategy prior to wider consultation.

Contact Details

Author:	**Chief Officer Responsible for the report:**
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Report Approved	Y	**Date**	08/01/25

Wards Affected: **All** X

For further information please contact the author of the report

Background Papers:

York Climate Change Strategy
York Climate Change Action Plan

Annexes

Annex 1 – Draft Principles

Abbreviations

CYC – City of York Council
CO_2 – Carbon dioxide
CO_2e – Carbon dioxide equivalent

ABI – Authority Based Insetting
FABI – FutureFit Area Based Insetting
GHG – Greenhouse gas
VCM – Voluntary Carbon Market
VCMI – Voluntary Carbon Markets Initiative
SBTI – Science Based Targets Initiative
ISO – International Organization for Standardization
ICROA – International Carbon Reduction and Offset Alliance
DACCS – direct air carbon capture with storage
BECCS – bioenergy with carbon capture and storage
WC - Woodland Carbon Code
PC - Peatland Code

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Annex 1

Carbon Offsetting and Insetting in York

Author	Alex Eburne, Sustainability Project Manager
Version	2.0
Date	08/04/2024

Executive Summary

Table of Contents

1 Introduction

In March 2019, the City of York Council declared a climate emergency and committed to the ambition for York to be net zero by 2030. The council's Climate Change Strategy, published in December 2022 provides the framework and overall approach for achieving the council's 2030 net zero target. Alongside this, the council's Climate Change Action Plan sets out a comprehensive list of actions that will contribute to an estimated 77% reduction in total emissions across York by 2030 (based on a 2005 baseline).

Despite the significant steps taken to date and planned actions, the council acknowledges that it will not be able to eliminate all council and city-wide emissions before the 2030 target date due to the scale of change, technology deployment, and investment required. Even once all possible emissions reductions have been achieved across York, it is estimated that 361,000 tCO_2e of residual emissions will remain across York in 2030. The council will also likely have its own organisational residual emissions from its corporate activity that it will need to directly address by 2030.

To achieve its net zero targets, the council will need to identify actions to directly address its own corporate residual emissions and contribute towards addressing the wider 361,000 tCO_2e of estimated city-wide residual emissions by 2030. Carbon offsetting and/or carbon insetting could be used to counterbalance any remaining council- and city-wide residual emissions. The council's Climate Change Strategy includes a commitment to develop a dedicated 'Carbon Offsetting/Insetting Strategy' that defines the council's approach to using carbon offsets and insets to achieve its net zero target.

It is imperative that the council develops a strategy that aligns with existing best practice to ensure that any use of carbon offsetting and/or insetting contributes towards achieving net zero and does not result in greenwashing claims against the council. This report provides a comprehensive overview of the existing literature, guidance, and best practice around carbon offsetting and insetting. The report aims to support council decision-makers and stakeholders to better understand carbon offsetting and insetting and serves as an evidence base to inform the development of a dedicated net zero aligned Carbon Offsetting/Insetting Strategy.

2 Context

With over 300 local authorities declaring a climate emergency and many setting net zero or carbon neutrality targets, carbon offsetting has now become a major area of interest for local authorities across the UK. There is growing recognition that achieving both operational and/or area-wide net zero or carbon neutrality targets by dates earlier than 2030 is likely to be extremely difficult because of the scale of change, technology deployment and investment required[1]. Whilst avoiding and reducing emissions remains the priority, the ability to achieve net zero targets will be extremely difficult, if not impossible, without some form of offsetting and/or insetting. This has prompted many local authorities to explore offsetting and other innovative local approaches such as insetting to accelerate decarbonisation and address any hard-to-abate emissions. As with many other local authorities, the City of York Council is currently reviewing its approach to carbon offsetting and insetting and exploring how it can support the council to achieve both its organisational and city-wide net zero targets.

2.1 Scale of the challenge in York

The latest IPCC report[2] indicates that the remaining global carbon budget to remain within 1.5°C of global warming is 400 billion tCO_2e. The City of York Council has worked with Leeds University, The Tyndall Institute and the Setting City Area Targets and Trajectories for Emissions Reduction (SCATTER) project to convert this global carbon budget into a Net Zero Carbon Pathway for York, which is consistent with the city's fair contribution to the Paris Agreement[3] (see Figure X). In accordance with the Net Zero Carbon Pathway, emissions in York will need to be reduced to 196 $ktCO_2e$ by 2030; an 88% reduction on 2005 levels. The pathway will also require an average annual emissions reduction in York of 13% up to 2030.

The Net Zero Carbon Pathway describes what is necessary for York to "play its part" in meeting the Paris Agreement goals. It is focused on limiting the cumulative amount of emissions below a defined threshold based on historic emissions within the region. It should be noted that this pathway is not based in tangible actions and interventions but defines an upper ceiling for emissions based on a "carbon budget" approach.

[1] Fankhauser, S., Smith, S. M., Allen, M., Axelson, K., Hale, T., Hepburn, C., Kendall, J.M., Khosla, R., Lezaun, J., Mitchell-Larson, E., Obersteiner, M., Rajamani, L., Rickaby, R., Seddon, N., and Wetzer, T. (2022). The meaning of net zero and how to get it right. *Nature Climate Change*, 12(15-21). Available from: https://www.nature.com/articles/s41558-021-01245-w

[2] IPCC Sixth Assessment Report - https://www.ipcc.ch/assessment-report/ar6/

[3] A Net Zero Carbon Roadmap for York - https://democracy.york.gov.uk/documents/s144434/Annex%201%20-%20Zero%20Carbon%20Roadmap%20for%20York.pdf

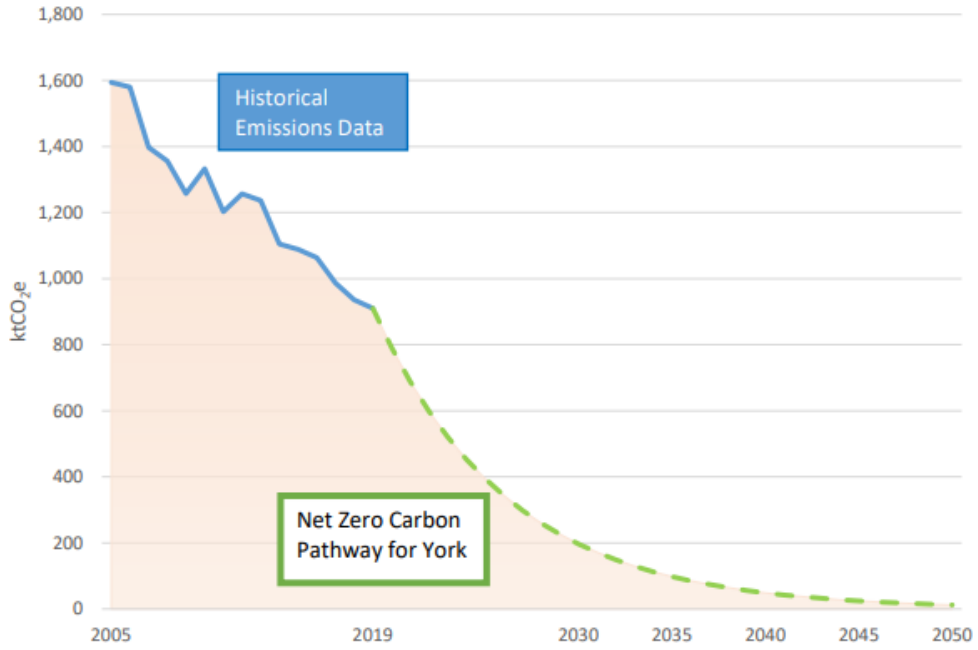

Figure 1: Net Zero Carbon Pathway for York

In March 2019, the City of York Council (CYC) declared a climate emergency and committed to the ambition for York to be net zero by 2030, a more ambitious decarbonisation goal than the Net Zero Carbon Pathway for York. The council's York Climate Change Strategy[4], published in December 2022, provides the framework, objectives, pathways, targets/benchmarks, and overall approach for achieving this ambition. This includes setting out how the council will reduce carbon emissions that are under its direct control; how the council will use its influence to reduce emissions across the wider city; and how the council can create a city that is resilient to the impacts of climate change. The council's Climate Change Action Plan[5] sets out a comprehensive list of 160 potential actions that will support in reducing emissions across York by 2030 (based on a 2005 baseline). These actions are categorised into eight 'themes', including: governance; buildings; transport; waste; commercial & industrial; natural environment; energy; and engagement & behaviour change. The council reports progress towards achieving the city-wide net zero target on an annual basis.

To assess the potential of emissions reductions in York, the council worked with SCATTER to produce a 'Projected Emissions Reduction Pathway', based on delivering actions that are currently available with existing supply chain capacity, national policy, and technological readiness. The analysis determined that the Projected Emissions Reduction Pathway will reduce our emissions to 361 $ktCO_2e$ in 2030 (a 77% reduction on 2005 levels) and 114.8 $ktCO_2e$ in 2050 (a 93% reduction on 2005 levels)[6] (see Figure X).

[4] City of York Council Climate Change Strategy - https://www.york.gov.uk/downloads/file/8948/york-climate-change-strategy-2022-to-2032

[5] City of York Council Climate Change Action Plan - https://democracy.york.gov.uk/documents/s163767/Annex%20Bii%20Climate%20Change%20Action%20Plan.pdf

[6] City of York Council Climate Change Strategy - https://democracy.york.gov.uk/documents/s163766/Annex%20Bi%20Climate%20Change%20Strategy%202022-2032.pdf

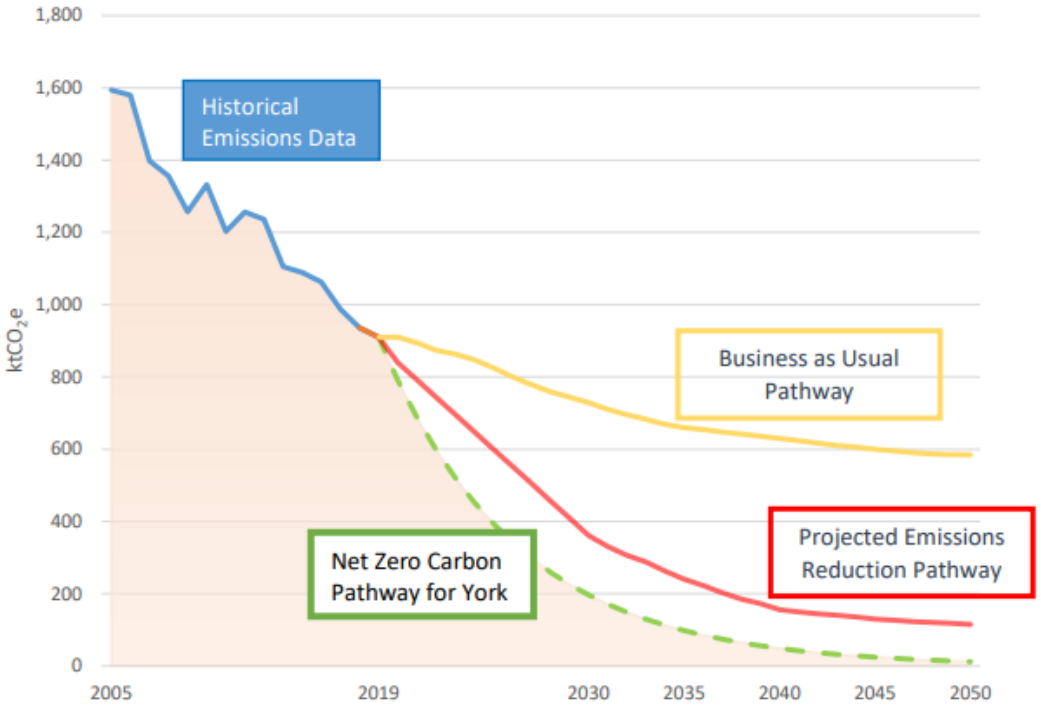

Figure 2: Projected Emission Reduction Pathway for York.

Based on this analysis, the council will not be able to reduce or eliminate all emissions at a city-wide scale by 2030 (i.e., zero carbon emissions) due to significant operational, technical, and financial constraints. The council recognises that, even once all possible emissions reductions have been achieved, it will be faced with a significant 'gap to target' in 2030 that will need addressing. The emissions remaining in 2030 after reduction projects have been achieved are termed residual emissions. Although an estimate has not yet been calculated, it is highly likely that residual emissions will also remain from the council's own corporate activity (see Section X).

2.2 The need for carbon offsetting/insetting

To achieve its net zero targets, the council will need to identify actions to address its own organisational residual emissions (see Section X) and support the wider city to address the estimated 361,000 tCO_2e of residual emissions by 2030 (see Section X). Within its Climate Change Strategy, the council recognises that carbon offsetting and/or insetting could be used as options to address residual emissions. It also sets out the council's intention to produce a dedicated offset strategy outlining its approach to addressing its residual emissions:

> *"Any remaining emissions that we are unable to decarbonise will need to be removed from the atmosphere. This can include nature-based solutions, e.g., tree planting and the restoration of other ecosystems, or other technologies such as carbon capture and storage (CCS) and negative emissions technologies (NETs). Prioritising actions within the city boundary (insetting) to remove carbon dioxide from the atmosphere can provide additional environmental, social, and financial benefit for York.*
>
> *Offsetting will only be considered as a last resort to address residual emissions after all actions have been taken to reduce and avoid direct emissions as much as possible. The cost of offsetting will be a key consideration before employing this solution and it will only be done if financially viable for the city.*

> *At current UK carbon prices, offsetting our residual emissions in 2030 (361,000tCO2e) would cost an estimated £5.2m/yr. We will produce a separate offset strategy outlining our approach."* [7]

The council's Climate Change Action Plan also sets out the following commitment:

> *"Develop an offsetting/Insetting strategy to address residual emissions not tackled by direct actions in the city with a validated offsetting method"* [8]

The aim of this report is to initiate the development of a dedicated 'Carbon Offsetting/Insetting Strategy' for the council. It aims to support council decision-makers and stakeholders to better understand carbon offsetting and insetting and serves as an evidence base to inform the development of a dedicated net zero aligned strategy to address council and city-wide residual emissions.

3 Defining Carbon Offsetting and Insetting

When developing a strategy for addressing council and city-wide residual emissions, it is important to first understand the differences between carbon offsetting and carbon insetting. This section provides a definition and comparison of the two terms.

3.1 Carbon Offsetting

A **carbon offset** refers to a reduction in greenhouse gas (GHG) emissions, or a removal of GHG emissions from the atmosphere, that is used to compensate for emissions that occur elsewhere[9]. Carbon offsets are usually represented by a **carbon credit** which is a tradeable certificate that represents an emission reduction or removal of one metric tonne of CO_2, or an equivalent amount of greenhouse gases (CO_2e). Purchasers of a carbon credit can 'retire' carbon credits on a **registry** to claim the underlying reduction or removal towards their own carbon reduction goals. Alternatively, credits can be acquired and retired without being used as an offset but as a form of additional beyond value chain mitigation[10].

The buying and selling of carbon credits takes place within **carbon markets**. There are two types of carbon markets:

1. **Compliance markets** - established by governments or multi-government bodies that control the supply of credits and regulate their trading[11]. For example, the UK Emissions Trading Scheme (UK ETS) is a system of carbon reduction and trading that applies to energy intensive industries, the power generation sector and aviation in the UK. The UK ETS operates using a 'cap and trade' system, where a cap is set on the total amount of GHGs that can be emitted by sectors covered by the scheme. Within this cap, participants receive free allowances and/or buy emission allowances

[7] City of York Council Climate Change Strategy - https://democracy.york.gov.uk/documents/s163766/Annex%20Bi%20Climate%20Change%20Strategy%202022-2032.pdf
[8] City of York Council Climate Change Action Plan - https://democracy.york.gov.uk/documents/s163767/Annex%20Bii%20Climate%20Change%20Action%20Plan.pdf
[9] Broekhoff et al (2019)
[10] Science Based Targets Initiative (2024)
[11] Investopedia (2023)

at auction or on the secondary market, which they can trade with other participants as needed[12].

2 **Voluntary Carbon Market (VCM)** - enables organisations to voluntarily purchase and sell carbon credits that represent the reduction or removal of GHGs from the atmosphere. Unlike the compliance market, the VCM operates not because of legal obligation but as a way of demonstrating corporate social responsibility and/or making voluntary climate claims such as carbon neutrality or net zero. There are a range of stakeholders that operate within the VCM[13] such as:

   a. Project Developers – organisations that design, develop, and operate carbon reduction or removal projects that generate carbon credits for sale on the market.
   b. End Buyers – organisations that purchase and retire carbon credits in order to offset their own emissions and make climate-related claims (e.g., carbon neutrality, net zero, climate positive etc.).
   c. Intermediaries – organisations such as brokers, retailers, and exchanges that support the trading of carbon credits and provide liquidity.
   d. Standards, Codes and Registries – organisations that provide the framework of rules, procedures, and methodologies for the creation, issuance, and retirement of credits. Given the voluntary nature of the VCM, standards safeguard the quality of carbon credits and projects.
   e. Validation and Verification Bodies (VVBs) – ensure that the documents submitted by project proponents to registries are an accurate representation of the project's characteristics, carbon emission reduction/removal capacity, and compliance with the standard's methodologies and other provisions.
   f. Other third parties – includes organisations such as market intelligence/data providers, insurance providers, industry bodies, technology providers, and consultants that provide products and services to other organisations operating within the VCM.

As part of their net zero strategies, many companies, organisations, governments, cities, and financial institutions are relying on carbon credit purchases to counterbalance their residual emissions. The use of carbon credits is particularly prevalent within the private sector with 42% of Forbes 2000 companies intending to use offset credits to reach their net zero targets, a figure rising to 53% for companies with targets for 2030 or earlier[14] (see Figure X). Carbon offsetting enables companies to compensate for any emissions they cannot avoid or reduce by paying for carbon credits which allows them to pay for an equivalent amount of emissions to be reduced or removed outside of their value chain.

[12] UK Government (2024)
[13] Allied Offsets (2023)
[14] https://zerotracker.net/analysis/net-zero-stocktake-2023

Aggregated data on demand for carbon offsets and/or insets from local authorities is limited, but anecdotally many are seeking to use offsets within their net zero plans[15]. However, the only council that has actually purchased carbon credits to date is Devon County Council[16]. In October 2022, Basingstoke and Deane Borough Council's Cabinet made a decision to offset its historic council emissions from 2019, but it is not clear whether the council has since purchased credits[17].

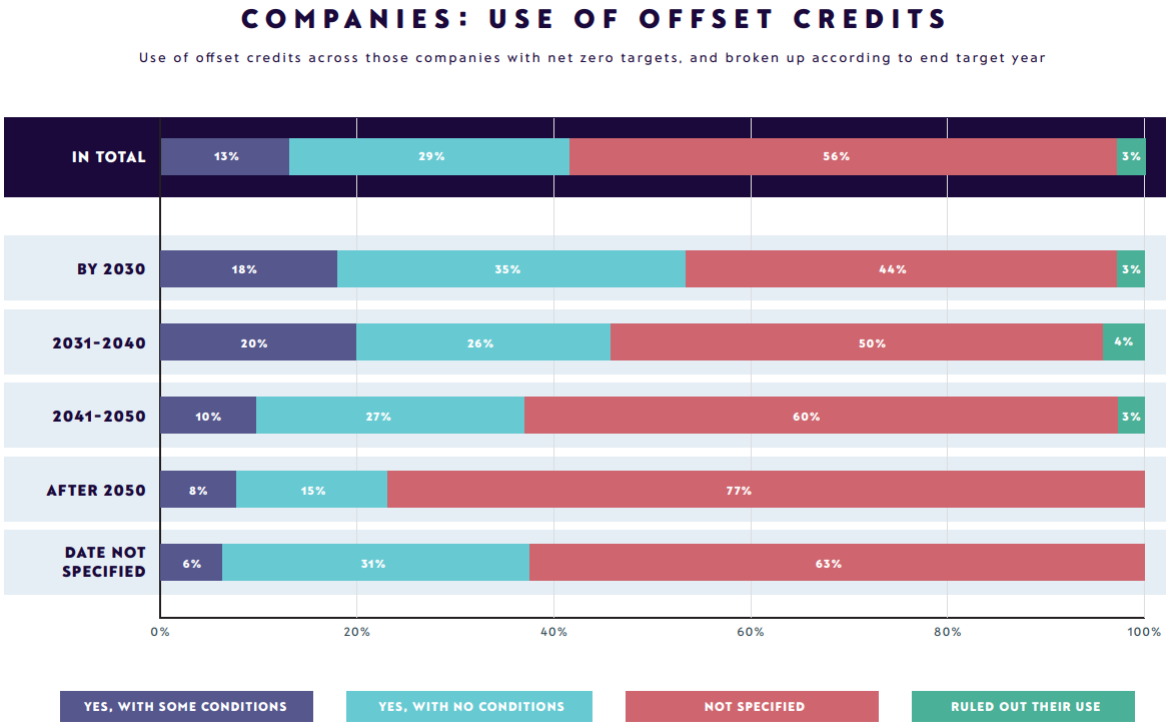

Figure 3: Use of offset credits across 929 Forbes Global 2000 companies as of 1 June 2023 and according to the net zero target year (Source: Net Zero Tracker, 2023, pg. 49).

[15] https://www.theccc.org.uk/publication/voluntary-carbon-markets-and-offsetting/
[16] https://www.contractsfinder.service.gov.uk/Notice/ce6a25dd-7ee6-4f2c-acf0-33146fb7f6e8
[17] https://democracy.basingstoke.gov.uk/documents/s29385/Carbon%20Offsetting%20report%20v1.pdf

3.2 Carbon Insetting

Carbon insetting refers to the investment in carbon reduction or removal activities *within* a business' value chain, as opposed to *outside* of the value chain, in order to compensate for residual emissions[18]. In a local authority context, the investment boundary is shifted from within the value chain to the local authority boundary[19] (see Figure X). The authority boundary could be set at an individual district or unitary council, along with counties and combined authority areas.

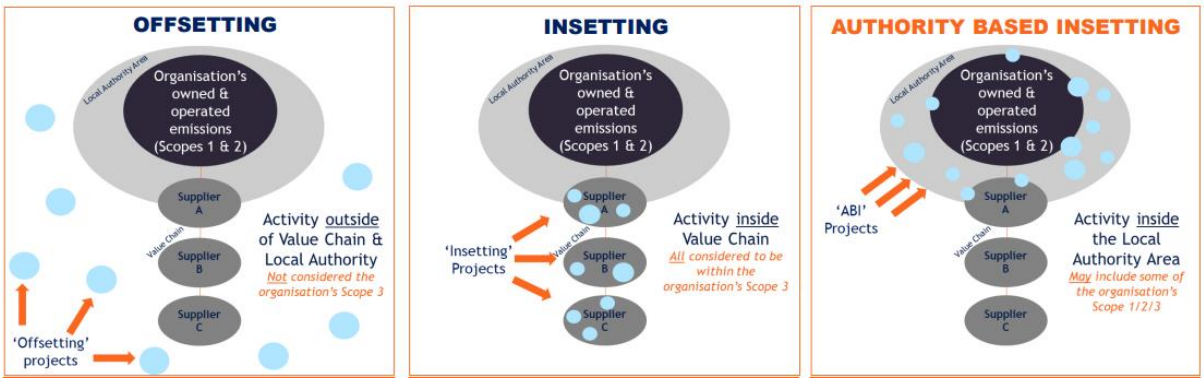

Figure 4: Diagram which illustrates the differences between traditional offsetting, insetting, and area-based insetting (Source: Anthesis, 2022).

Carbon insetting has emerged as an alternative approach to carbon offsetting that localises carbon reduction and removal projects and activities within company value chains and has been adopted by private sector organisations such as Burberry[20], Nestle[21], and PepsiCo[22]. Several local authorities are also planning to use carbon insetting or have begun developing their own carbon insetting projects in order to achieve their climate mitigation targets. Plymouth City Council, for example, has committed to developing 'local offsetting projects' (i.e., insetting) such as seagrass restoration, domestic retrofit, and woodland creation, to provide options for the council and others to meet their offsetting needs within the local area[23].

The City of York Council is also in the process of developing its own carbon insetting project through the York Community Woodland scheme which is estimated to sequester 22,587 tCO_2e over the project lifetime (see Figure X). The woodland is being established and managed by Forestry England and certified with the Woodland Carbon Code meaning that the council will be able to claim the estimated 18,070 Woodland Carbon Units (WCUs) produced by the scheme[24].

[18] https://www.insettingplatform.com/insetting-explained/
[19] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[20] https://www.burberryplc.com/news/corporate/2020/burberry-introduces-carbon-insetting-and-autumn-winter-2020-runw
[21] https://www.nestle.com/sites/default/files/2023-10/nestle-scope-3-removals-framework.pdf
[22] https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico's-climate-action-strategy.pdf
[23] https://democracy.plymouth.gov.uk/documents/s144938/240318%20Appendix%20A%20NZAP%202024-27%20FC%20FINAL.pdf
[24] Carbon sequestration calculated using the Woodland Carbon Code Carbon Calculation Spreadsheet: https://woodlandcarboncode.org.uk/standard-and-guidance/3-carbon-sequestration/3-3-project-carbon-sequestration

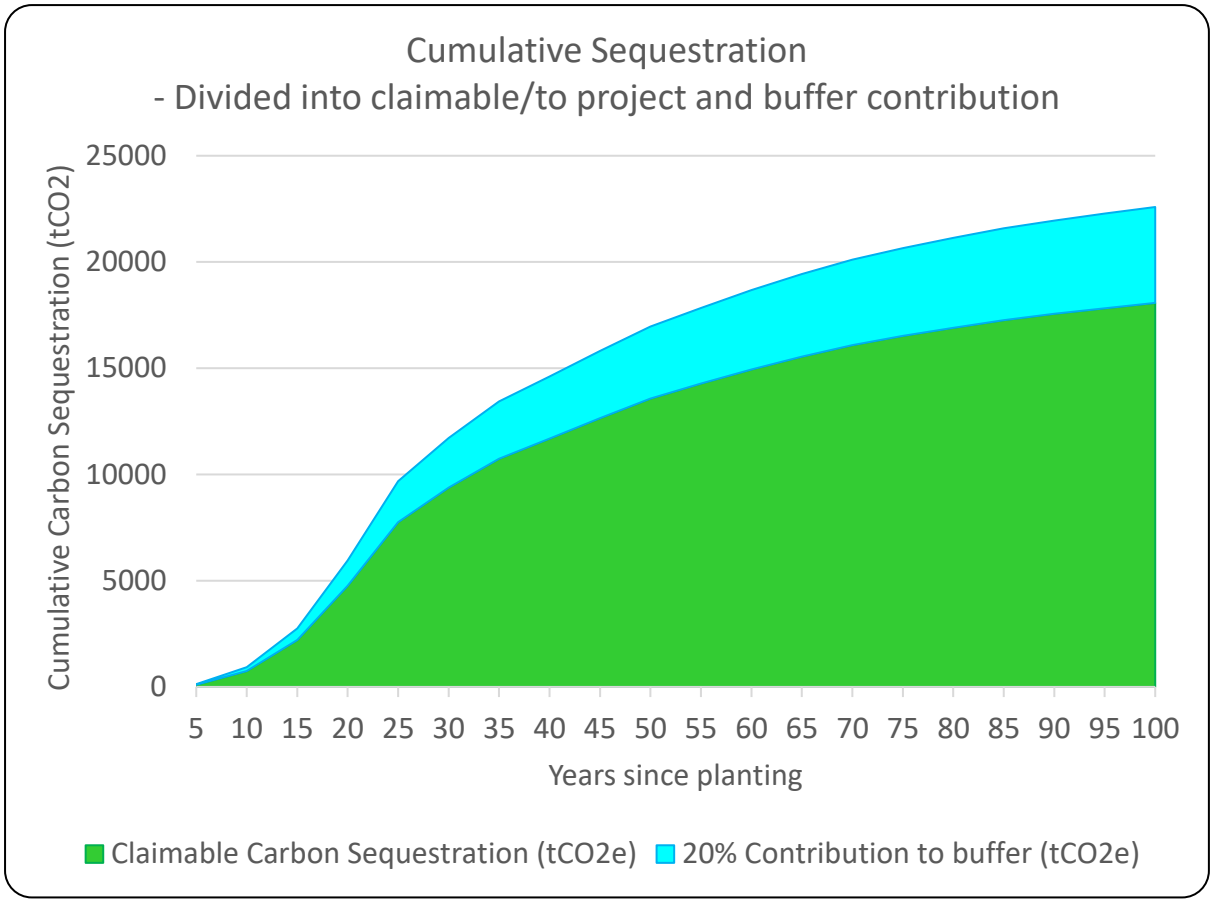

Figure 5: Cumulative carbon sequestration from the York Community Woodland project measured using the Woodland Carbon Code Carbon Calculation Spreadsheet.

With the support of 13 councils, Anthesis has developed a practical guide for local authority representatives seeking to establish their own **"Area Based Insetting" (ABI)** mechanism[25]. ABI aims to enable local authorities to identify potential insetting projects within their boundaries, attract finance for projects, and effectively measure and report project impacts. ABI can support councils to retain the socio-economic benefit of carbon reduction and removal projects locally and support the achievement of corporate and area-wide net zero targets.

ABI applies relevant principles and learnings from offsetting, including the use of carbon credits to raise finance. It also seeks to retain insetting's potential to connect local stakeholders and generate mutual benefits. There are several local authorities currently involved in developing their own ABI mechanisms in order to direct business and developer investment towards local carbon reduction or removal schemes as an alternative to traditional offsetting. For example, Oxford City Council recently secured £157,243 of grant funding from Innovate UK to launch its FutureFit Area Based Insetting (FABI) project which aims to explore how localised insetting can be used to help fund retrofit projects across the city and support their net zero goals[26].

[25] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[26] https://www.lowcarbonhub.org/p/programmes/futurefit-area-based-insetting-fabi/

4 Offsetting/Insetting Projects

Carbon offsets/insets can be generated by activities that reduce or remove GHGs from atmosphere. In most cases, these activities are undertaken as discrete projects ranging in scale from very small (i.e., tens to hundreds of tCO_2e per year) to very large (i.e., millions of tCO_2e per year).

Carbon offset/inset projects can be categorised into two main types: carbon reduction (see section 4.1) and carbon removal (see section 4.2). Figure X provides a visual taxonomy showing five different project classifications which distinguish between carbon reductions and carbon removals and distinguish between where carbon is removed from the atmosphere, how it is stored (in the biosphere or geosphere) and the risks and benefits associated with these different approaches[27]. For the purpose of this report, the classification system set out in Figure X will be used to denote the various offset/inset options that could be used to counterbalance any residual emissions in York.

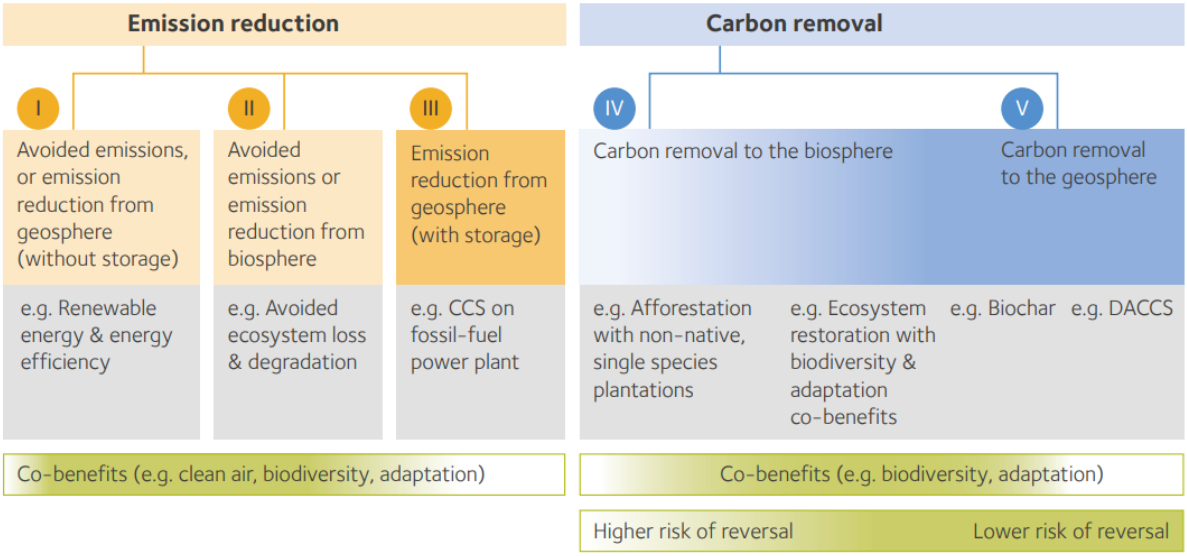

Figure 6: Simplified taxonomy showing five different classifications of carbon offset/inset projects (Source: Axelsson et al, 2024, pg. 12)

4.1 Carbon Reduction

Carbon reduction projects are a type of project that prevents or reduces greenhouse gas emissions from being released into the atmosphere. There are three broad categories of options for reducing emissions:

I. **Avoid or reduce emissions from the geosphere** – emissions can be avoided by deploying renewable energy to replace fossil fuel use, or by improving efficiency.

II. **Avoid or reduce emissions from the biosphere** – by protecting ecosystems and their soils and vegetation from damage or degradation.

[27] Axelson et al (2024).

III. **Reduce emissions from the geosphere by capturing and storing fossil carbon** – from industrial point sources or fossil-fuelled power stations.

Whilst these activities help to reduce the rate of new GHG emissions entering the atmosphere, they do not remove GHGs that are already in the atmosphere. An appraisal of the potential carbon reduction projects that could be used for carbon offsetting/insetting purposes can be found in Appendix X.

4.2 Carbon Removal

Carbon removal projects, also known as negative emissions technologies (NETs) sequester carbon from the atmosphere and store it in biological or geological reservoirs. There are two categories of options for removing carbon from the atmosphere:

IV. **Carbon removal to the biosphere** – involves enhancing the carbon stored in the biosphere, such as by restoring healthy ecosystems (e.g., woodlands, grasslands, wetlands, and marine habitats) or enhancing soil carbon on agricultural land. Often referred to as nature-based carbon removal technologies (see Appendix X).

V. **Carbon removal to the geosphere** – involves extracting CO_2 from the atmosphere and storing it in the geosphere, such as through direct air capture with geological storage (DACCS) or converting atmospheric carbon into rock through remineralisation. Often referred to as technology-based or engineered carbon removal technologies (see Appendix X).

Type IV offsets are more mature and accessible whereas Type V are less developed and more expensive.

5 Best Practice

It is imperative that the council develops a strategy that aligns with existing best practice to ensure that any use of carbon offsetting and/or insetting contributes towards achieving net zero. The aim of this section of the report is to provide an overview of existing literature, guidance, and best practice around carbon offsetting and insetting to inform the development of a council strategy.

5.1 Net Zero vs Carbon Neutral

Ahead of developing a net zero aligned offsetting strategy, it is important to first define the term 'net zero' and distinguish this from the term 'carbon neutral' that has been set by other local authorities.

Net Zero

Net zero refers to the condition in which human-caused residual GHG emissions are balanced by human-led removals over a specific period and within specified boundaries [28]. Several organisations including local authorities have set net zero targets and strategies.

International guidance has emerged to support organisations in developing credible net zero strategies including: the International Standards Organisation's Net Zero Guidelines [29]; the Science Based Targets Initiative's Corporate Net Zero Standard [30]; and the UN Secretary General's Integrity Matters Report [31].

Consensus has emerged that to achieve and maintain net zero, organisations should reduce emissions as far as possible following science-based pathways, with any residual GHG emissions attributable to that actor being fully compensated by removals with low risk of reversal, exclusively claimed by that actor, either within their own value chain (i.e., insetting) or through the purchase of high-integrity credits (i.e., offsetting) [32].

As the council has set a target to be net zero by 2030, this report outlines the best practice guidance around using offsets/insets to make net zero claims as opposed to other potential claims such as carbon neutrality (see below).

Carbon Neutral

While carbon neutrality and net zero are terms that should be functionally equivalent concepts, practitioners, standards, and regulators alike (particularly referring to claims of non-state actors) have come to interpret and apply 'carbon neutral' as a less rigorous, interim claim in which an organisation purchases credits (reductions or removals) to compensate for the total amount of remaining emissions, often ahead of the net zero target [33].

[28] https://www.iso.org/obp/ui/en/#iso:std:iso:iwa:42:ed-1:v1:en:term:3.1.1
[29] https://www.iso.org/obp/ui/en/#iso:std:iso:iwa:42:ed-1:v1:en
[30] https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf
[31] https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf
[32] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
[33] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf

The International Standards Organisation's Carbon Neutrality Standard, for example, defines carbon neutral as the "condition in which during a specific period there has been no net emission of GHGs to the atmosphere as the carbon footprint of the subject has been counterbalanced by offsetting". It further states that "achievement of this condition is not limited to the GHG emissions and GHG removals within the boundary of the subject and can include counterbalancing measures such as the use of carbon offsets, as long as these meet certain criteria" [34].

This understanding of carbon neutrality demonstrates a departure from the definition of net zero, which is achieved through deep emissions reductions, with any residual GHG emissions attributable to that actor being fully compensated by removals with low risk of reversal.

5.2 Carbon Mitigation Hierarchy

Emissions reductions are the core component of any credible net zero strategy and voluntary initiatives and standards on net zero commonly advocate using the mitigation hierarchy (see Section 5.3). The carbon mitigation hierarchy emphasises the need for actors to reduce emissions from within their value chain as much as possible before using offsets and/or insets to reduce carbon emissions (see Figure X [35]). The introduction of carbon offsets and/or insets should not replace, nor detract from, the rollout of carbon reduction measures across York; offsets must only be used to remove residual emissions that remain in the net zero target year.

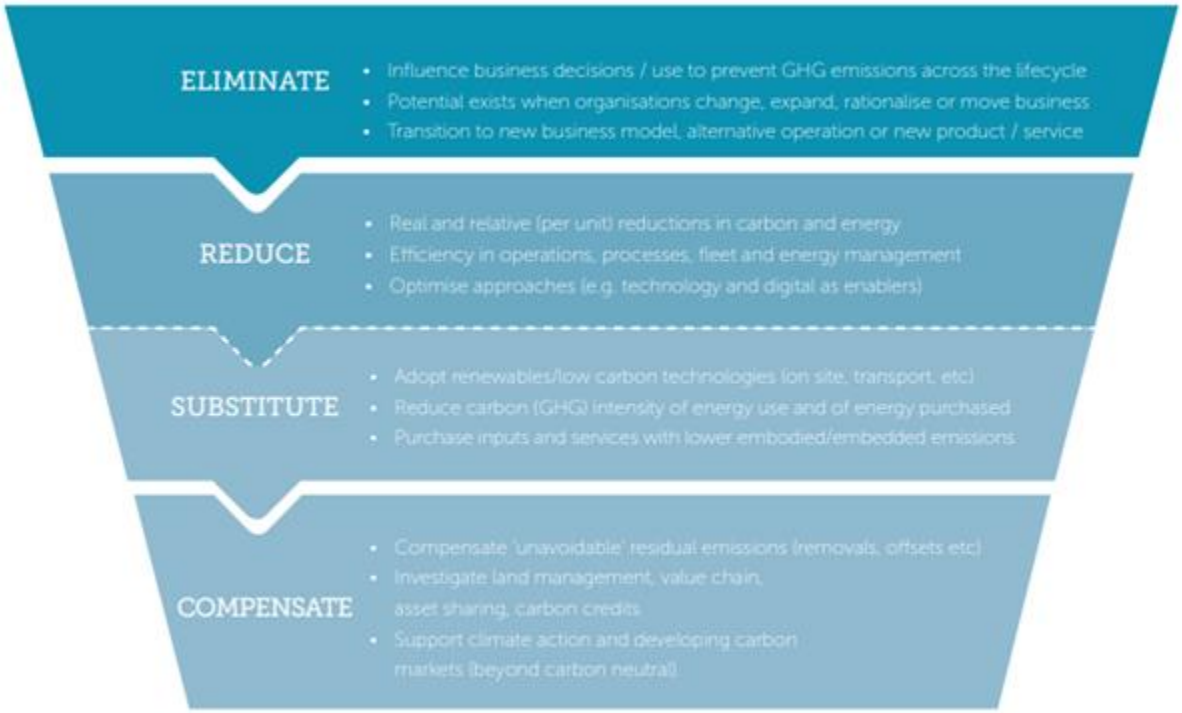

Figure 7: Greenhouse Gas Management Hierarchy (Source: IEMA, 2020).

[34] https://www.iso.org/standard/43279.html
[35] https://www.iema.net/resources/reading-room/2020/11/26/pathways-to-net-zero-using-the-iema-ghg-management-hierarchy-november-2020

5.3 Defining residuals

Residual emissions are frequently referred to as “hard-to-mitigate” emissions [36] or emissions that remain after “taking all possible actions to implement emissions reductions given current resources and technology” [37]. Whilst there is a consensus amongst voluntary net zero standards and guidance that the use of offsets and insets should be restricted to residual emissions, there is a lack of guidance or specific criteria as to how to define residual emissions [38]. For example, few standards define a numerical threshold or provide support to define what emissions can be considered as not feasible to eliminate, especially when financial criteria or resources are used to determine this feasibility.

The Science Based Targets Initiative (SBTi) recommends a reduction threshold of at least 90% by 2050 to inform the level of residual emissions for companies [39]. The SME Climate Hub recommends a threshold of 10% for residual emissions. A report prepared for the Hertfordshire Climate Change and Sustainability Partnership recommended that residual emissions should not go beyond 5% of the total carbon budget of the county [40].

The council could follow a similar approach and set a reduction threshold as part of its net zero strategy. This will help to focus attention on maximising efforts to reduce carbon in York prior to using offsets or insets. However, there is no clear guidance for local authorities wishing to set a threshold on use of offsets/insets so this may prove a challenge.

5.4 Carbon Offsetting – Best Practice

The vast majority of current offsetting approaches currently used by organisations are not net zero aligned and the use of offsetting has come under considerable criticism from the press, academics, and environmental advocates [41] [42] [43] [44] [45]. Common criticisms and concerns around carbon offsetting centre around two categories [46]:

- *How carbon offset credits are used* (demand-side) – concerns that the use of carbon offsetting could create perverse incentives and encourage mitigation deterrence if organisations rely on offsetting to achieve net zero targets instead of prioritising emissions reductions.
- *The quality of carbon offset credits* (supply-side) – concerns about the quality and integrity of projects and resulting credits that are purchased and used to make climate claims. The current supply of carbon credits within the VCM is dominated by low-quality carbon reduction credits that are not aligned with net zero standards.

36

37

38 https://netzeroclimate.org/wp-content/uploads/2022/12/Summary-Report_Oxford-Net-Zero_October-2022.pdf

39

40

41 https://www.theguardian.com/environment/2023/sep/19/do-carbon-credit-reduce-emissions-greenhouse-gases

42 https://policy.friendsoftheearth.uk/insight/dangerous-distraction-offsetting-con

43 https://www.weforum.org/agenda/2021/09/greenpeace-international-carbon-offsetting-net-zero-pledges-climate-change-action/

44 https://www.ft.com/content/9b02fcf7-9e04-4b71-ad14-251552d5a78e

45 https://www.tandfonline.com/doi/abs/10.1080/09644016.2021.1877063

46 https://www.offsetguide.org/common-criticisms/

5.4.1 Demand-side initiatives

A growing set of literature, guidance, standards, and regulations is contributing to international consensus on what constitutes credible use of offsetting to achieve net zero targets[47]. Efforts to define best practice as it pertains to offsetting or compensating emissions is set out within various voluntary standards such as: the Science Based Targets Initiative's (SBTi) Net Zero Standard[48] and Beyond Value Chain Mitigation guidance[49], the ISO Net Zero Guidelines[50], the Voluntary Carbon Markets Initiative's (VCMI) Claims Code of Practice[51], and the Oxford Principles for Net Zero Aligned Carbon Offsetting[52]. These initiatives provide guidance, mainly aimed at the corporate sector, to reduce the well-known risks associated with the current use of credits and improve the credibility and integrity of net zero claims.

The Oxford Principles for Net Zero Aligned Carbon Offsetting, recently updated in February 2024, contribute to this literature by outlining a best practice approach for offsetting that aligns with net zero targets. Organisations are encouraged to subscribe to four key principles when using carbon offsetting (see Table X).

Table 1: Four key principles for organisations to adopt when using carbon offsetting to achieve net zero targets taken from the Oxford Offsetting Principles for Net Zero Aligned Carbon Offsetting.

Principle	Description
1 Cut emissions, ensure the environmental integrity of credits used to achieve net zero, and regularly revise your offsetting strategy as best practice evolves.	Following best practices developed over the last decade to deal with carbon credits and projects, adherents to the Principles should: 1A Prioritise reducing your direct and indirect emissions – Minimise the need for offsetting. Reducing emissions has multiple co-benefits and there are limits to the availability of high-quality credits. 1B Ensure the integrity of carbon credits – Credits must be measured, reported, verified, and correctly accounted for. Credit-generated investments must yield results that are demonstrably additional to what otherwise have occurred, have a low risk of reversal, and avoid negative impacts on people and the environment. 1C Maintain transparency – Disclose current emissions, accounting and verification practices, targets, and transition plans to reach net zero, and the type of credits you employ, as well as your selection process and the verification

[47] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
[48] https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf
[49] https://sciencebasedtargets.org/beyond-value-chain-mitigation
[50] https://www.iso.org/obp/ui/en/#iso:std:iso:iwa:42:ed-1:v1:en
[51] https://vcmintegrity.org/vcmi-claims-code-of-practice/
[52] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf

	processes associated with the credits.
2 Transition to carbon removal offsetting for any residual emissions by the global net zero target date.	Most credits in the voluntary market today are associated with emission reductions or avoided emissions. These can play a key role in the short and medium term to protect the carbon stored in vulnerable ecosystems and accelerate the transition to a low-carbon society, but the scope for further emissions reductions will decrease as we approach the net zero target date. Organisations must shift towards carbon removals, which remove carbon from the atmosphere to counterbalance residual emissions and achieve net zero. Those targeting net zero with the use of credits will need to increase the proportion that comes from carbon removal, rather than from emission reductions, aiming to reach 100% carbon removal credits by the global net zero date (2050 at the latest). Other mechanisms besides the use of credits will also be needed to avoid and reduce emissions, both before and after the net zero target date.
3 Shift to removals with durable storage (low risk of reversal) to compensate any residual emissions by the net zero target date.	All carbon dioxide (CO_2) removals need to be stored. Different storage methods vary in their susceptibility to releasing GHGs back into the atmosphere (hereafter 'risk of reversal'). To maintain a net zero balance, storage with low risk of reversal and high durability over the long term (centuries to millennia) is needed, such as storing CO_2 in well-selected geological reservoirs or mineralising carbon into a stable form. Some nature-based approaches that restore and protect the carbon stored in well-managed resilient ecosystems could also store carbon for centuries to millennia, provided future generations continue to maintain them and they are not destabilised by future climate change. However, the current deployment level of durable carbon removal and storage approaches is well below what is needed. It is critical that investment in these methods begins early and ramps up rapidly to ensure they are available at the scale needed to meet the demand required to achieve global net zero. Continuing to invest in high-integrity projects with a *moderate* risk of reversal (such as certain nature-based removals that may be susceptible to climate change) will also play a valuable role in the short to medium term whilst complementary approaches with a lower risk of reversal are developed and deployed. These may also have many other benefits beyond carbon removal and storage.
4 Support the development of innovative and integrated approaches to achieving net zero.	The market for high-quality removals, whether used to generate credits or for wider offsetting approaches, is immature and in need of early adopters to support its growth. Users of these Principles can develop the market to support net zero by: 4A Using long-term agreements that are bankable and investable to provide certainty to project developers so they can raise capital efficiently.

	4B De-risking project finance. 4C Forming sector-specific alliances to work collaboratively with industry peers to develop the market for projects aligned with net zero. 4D Supporting the protection and restoration of a wide range of ecosystems in their own right. Not only will this contribute to reducing emissions and removing CO_2, but it will also further secure the multiple ways society is supported by nature, including adaptation to the impacts of climate change. While high-integrity ecosystem restoration projects usually store carbon, such efforts should also be supported for their social and environmental benefits, not solely for the purpose of compensating for ongoing emissions. 4E Adopting and publicising the Principles and incorporating them into regulation and standard setting for net zero. 4F Investing in additional beyond value chain mitigation.

Several organisations have started to adopt the Oxford Offsetting Principles as the basis of their offsetting strategies, recognising their importance in ensuring the integrity and effectiveness of offsetting efforts in achieving a net zero future. Whilst the Oxford Offsetting Principles were not designed specifically for local authorities, many of the key principles will still apply. Therefore, it is recommended that the council recognises, adopts, and integrates these best practice principles into its own carbon offsetting and insetting strategy.

5.4.2 Supply-side initiatives

Carbon standards and codes are central to the operation of the VCM and act as regulators of the market. Codes and standards provide the framework of rules, procedures, and methodologies for measuring and certifying the volume of carbon emission reduction/removals of schemes [53]. Given the voluntary nature of the VCM, standards organisations safeguard the quality of VCM carbon credits and provide credibility to the use of carbon offsetting to achieve net zero claims.

Carbon standards both certify carbon projects and facilitate the trade of carbon credits. Standards convert certified emissions reductions and removals into tradeable carbon credits. To obtain certification of emissions reductions or removals and be issued credits to trade, projects must meet certain benchmarks and protocols outlined in detailed policies by the code or standard. This often includes complying with standards' processes, rules, requirements, and safeguards; applying methodologies approved by the standards; and providing evidence of compliance this is then reviewed by an independent third-party auditor. Carbon standards use registries to track all credits generated, transfer tradeable credits, and trace transactions between buyers and sellers [54].

[53] https://web.kana.earth/p/code-comparison
[54] https://vcmprimer.org/chapter-1-what-is-the-voluntary-carbon-market/

Carbon standards vary in their approaches, methodologies, and requirements. The main carbon standards by volume of credits traded include the Verified Carbon Standard (VCS) [55]; Gold Standard (GS) [56]; American Carbon Registry (ACR) [57]; and the Climate Action Reserve (CAR) [58]. Other smaller standards include Isometric [59], Puro.earth [60], Social Carbon [61], and Plan Vivo [62]. The International Carbon Reduction & Offset Alliance (ICROA) [63] is a non-profit membership organisation which audits and promotes high-integrity standards around the world. ICROA essentially acts as the global umbrella body for offset providers in the voluntary market.

In the UK, there are two government-endorsed standards in place that provide investors the opportunity to buy high-quality verified credits from woodland creation and peatland restoration projects. These include:

- The Woodland Carbon Code (WCC) [64] – the quality assurance standard for woodland creation projects in the UK, and generates high integrity, independently verified carbon units. Maintained by the IUCN UK Peatland Programme.
- The Peatland Code (PC) [65] – voluntary certification standard for UK peatland projects wishing to market the climate benefits of peatland restoration and provides assurances to VCM buyers that the climate benefits being sold are real, quantifiable, additional, and permanent.

Both voluntary carbon codes provide a rigorous set of methodologies and procedures for landowners and developers to follow, to ensure credibility of carbon units, which are purchased by corporate buyers to offset against or contribute towards climate targets. Carbon units purchased from the UK VCM can only be used by organisations with UK operations to offset UK-related emissions. There are a number of other voluntary codes currently in development for projects such as hedgerow creation and saltmarsh restoration (see Figure X [66]):

[55] https://verra.org/programs/verified-carbon-standard/
[56] https://www.goldstandard.org/
[57] https://acrcarbon.org/
[58] https://www.climateactionreserve.org/
[59] https://science.isometric.com/
[60] https://puro.earth/
[61] https://www.socialcarbon.org/
[62] https://www.planvivo.org/
[63] https://icroa.org/
[64] https://woodlandcarboncode.org.uk/
[65] https://www.iucn-uk-peatlandprogramme.org/peatland-code-0
[66] https://www.greenfinanceinstitute.com/wp-content/uploads/2023/03/ENABLER-3.pdf

	Markets and Codes	Developers
Compliance Markets	Biodiversity Net Gain Credit Markets (in development)	Natural England & Defra – Sept 2023
	Nutrient Neutrality	Natural England
Established Voluntary Codes	Woodland Carbon Code	Scottish Forestry
	Peatland Code	IUCN
	Soil Carbon Minimum Standards	SWAG SW
	Wilder Carbon Standard	Wilder Carbon, led by Kent Wildlife Trust
Codes in Development	Agroforestry Carbon Code	Soil Association
	Hedgerow Carbon Code	The Allerton Research & Educational Trust
	UK Saltmarsh Carbon Code	UK Centre for Ecology & Hydrology
Codes in Early Development*	Seagrass Carbon Code	Plymouth City Council
	Sussex Bay Kelp Carbon Code	Adur & Worthing Council
	UK Freshwater Biodiversity Code	Bristol Avon Rivers Trust

Figure 8: Environmental markets and codes in the UK (Source: Green Finance Institute, 2023).

The International Council for the Voluntary Carbon Market (ICVCM) [67] is an independent governance body for the VCM. Its role is to set and enforce a definitive global threshold standard for high-quality carbon credits and ensure that the VCM accelerates a just transition to 1.5°C of global warming. In March 2023, the ICVCM published 10 Core Carbon Principles (CCPs), that set out key principles for identifying high-integrity carbon credits that create real, verifiable climate impact, based on the latest science and best practice [68] (see Figure X).

The ICVCM is currently assessing for adherence to the CCP Assessment Framework [69]:

1. Carbon-crediting programmes to determine whether a carbon-crediting programme can be approved as CCP-Eligible.
2. Categories of carbon credits, to determine whether a Category of carbon credits may be labelled as CCP-Approved by a CCP-Eligible programme.

Once assessments are complete, Programmes deemed to be CCP-Eligible will be able to issue CCP-Approved carbon credits from CCP-Approved Categories of carbon credits. As a potential buyer of carbon credits, the council should seek to purchase credits from CCP-Approved projects to ensure that it is purchasing high-integrity credits.

[67] https://icvcm.org/
[68] https://icvcm.org/the-core-carbon-principles/
[69] https://icvcm.org/program-assessment-status/

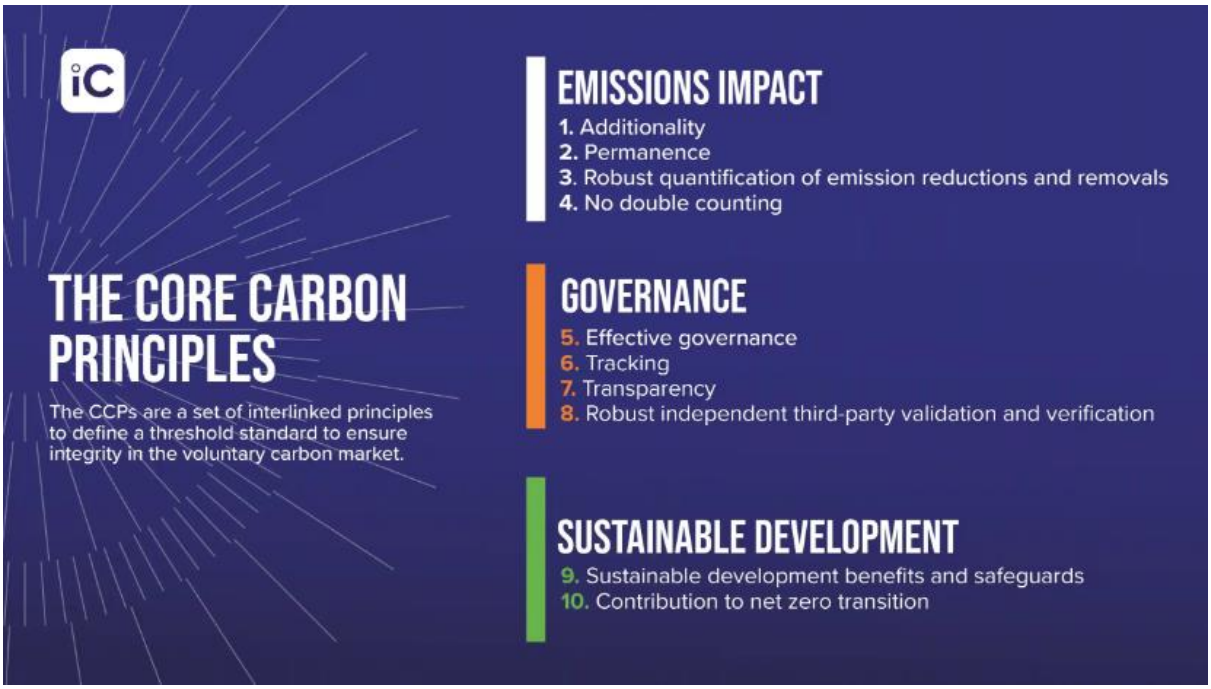

Figure 9: The Integrity Council's Core Carbon Principles (CCPs)

Carbon ratings agencies such as Sylvera [70], BeZero [71], Calyx Global [72], and Renoster [73] have emerged recently with the aim of bringing clarity and confidence to the VCM and supporting organisations to clearly understand the quality of carbon credits. Based on independent and objective analysis, a carbon credit rating agency issues ratings (often in the form of letter grades such as AAA, AAA-, AA, etc.) to assess the likelihood that a carbon project delivers real climate impact [74]. This approach mirrors that of financial credit ratings or ESG ratings. Like with debt or ESG ratings, carbon credit ratings help buyers understand the risk associated with a specific credit, and support in comparing different projects against each other. For example, a low carbon credit rating would indicate the project is high risk (i.e., likely not delivering the claimed avoided or removed emissions). As a potential buyer of market-based offsets, the council must be educated about the various assessment approaches and understand the risks involved.

5.5 Carbon Insetting – Best Practice

Within the corporate sector, for example, insetting has emerged as a promising approach for companies to drive carbon reductions and removals within their value chains and harmonise their operations with the ecosystems they depend on [75] [76].

Carbon insetting also provides an alternative means through which local authorities can address their residual emissions whilst maximising benefits for local communities by ensuring projects and investments are retained within the local authority boundary. Councils could, for example, directly deliver their own carbon insetting projects and/or work with other

[70] https://www.sylvera.com/
[71] https://bezerocarbon.com/
[72] https://calyxglobal.com/
[73] https://www.renoster.co/
[74] https://www.sylvera.com/blog/what-is-a-carbon-credit-agency/
[75] https://www.insettingplatform.com/wp-content/uploads/2022/03/IPI-Insetting-Guide.pdf
[76] https://www.abatable.com/reports/insetting-scope-3-carbon-emissions

local stakeholders (i.e., community groups, local businesses, project developers) to identify and fully or partially fund local projects in return for a claim on the achieved carbon savings. Carbon insetting can also help to minimise other challenges faced by local authorities when using carbon offsetting such as lack of return on investment and exposure to unpredictable market prices for carbon credits.

Due to the relatively nascent nature of insetting, there is only a limited set of literature, standards, and guidance available setting out what constitutes credible use of insetting to achieve net zero targets. This includes standards and guidance produced by organisations such as the International Insetting Platform [77] [78] [79], Anthesis [80], and the Scottish Government [81].

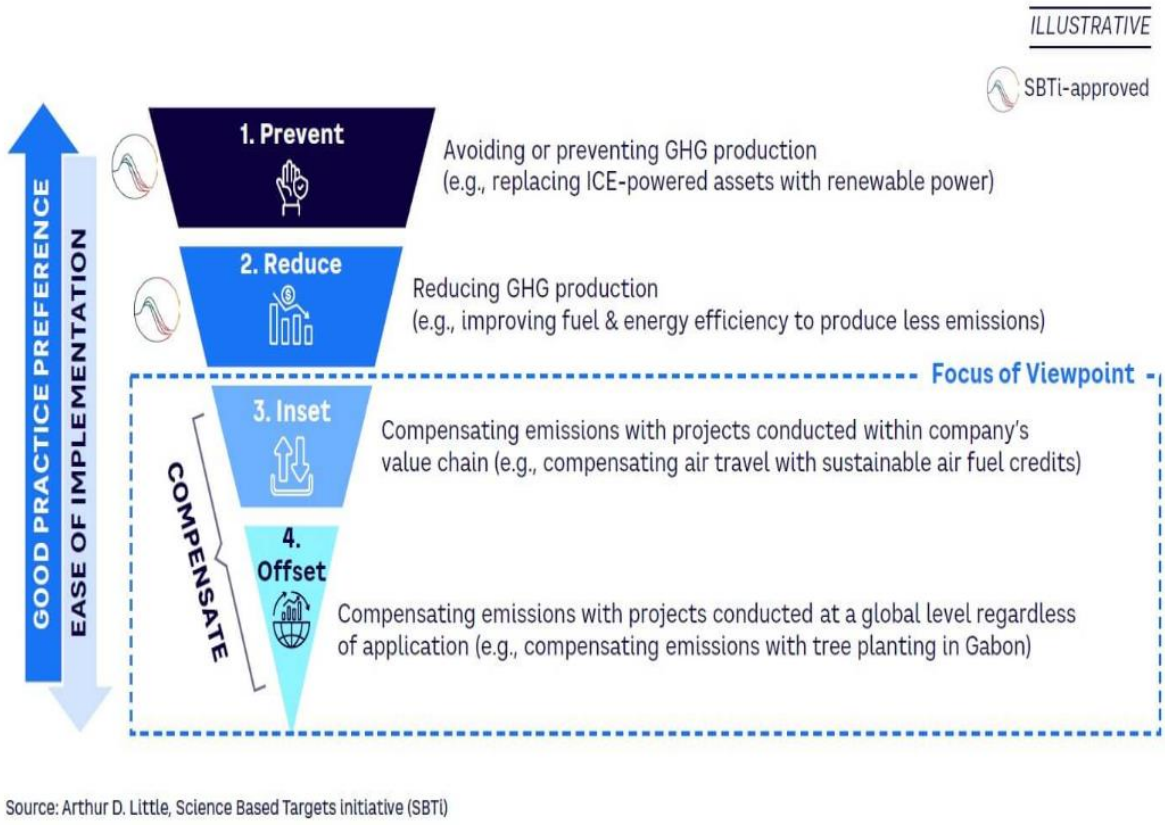

Figure 10: Decarbonisation hierarchy adapted to illustrate the need to prioritise insetting over offsetting in order to compensate for residual emissions.

[77] https://www.insettingplatform.com/
[78] https://www.insettingplatform.com/wp-content/uploads/2020/09/INSETTING_PROGRAM_STANDARD_IPS_V2.0_Final.pdf
[79] https://www.abatable.com/reports/insetting-scope-3-carbon-emissions
[80] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[81] https://www.gov.scot/publications/public-sector-leadership-global-climate-emergency/pages/12/

Within the literature, carbon insetting is often promoted as a solution that should be prioritised over traditional carbon offsetting, particularly amongst public bodies with access to significant landholdings (see Figure X). The Scottish Government, for example, has issued guidance for public bodies on offsetting and insetting which states that "investment in insetting projects should be prioritised ahead of the purchase of carbon offsets" [82]. Anthesis suggest that "for local authorities, traditional offsetting options may present even greater challenges than for the corporate market" and suggest the insetting activity within a local authority's boundary ("area based insetting") should be the focus of investment [83].

5.6 Offsetting vs Insetting

Carbon offsetting

The council could consider counterbalancing its residual emissions through carbon offsetting – i.e., purchasing carbon credits via the VCM in order to counterbalance organisational and/or city-wide carbon emissions. This is an approach that is commonly used within the corporate sector and has been deployed by councils such as Devon County Council and Basingstoke and Deane Borough Council. In the view of APSE Energy, "carbon offsetting is both a legitimate and useful tool which has a proper place in local authority climate emergency action plans" [84].

In line with Principle 1B of the Oxford Offsetting Principles, purchasing carbon credits requires proper due diligence to ensure that the council is investing in high-quality projects (see Section X). Within the UK, two Government supported certification codes have emerged for both woodland creation and peatland restoration projects – the Woodland Carbon Code (WCC) [85] and Peatland Code (PC) [86]. These set clear criteria to validate and verify carbon sequestration from woodland creation and peatland restoration projects to create a transparent market for the sale of these credits. Carbon credits can be purchased through the WCC or PCC as either Woodland or Peatland Carbon Units or Pending Issuance Units (PIUs):

- A Woodland or Peatland Carbon Unit represents one tonne of CO_2e which has been sequestered in a WCC-verified woodland or PCC-verified peatland project. Woodland Carbon Units (WCUs) or Peatland Carbon Units (PCUs) can be retired upon purchase in the UK Land Carbon Registry by a UK-based organisation to counterbalance its residual emissions and make carbon neutral or net zero claims.

- A Pending Issuance Unit (PIU) is effectively a 'promise to deliver' a WCU or PCU in the future, based on predicted sequestration volumes. As PIUs are not guaranteed, they cannot be used by organisations to counterbalance their residual emissions until they are verified and converted into WCUs.

[82] https://sustainablescotlandnetwork.org/uploads/store/mediaupload/2110/file/Public%20Bodies%20and%20Climate%20Change%20Duties%20-%20Guidance%20on%20carbon%20insetting%20and%20offsetting%20-%20February%202023.pdf

[83] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/

[84] https://www.apse.org.uk/apse/index.cfm/local-authority-energy-collaboration/apse-energy-publications1/the-relevance-and-legitimacy-of-carbon-offsetting-in-local-government/

[85]

[86]

There are, however, several challenges that the council may face if it decides to pursue this option [87]. First, there is only a limited supply of high-quality verified UK-based carbon credits available for the council to purchase, particularly as woodland and peatland projects take time to mature and reach full carbon sequestration potential [88]. Very few woodland projects were planted and registered with the WCC long enough ago to be yielding WCUs. Of the projects that have been verified, only small amounts of WCUs are available, as trees do not sequester significant amounts of carbon until around Year 15 onwards. Similarly, Peatland Carbon Units are not currently available under the UK Peatland Code, as these units can only be obtained after a project has been verified, which takes place 5 years after a restoration process has occurred [89].

Second, it is expected that the costs of UK nature-based credits will increase significantly in the future as pressures to achieve climate mitigation targets will increase demand from corporate buyers. The Climate Change Committee estimate that offset credits for peatland restoration will cost between £5-40/tCO_2e and woodland creation £65-105/tCO_2e [90]. Similarly, a report from LSE and the Grantham Institute suggests that, to meet net zero targets, shadow carbon prices would increase to £75/tCO_2e in 2030 and to circa £160/tCO_2e in 2050 [91]. The council will have no control over future prices of carbon credits and will be exposed to any future price changes in the market.

Third, council expenditure on carbon credits will be largely funded by taxpayers' money, subjecting the council's offsetting activity to significant public attention and scrutiny. Taxpayers will demand transparency around how their money is invested by the council and to ensure that it provides local benefit to residents. This is difficult to achieve using carbon offsets as they commonly relate to projects outside of the local authority boundary and/or outside of the UK. As a result, there is a risk that any use of carbon offsetting by the council will be the subject of strong opposition from local residents.

Lastly, purchasing carbon credits will not provide the council with any financial return on investment. Meeting the council's net zero target in 2030, and each year thereafter, would require an annual investment in carbon credits with no direct financial payback. As a result of the challenges of carbon offsetting, many councils are now considering local approaches such as carbon insetting as an alternative to compensate for their residual emissions (see Section X).

Carbon insetting

Partly in response to criticisms around carbon offsetting, some councils are now pivoting towards carbon insetting as an alternative measure to compensate for residual emissions. The council could directly deliver its own carbon insetting projects and/or work with other local stakeholders in York (i.e., community groups, local businesses, project developers) to identify and fully or partially fund projects in return for a claim on the realised carbon removals.

The council should select projects that will maximise benefits for local communities, and any carbon reductions and co-benefits will be retained within the local authority boundary. By

[87] https://www.anthesisgroup.com/solutions/carbon-projects-offsetting/area-based-insetting/
[88] https://cdn.forestresearch.gov.uk/2022/07/QFORC_Summary_Report_rv1e_final.pdf
[89] https://www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/buyers
[90] https://www.theccc.org.uk/publication/voluntary-carbon-markets-and-offsetting/
[91] https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2019/05/GRI-POLICY-BRIEF_How-to-price-carbon-to-reach-net-zero-emissions-in-the-UK.pdf

keeping projects within the local authority boundary, carbon insetting creates a more relevant and meaningful impact for local residents. Carbon insetting will also help to bring down city-wide emissions over time as a result of more carbon removal projects being delivered within the city. It is therefore recommended that the council prioritises opportunities for insetting projects within the local authority boundary before purchasing credits from out-of-boundary projects.

As with carbon offsetting, there are some challenges that the council may face if it decides to use carbon insetting. First, significant resources and funding will be required to identify, develop, and implement carbon inset projects in York. Compared to carbon offsetting, this will require significantly greater capital and revenue expenditure. The council will also be responsible for the third-party verification, monitoring, maintenance, and operation of any inset projects which will require further expenditure.

Second, not all nature-based removal projects will be suitable within the City of York local authority area. For example, there are no coastal areas within York, so the council will not be able to deliver blue carbon projects that capture and store carbon in marine and coastal ecosystems (i.e., seagrass and saltmarsh restoration). As a result, there may only be limited opportunities for insetting projects on the council's landholdings or other land within the local authority boundary.

Third, carbon removal inset projects will require a significant period of time to develop and implement. Once implemented, there will be a further length of time before nature-based removal projects are verified and begin to sequester significant volumes of carbon. For example, the council's York Community Woodland will not produce its first WCUs until 2029; the 102 WCUs that will be produced will not be enough to counterbalance the council's corporate residual emissions in 2030 and each year thereafter. As a result, it is very unlikely that the council will be able to deliver insetting projects that generate sufficient carbon removals to counterbalance the corporate residual emissions by 2030.

If the council is unable to address all of its residual emissions through carbon insetting projects within the local authority boundary, it could consider supplementing this with carbon credit purchases from the VCM as a last resort.

6 Draft Carbon Offsetting/Insetting Principles

Until there is convergence on a common set of standards and accountability mechanisms for local authorities around net zero claims and carbon offsetting/insetting, it is recommended that the council develops its own guiding principles. These principles, derived from existing best practice guidelines and standards (see Section X), will provide the overarching framework by which the council and its partners can assess the alignment of any potential carbon offsetting or insetting investment opportunities with its net zero ambitions. Given that the council aims to deliver its Climate Change Strategy through partnership working across the private, public, and voluntary sectors in York, it is also recommended that these principles are adopted by local businesses and organisations within York.

A set of draft carbon offsetting/insetting principles is set out below. Further work will be required to test these principles through internal and external consultation, and the principles will likely need to be adapted and expanded on before they are integrated into a final Carbon Offsetting/Insetting Strategy for York.

Principle 1 – Develop a dedicated Carbon Offsetting/Insetting Strategy

The council's Climate Change Strategy includes a commitment to develop a dedicated 'Carbon Offsetting/Insetting Strategy' that defines the council's approach to carbon offsetting and insetting to achieve its net zero target. The council will collaborate and consult with key internal and external stakeholders to develop a strategy that is supported by local stakeholders and maximises benefits for York. The council will develop a strategy that aligns with best practice to ensure that its use of carbon offsetting/insetting actually contributes towards achieving net zero.

Principle 2 – Ensure use of carbon offsetting and/or insetting is aligned with best practice

A growing set of literature, guidance, standards, and regulations is contributing to international consensus on what constitutes credible use of offsetting and insetting to achieve net zero targets[92]. A number of voluntary initiatives have emerged such as the Science Based Targets Initiative's (SBTi) Net Zero Standard[93] and Beyond Value Chain Mitigation guidance[94], the ISO Net Zero Guidelines[95], the Voluntary Carbon Markets Initiative's (VCMI) Claims Code of Practice[96], and the Oxford Principles for Net Zero Aligned Carbon Offsetting[97]. These initiatives provide guidance and best practice around what an organisational net zero claim should entail and ensure that any offsetting/insetting is compatible with transitioning to a net zero society. The council will ensure its use of carbon offsetting and/or insetting is aligned with existing best practice standards and guidance. This best practice guidance is integrated within these principles.

Principle 3 – Update strategy over time as best practice standards, guidance, and legislation emerges

[92] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
[93] https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf
[94] https://sciencebasedtargets.org/beyond-value-chain-mitigation
[95] https://www.iso.org/obp/ui/en/#iso:std:iso:iwa:42:ed-1:v1:en
[96] https://vcmintegrity.org/vcmi-claims-code-of-practice/
[97] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf

The emerging strategy and principles have been developed to align with existing best practice guidance and standards around the use of carbon offsetting and insetting to support net zero claims. Guidance around net zero claims and the use of offsetting and insetting is, however, an area of climate action which continues to evolve rapidly and unpredictably. Whilst the strategy and principles align with current best practice, it is likely that this will change over time as common sets of standards and accountability mechanisms around net zero claims emerge.

The council's strategy and principles will serve as 'living documents' and will be updated over time as best practice standards, guidance, and legislation emerges. This will require the council to be agile and flexible in its approach to offsetting and insetting whilst on its journey to net zero.

Principle 4 – Prioritise reducing emissions before using carbon offsets and/or insets

Emissions reductions are the core component of any credible net zero strategy. In line with best practice, it is recommended that the council prioritises reducing its emissions as much as possible before using carbon offsets or insets. The introduction of carbon offsets and/or insets should not replace, nor detract from, the rollout of carbon reduction measures across York. Offsetting and insetting must only be used to address residual carbon emissions that cannot be reduced or avoided by the net zero target date of 2030. Maximising carbon reduction will also help to minimise the council's dependence on carbon offsets/insets in order to achieve its net zero targets.

Principle 5 – Address residual emissions through investment in high-quality carbon removals by the net zero target date

The scientific consensus and best practice is clear that any residual emissions must be balanced with removals, not avoidance or emissions reductions in order to make net zero claims. Therefore, to achieve and maintain net zero, the council must counterbalance its residual emissions through investment in high-quality removals either within the local authority boundary (i.e., carbon insetting) or by purchasing carbon credits from carbon removal projects in the UK (i.e., carbon offsetting).

This does not mean that carbon offsetting/insetting approaches that rely on carbon avoidance or reduction activities should be entirely discounted. In the short term, they will play a useful role in accelerating the rate of GHG emission reductions. However, carbon offsets or insets from avoidance or reduction activities cannot be used to counterbalance residual emissions for the purposes of making a net zero claim.

There are a variety of different carbon removal project types that the council could use to counterbalance its residual emissions, including nature-based and engineered carbon removal solutions (see Appendix 2 and 3). Each potential project opportunity will be assessed through the development of a business case that will consider the benefits, costs, and risks of any potential investment opportunity. A portfolio-approach could be used, whereby the council seeks to maximise benefits and reduce risks by diversifying its investment into a range of different project types.

In line with best practice, the council will consider shifting its investments over time towards higher durability carbon removal projects as these technologies become more commercially viable in the future. This includes technologies such as direct air carbon capture and storage (DACCS), bioenergy with carbon capture and storage (BECCS), and enhanced rock weathering (ERW).

The council will conduct due diligence and ensure that any carbon credits that are purchased are high-integrity and externally verified by ICROA endorsed and CCP-Eligible standards bodies. This will ensure that any carbon credits purchased are real, measurable, additional, unique and traceable, avoid leakage, and are durable/permanent. Carbon removals from insetting projects will also be externally verified, however, there is no requirement to do so, assuming that any carbon removals are intended for internal use.

Principle 6 – Prioritise opportunities for developing carbon insetting projects within the local authority boundary prior to investing in external carbon offset schemes

Both removal-based carbon offsetting and insetting can be used to counterbalance the council's residual emissions and make a net zero claim. However, as the council has access to significant assets and landholdings, the council will prioritise opportunities for removal projects within the local authority boundary before purchasing carbon credits from out-of-boundary schemes.

Developing local carbon insetting projects will help to retain co-benefits within the local authority boundary for the benefit of local residents and communities. Developing carbon insetting projects will also help to bring down city-wide emissions over time as a result of more carbon removal projects being delivered within the city. Lastly, developing local carbon removal assets will enable the council to secure carbon credits at a stable price, ensure continuity of supply, and reduce reliance on expensive carbon offset purchases.

Opportunities for insetting projects on the council's landholdings will be balanced with other local, regional, and national priorities and give consideration to wider linked issues and policies. This could, for example, include food security, housing, and energy. It is also important that care is taken not to harm other objectives, especially climate adaptation and nature recovery. When considering changes to land use as part of insetting projects, carbon leakage must be avoided – i.e., where actions taken on landholdings displace carbon-generating activities elsewhere which then take place outside the reporting boundary. Lastly, partnership working, collaboration and area-based approaches will be important to achieve the highest quality outcomes.

The council recognises, however, that not all carbon removal project types will be suitable within the City of York local authority area. For example, there are no coastal areas within York, so the council will not be able to deliver blue carbon projects that capture and store carbon in marine and coastal ecosystems (i.e., seagrass and saltmarsh restoration). As a result, there may only be limited opportunities for insetting projects on the council's landholdings or other land within the local authority boundary. If the council is unable to address all of its corporate residual emissions through carbon insetting projects within the local authority boundary, it will consider supplementing this with carbon credit purchases from the Voluntary Carbon Market.

Principle 7 – Disclose details of any carbon offsetting and/or insetting investments

The council will publicly disclose details of any carbon offset purchases or carbon insetting projects that it invests in. This will include key details such as the project type, number of credits, total investment etc. The council will also ensure that proper carbon accounting practices are used to report the carbon savings of any carbon offsets or insets against the council's carbon footprint.

Principle 8 – Ensure any investments in offsetting and/or insetting projects represent value for money

The council will ensure that any investments in carbon insetting projects or carbon credits are guided by a value for money assessment and backed with a robust business case for investment. The council will ensure that it considers the benefits, costs and risks of investment proposals and appraises a range of options. If costs are unaffordable, the council will explore alternative options, or seek alternative funding opportunities to meet funding gaps.

Principle 9 – Address residual emissions from corporate activity before selling credits to other local organisations

The council will prioritise addressing its own corporate residual emissions before selling any surplus credits generated by insetting projects to other organisations. This ensures that the council is meeting its obligation to counterbalance its own residual emissions from its own operational activity before seeking revenue generating opportunities.

For some local authorities with larger landholdings, carbon insetting projects may enable the removal and storage of more carbon than they emit through their operations. Local authorities with carbon savings surplus to their requirements to reach net zero should give careful consideration as to the most appropriate use for this surplus. The council will ensure that decisions made in relation to the end-use of such carbon savings/credits are transparent and equitable and will prioritise the sale of credits to local organisations.

Principle 10 – Support local businesses and organisations in York to address their residual emissions

As well as directly addressing its own contribution of emissions from its corporate activity, the council can play a leading role in supporting and enabling other businesses and organisations across York to address their residual emissions and transition to net zero. There are a range of approaches that the council could take to address city-wide residual emissions such as:

- Developing further carbon removal projects – the council could develop additional carbon removal projects and sell any surplus carbon credits generated to local organisations that are unable to reach net zero within their own organisational boundaries.
- Establishing an “Area Based Insetting (ABI)” framework – a framework developed by Anthesis to identify potential carbon reduction and removal project opportunities and connect project developers with local project funders.
- Knowledge sharing and collaboration – the council could play a role in sharing knowledge and experience of carbon offsetting and insetting with local organisations and neighbouring local authorities.
- Establish a council carbon offset fund – used to support net zero carbon development in York through planning policy.

6 Addressing council's residual emissions

The council has set a target to reduce carbon emissions from its own corporate activity and achieve an organisational net zero target of 2030, in line with the city-wide target. An Annual Carbon Emissions Report is produced each year to monitor progress against this target and identify areas of improvement. The council's latest Annual Carbon Emissions Report for 2022/23 calculated that the council's total corporate emissions equated to 5,491tCO_2e, which is less than 3% of city-wide greenhouse gas emissions (see Figure X) [98].

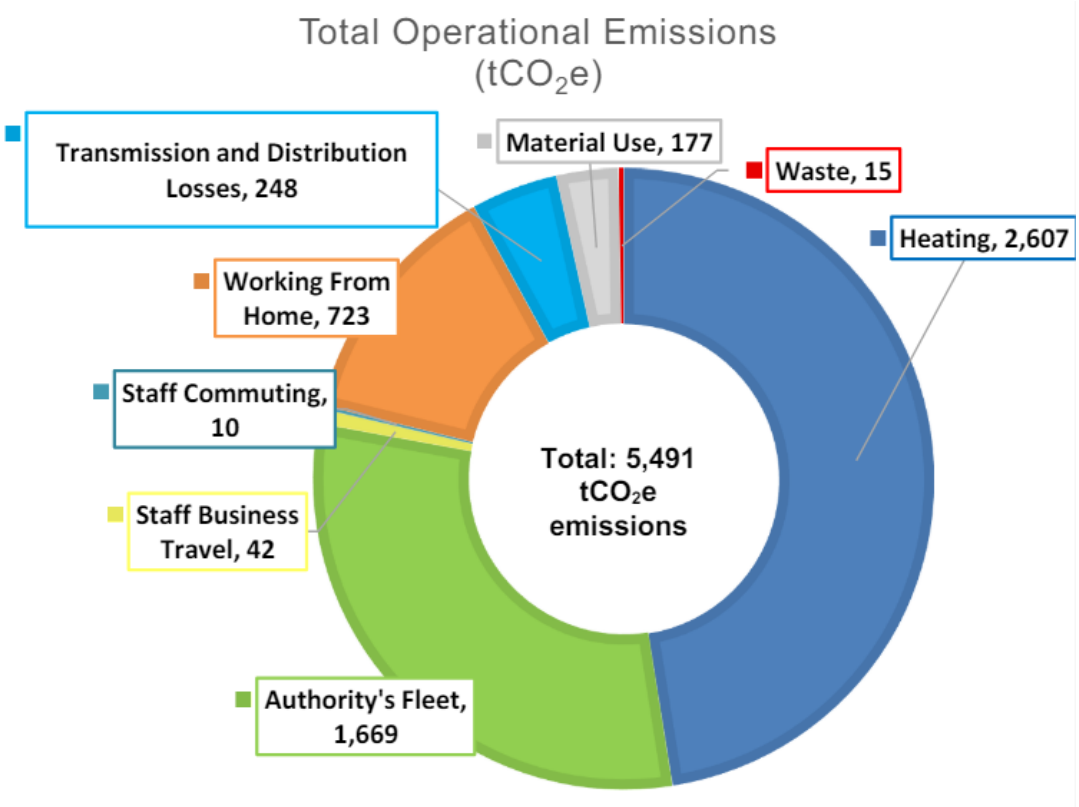

Figure 11: Total emissions produced across the Council's operations 2022/23.

It is recommended that the council continues to prioritise and maximise opportunities to reduce carbon across its corporate activities (i.e., Scope 1, 2, and 3 emissions). However, even after maximising emissions reductions, it is likely that some residual emissions will remain in 2030. The CYC Carbon Reduction Team has calculated a high-level forecast of corporate emission reductions up to the net zero target date of 2030 (see Figure X). Based on this analysis, it is estimated that **1326 tCO_2e** of residual emissions will remain in 2030, an 80% reduction on base year emissions in 2019/20.

[98] https://democracy.york.gov.uk/documents/s171185/Decision%20Report%20Annual%20Carbon%20Emissions%20Report%20202223.pdf

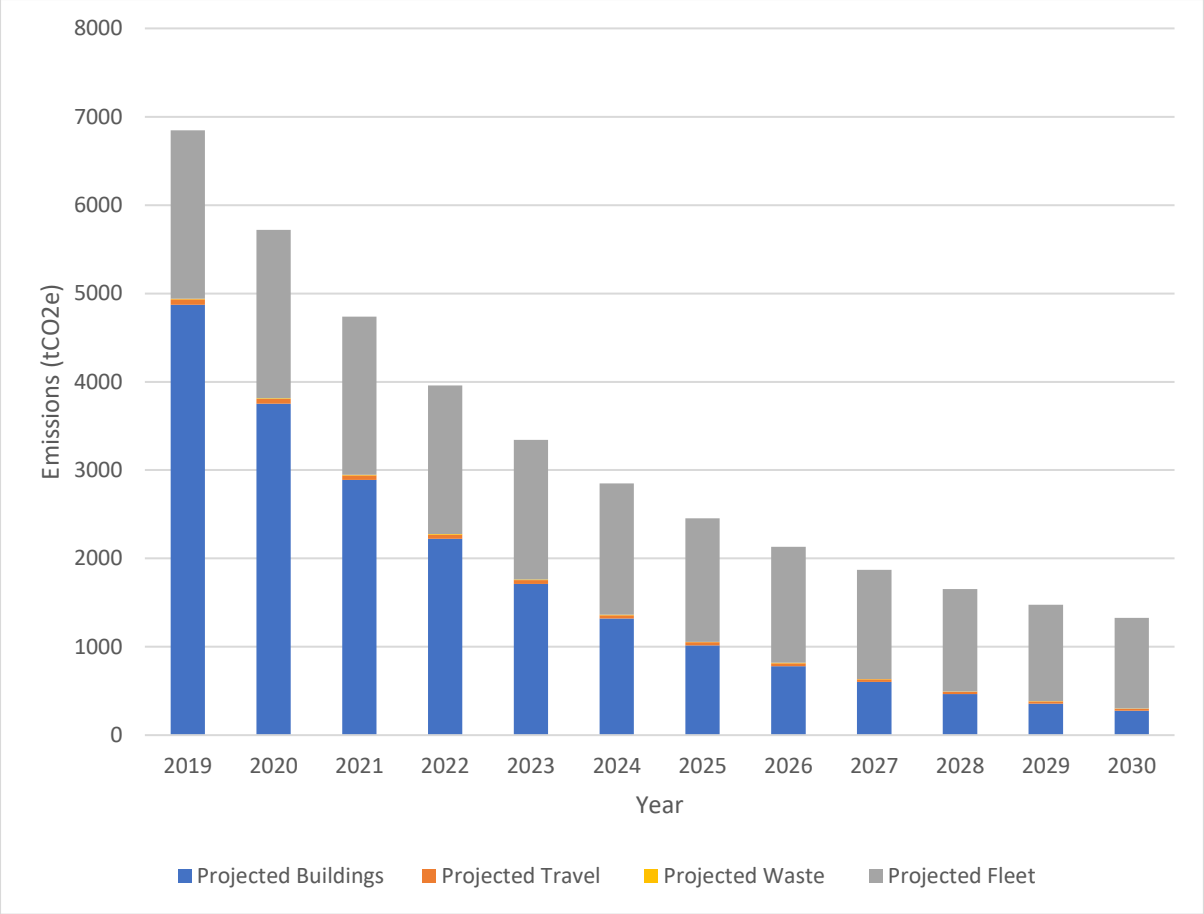

Figure 12: Projection of council's organisational emissions from 2019 to the net zero target date of 2030.

Please note: the projections only include emissions for council buildings (i.e., heating and lighting), business travel, waste, and fleet; they do not include a full suite of scope 1, 2, and 3 emissions. Furthermore, the projections have been calculated using an average reduction rate from 2019/20 base year emissions and not based in delivery of carbon reduction actions and interventions.

As part of the next stage of strategy development, it is recommended that the council updates its projections and estimates future emissions in each financial year to 2030 based on differing levels of project intervention (i.e., business-as-usual, pipeline, and stretch). This pathways analysis work would support the council to calculate likely residual emissions depending on the level of decarbonisation delivered and reinforce the need to maximise decarbonisation in order to reduce the requirement for offsetting/insetting (see example from Wiltshire Council [99]).

Ultimately, the council will be directly responsible for addressing any residual emissions that remain using carbon offsets and/or carbon insets. The emerging carbon offsetting/insetting strategy will need to set out the direct actions that the council will take to address its corporate residual emissions. In line with the best practice principles set out in Section X & X, it is recommended that the council adopts the following hierarchical approach within the strategy in order to address its residual emissions:

[99] https://www.wiltshire.gov.uk/media/9233/Anthesis-Report-Wiltshire-Council/pdf/Anthesis_Report_Wiltshire_Council.pdf?m=637892410222900000

1) Remove carbon via insetting projects on council land or other land within the local authority boundary

In line with best practice (see Section X), it is recommended that the City of York Council prioritise the delivery of local carbon removal projects (i.e., carbon insetting) in order to address its own organisational residual emissions. The council should explore opportunities to maximise the carbon removal potential of its own landholdings, and other land within the local authority boundary, before considering traditional offsetting to counterbalance its corporate residual emissions.

The council could directly deliver its own carbon insetting projects and/or work with other local stakeholders (i.e., community groups, local businesses, project developers) to identify and fully or partially fund projects in return for a claim on the achieved carbon removals. These removals could then be used by the council to counterbalance its residual emissions and support a net zero claim (see Section X). A range of carbon removal project types could be considered by the council such as nature-based removals (i.e., Type IV) and technology-based removals with more durable storage (i.e., Type V). A detailed appraisal of the various types of carbon removal projects is provided in Appendix X.

Woodland creation, for example, is one of the most established nature-based carbon removal technologies in the UK, reflected by the creation of the Woodland Carbon Code (WCC). The council is already delivering its first carbon insetting project through its 78-hectare York Community Woodland Project. Once fully planted, the woodland is expected to remove 18,070 tCO_2e over a 100-year period. By 2030, the project is expected to remove 102 tCO_2e, a small but significant contribution towards addressing the council's corporate residual emissions. There may be further opportunities for the council to deliver woodland creation projects and tree planting on either its own landholdings, or other land in York.

The challenge with relying upon woodland creation to meet the council's 2030 net zero target is that trees must grow sufficiently before they can reliably be used to claim carbon savings. As shown in Figure X, the time needed for trees to reach maximum carbon sequestration rates can take several years (typically around 15 to 30 years). Thus, trees must be planted years in advance of an organisation's net zero target date in order to reach the requisite maturity to sequester enough carbon. It is unlikely that the council will be able to rely upon tree planting alone in order to offset the entirety of its corporate residual emissions by 2030. However, tree planting could provide a cost-effective long-term solution to eliminate residual emissions and diminish the need for the council to purchase carbon credits in later years up to the 2050 UK net zero target date.

Other nature-based removal approaches such as soil carbon sequestration and hedgerow creation may emerge as potential options for the council and/or local partners to develop by 2030. At the time of writing there are a number of new codes in the process of development including a new Soil Carbon Code [100] and Hedgerow Carbon Code [101]. The development of codes will support project developers to calculate and verify the carbon sequestration potential of their projects and incentivise them to develop and manage projects in return for

[100] https://sustainablesoils.org/soil-carbon-code/
[101] https://www.allertontrust.org.uk/projects/hedgerow-carbon-code/

revenue streams from carbon credit sales. Some nature-based removal solutions such as the restoration of peatlands, coastal and marine habitats (i.e., saltmarsh, seagrass) will not be viable within York due to the geographical constraints of the city and surrounding area.

The council could consider deploying technology-based options such as Direct Air Capture and Storage (DACCS), Bioenergy with Carbon Capture and Storage (BECCS), and Enhanced Rock Weathering (ERW) to remove carbon (i.e., Type V). However, the majority of technologies are at an early stage of technological and commercial readiness and are significantly more expensive to develop than nature-based solutions. Hence, it is unlikely that the council will be able to develop and build its own engineered carbon removal projects in York at scale before the 2030 net zero target date. Therefore, the council will likely need to rely upon nature-based solutions such as tree and hedgerow planting and soil carbon sequestration in order to counterbalance its organisational residual emissions. This may present a challenge to the council as it is unlikely that the council will be able to develop sufficient nature-based removals within York in order to counterbalance the entirety of its organisational residual emissions by 2030.

To inform the development of its carbon offsetting/insetting strategy, the City of York Council should conduct an assessment of land use within the wider local authority boundary, including its own landholdings, in order to identify opportunities for carbon sequestration projects. Opportunity mapping will enable the council to quantify the total nature-based sequestration potential of landholdings in York and to identify a pipeline of projects that it could deliver within the local area.

2) Purchase carbon credits from verified nature-based carbon removal schemes in the UK

If the council is unable to address all of its corporate residual emissions through carbon insetting project within the local authority boundary, the council could consider purchasing carbon credits from the VCM (i.e., carbon offsetting). The council should ensure that its approach to offsetting aligns with net zero best practice and purchases high-quality verified carbon credits from projects in the UK. This option should be used as a last resort once all efforts to reduce carbon across the council's operations, and to maximise insetting opportunities within the local authority boundary have been exhausted.

Currently, only verified WCU's (from the Woodland Carbon Code) or PCU's (from the Peatland Code) are recognised in the UK Government's Environmental Reporting Guidelines [102]. However, a suite of other UK carbon codes are currently under development or in pilot phase for other types of nature-based removal methods including soil carbon [103], hedgerows [104], saltmarshes [105], seagrass [106], and kelp forests [107]. These emerging codes may create new sources of UK-based verified carbon credits for the council to purchase up to 2030 and beyond.

[102] https://assets.publishing.service.gov.uk/media/5de6acc4e5274a65dc12a33a/Env-reporting-guidance_inc_SECR_31March.pdf
[103] https://sustainablesoils.org/soil-carbon-code/
[104] https://www.allertontrust.org.uk/projects/hedgerow-carbon-code/
[105] https://www.ceh.ac.uk/our-science/projects/uk-saltmarsh-code
[106] https://www.agile-initiative.ox.ac.uk/wp-content/uploads/2023/11/A-blue-carbon-code-for-UK-seagrass-Nov23.pdf
[107] https://www.gov.uk/government/news/50-projects-receive-up-to-100000-each-to-boost-investment-in-nature

The council could seek to purchase Woodland or Peatland Carbon Units or Pending Issuance Units (PIUs) on the open market via a Request for Quotation (RfQ) advertised on the council's procurement portal, YORtender. This is the approach that was used by Devon County Council to acquire carbon credits [108]. Alternatively, the council could purchase Woodland or Peatland Carbon Units or PIUs directly from a broker or project developer. The Woodland Carbon Code (WCC), for example, provides a list of project developers with PIUs and WCUs available to sell on their website [109].

The latest data on carbon credit prices indicates that PIUs from the WCC can be purchased for an average price of £25.36 [110]. There is limited data available on PIUs purchased from peatland restoration projects, due to the low volume of transactions. As only a small number of verified WCUs have been sold, it is difficult to determine whether the price for these differs. PCUs are not currently available under the UK Peatland Code, as these units can only be obtained after a project has been verified, which takes place 5 years after the restoration process has occurred. As no peatland restoration project has yet reached the verification stage, no price can be ascertained for PCUs.

The current limitation of UK-based schemes is the availability of credits, particularly as many of these projects require time to mature and sequester significant carbon. There is also considerable speculation in the commercial market about carbon prices skyrocketing in the near future, and therefore, project developers and carbon brokers are increasingly reluctant to sell verified Carbon Units or PIUs at current prices [111]. In addition, some landowners may, in time, be required to use any carbon credits themselves for compliance purposes and so are opting to retain any PIUs, WCUs, and PCUs as an insurance policy.

If insufficient credits are available under the WCC and PC (or other emerging UK carbon codes), the council could consider supplementing this by purchasing high-quality credits from UK-based carbon removal projects that have been verified by high-integrity international standards. Although the majority of UK-based credits available in the VCM are from carbon reduction or avoidance projects (i.e., Type I – III), there are an increasing number of verified credits available from carbon removal projects such as biochar. The council should ensure that it purchases credits that have been verified under standards that have been endorsed by the International Carbon Reduction and Offset Alliance (ICROA) [112] and are CCP-eligible [113] such as VERRA, Gold Standard, and Puro.earth.

Best practice states that organisations should progressively shift their focus to financing carbon removal projects with long term durable storage (i.e., Type V). This includes investing in technologies such as direct air carbon capture and storage (DACCS), bioenergy with carbon capture and storage (BECCS), and enhanced rock weathering (ERW). However, there is currently a very limited supply of high integrity externally verified credits from durable removal projects available for purchase within the VCM.

Large corporations such as Microsoft, Stripe, and Shopify are committing to forward purchases of durable carbon removal credits to provide developers with early-stage finance to support the development and commercialisation of these technologies. The council could

[108] https://www.local.gov.uk/case-studies/offset-options-achieve-net-zero-2030
[109] https://www.woodlandcarboncode.org.uk/buy-carbon/woodland-carbon-projects
[110] https://woodlandcarboncode.org.uk/uk-land-carbon-registry/uk-carbon-prices
[111] https://www.local.gov.uk/case-studies/offset-options-achieve-net-zero-2030
[112] https://icroa.org/endorsed-organisations/
[113] https://icvcm.org/the-core-carbon-principles/

also consider opportunities for forward purchase of credits to support the cultivation of this market in the UK. This is, however, significantly more expensive, and carries additional risk (i.e., failure to deliver credits), making it difficult to justify the additional expenditure.

It is not recommended that the council purchase carbon credits sourced from projects in other countries outside the UK as any carbon reductions or co-benefits that result from the purchase will not be retained within the UK. Furthermore, the council should not invest in carbon credits from carbon avoidance or reduction projects as these do not align with net zero.

7 Addressing city-wide residual emissions

The council has set a target for York to reach net zero emissions by 2030. City-wide emissions accounted for 816 $ktCO_2e$ in 2020, with the council responsible for less than 3% of city-wide emissions [114]. Based on the Projected Emissions Reduction Pathway for York, it is estimated that emissions will be reduce to 361 $ktCO_2e$ by 2030, a 77% reduction in 2005 levels. The remaining 361 $ktCO_2e$ residual emissions will need to be counterbalanced through local carbon removals in order for the city to achieve its 2030 net zero target.

Whilst not solely responsible for addressing the entirety of the city's residual emissions, the council recognises the important role that it can play in contributing towards addressing these emissions. As well as directly addressing its own corporate emissions, the council can play a leading role in supporting and enabling other local businesses and organisations to address their residual emissions and transition towards net zero.

A number of potential actions that the council could consider taking to address city-wide residual emissions are outlined below. Further work will be required as part of the development of the strategy to determine the suitability of these options:

Action 1: Develop carbon removal projects

The council could focus on developing carbon removal projects within the local authority boundary beyond that required to address its own corporate residual emissions in order to generate new income streams. These projects could be developed on the council's landholdings or by acquiring additional land within the local authority boundary. Any surplus carbon credits generated by these projects could then be sold to local organisations with residual emissions to enable them to achieve their net zero targets. Revenue generated through the sale of carbon credits could be used to bridge funding gaps for further project development and support further carbon reduction or removal projects throughout the city. As recommended in Section X, an assessment of the council's landholdings and wider land across York would help the council and other local organisations to identify a pipeline of opportunities for carbon removal projects.

Developing further carbon removal projects will only be financially viable if there is sufficient demand from local businesses to purchase any carbon credits that are generated. Whilst carbon offsetting is still the most frequently used approach by corporates to address residual emissions, it is becoming less attractive due to public criticism and a limited supply of high-quality certified credits that are locally relevant. Therefore, it is expected that local businesses may have a preference to purchase carbon credits from council carbon removal projects if they are developed within the local authority boundary.

The potential future demand from local businesses and value of local investment into local carbon insetting projects could be assessed by performing a top-down and bottom-up evaluation. Through a top-down evaluation, secondary research, and national literature on carbon market value growth can be scaled down to the local authority level to assess the estimated value of the local insetting market. Through a bottom-up evaluation, the climate commitments of large local employers can be assessed through desk-based research to determine the likely demand for local carbon credits in the future.

[114] https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021

Furthermore, developing further carbon removal projects will only be financially viable if the carbon credits produced can be sold at a high enough price to cover the costs of project development and ongoing maintenance. At current carbon credit prices, it is unlikely that the revenue from credit sales will cover the cost of project development without additional grant funding. However, it is expected that the cost of carbon credits will increase significantly in the future as demand for carbon credits increases.

In conclusion, the council should only consider this option if it is affordable, presents good value for money, there is sufficient access to land within the local authority boundary to develop insetting projects, and if there is sufficient project management capacity and capability in-house. It is also recommended that the council only consider the option of selling credits to other local organisations once it has secured sufficient carbon credits to counterbalance its own residual emissions from its corporate activity.

Action 2: Develop an area-based insetting (ABI) framework

The council could lead on establishing an area-based insetting (ABI) framework in York. ABI is an innovative framework developed by Anthesis that aims to support councils and other local organisations to identify local carbon reduction and removal project opportunities within their administrative boundaries that require funding and drive investment into these projects from local investors. Within ABI, there are three key user groups:

- Project Developers – local project developers can use ABI to advertise any carbon reduction or removal projects to local investors that it is seeking funding for.
- Project Funders – can use ABI to direct funding into local projects to generate socio-economic benefits in the local community as a route to direct Corporate Social Responsibility (CSR) or Environment, Social, Governance (ESG) spend locally. Alternatively, funders may use ABI to invest in local projects in return for carbon credits as an alternative to credits sourced from other UK-based or international projects.
- ABI Administrator – local authorities can acts as an administrator, setting up the local mechanism and facilitating connections between project developers and project funders, ensuring ABI guidance is followed.

In addition to the ABI Administrator role, the City of York Council could act as both a Project Developer and/or Project Funder where opportunities arise. For example, the council could take an active role in developing its own local carbon reduction and removal projects on its land and assets and use the ABI mechanism to seek funding from local investors to address funding shortfalls. The council could also direct funding into local carbon reduction and removal projects led by other local developers, generating socio-economic benefits in the local community and reporting the carbon saving impact it has enabled.

Anthesis has developed a practical guide for local authority representatives seeking to establish their own ABI mechanism. This guidance helps local authorities to consider a number of options to be able to adopt and implement ABI and to understand the various commercial, legal, and reputational implications across a number of operational models (e.g., in-house, hybrid, and outsourced approaches).

Action 3: Knowledge sharing and collaboration

The council could also play a role in sharing its knowledge and experience of carbon offsetting and insetting with local organisations, partners, and neighbouring local authorities.

The council could offer advisory support to York-based organisations to assist them with developing their own carbon offsetting/insetting strategies and ensure these are aligned with the city-wide 2030 net zero target. The council could also launch a survey/consultation with local businesses and organisations to assess current knowledge and practice of carbon offsetting and insetting in York.

The council is also well placed to facilitate collaboration and mobilise partnerships between local communities, businesses, project developers, and investors across the city to promote best practice and support local activity in carbon offsetting and insetting within York.

Action 4: Carbon Offsetting Fund

6.3 Project-based Emissions

How to treat residual emissions at project level

- Reduce emissions as much as possible
- Project types:
    - Construction projects (see guidance)
    - Land use change and forestry etc. (see guidance)
- Purchases – record scope 3 emissions and look to offset/inset these emissions where possible

Net Zero Carbon Events

Example: New Build Housing Project

Project Background

Estimated Emissions

Solutions:

- Emission reduction
- On-site removal
- Off-site removal – carbon credits, or carbon insetting

Additional Value – Natural Capital

8 Carbon Accounting and Claims

How to properly communicate about and claim carbon offsets/insets

The following key points should be considered when claiming carbon offsets:

- Be specific about the scope and boundaries of the emissions that have been offset.
- Provide information about the type of projects you have purchased and do not overstate your role in offset creation (unless you have originated the project).
- Purchasing carbon credits does not equal emission reduction from your boundary. Accordingly making net zero claims based solely on offsets is false. Claims of carbon or climate neutrality should always be accompanied by disclaimers that not all emissions have been eliminated.

The accounting for offsetting/insetting is likely to evolve over the coming years and as more international and national guidance is developed.

Offset credits

For an organisation to show they have met a net zero target hey must still complete their GHG report showing total emissions. They must be able to demonstrate that any direct emissions they are offsetting are unavoidable, and all direct emissions that can be reduced to absolute zero have been.

Offset credits can then be shown in the annual GHG accounts. It must be recorded separately to the organisation's emissions. If using UK based credits then verified carbon units must be used. The offset credits that are being used within that years GHG accounting must be 'retired' so that they cannot be used again.

The net balance of emissions and offsets should then be shown to equal zero, allowing a net zero claim to be made.

Insetting

Carbon insets are treated as carbon sinks within the operational boundary of an organisation. These should be reported within the GHG reporting of the organisation under land use emissions reporting.

If carbon removals are reported then all land use emissions must be included within the organisations operational boundary and reported annually.

The GHG protocol is developing clear guidance on accounting for removals, due to be published by the end of 2022. Their current guidance is available online.

9 Financing

Options for funding delivery of projects (see Anthesis)

Internal Carbon Pricing (ICP)

11 Conclusions

12 Recommendations

10 References

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Chapter 1

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Carbon Engineering - https://carbonengineering.com/our-technology/

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Chapter 11

11 Appendices

Appendix 1 – Carbon Offsetting Standards and Guidance

Appendix 2 – Project Types

Appendix 3 - Case studies – LAs

Devon County Council

Basingstoke & Deane Borough Council

Plymouth City Council

Ocean City Nature

ABI councils

Appendix

4.1 Carbon Reduction Projects

5.1.1 Oxford Type I – Renewable energy

Retrofit Projects – i.e., household insulation, Retrofit Credits

Renewable Energy Generation Projects – i.e., solar farms

5.1.2 Oxford Type II – Avoidance of ecosystem degradation

5.1.3 Oxford Type III - CCS

4.2 Carbon Removal Projects

Removal projects have several advantages over other types of carbon offsets. They can be permanent, meaning that the carbon they remove will be stored for thousands of years. Additionally, removal projects can help to mitigate climate change by directly reducing the amount of carbon dioxide in the atmosphere. However, removal projects also have limitations. They can be expensive, and there is still some uncertainty about their long-term effectiveness. An immediate transition to 100% carbon removals is not necessary, nor feasible, but organisations must commit to gradually increase the percentage of carbon removal offsets they procure with a view to exclusively sourcing carbon removals by mid-century. Most offsets available today are emission reductions, which are necessary but not sufficient to maintain net zero in the long run. Carbon removals directly reduce the amount of carbon in the atmosphere which can counteract ongoing emissions after net zero is achieved, as well as create the possibility of net removal for those actors who choose to remove more carbon than they emit.

Use Environment Agency report as background!

Nature-based offsets have several advantages over other types of carbon offsets. They can provide several benefits, such as improved water quality, increased biodiversity, and reduced flood risk. However, nature-based offsets also have limitations. They can take a long time to generate carbon offsets, and they can be vulnerable to natural disasters or other disruptions, creating issues with permanence, meaning the amount of time the removed or avoided carbon is stored.

Afforestation and Reforestation

The City of York Council has set a target to increase York's tree canopy coverage from 11% to 13% by 2050[115]. The council has already taken action to deliver tree planting projects within York including the York Community Woodland[116] and York Green Streets[117] projects.

Hedgerow Creation

Blue Carbon

Soil Carbon Sequestration

4.2.2 Engineered Solutions (Oxford Type V)

Technology-based offsets have several advantages over other types of carbon offsets. They can be generated quickly, and they can be scaled up to meet the needs of a growing global economy. Additionally, some technology-based offsets can be permanent. However, technology-based offsets also have limitations. They can be expensive, and there is still some uncertainty about their long-term effectiveness.

There are an increasing number of engineered carbon removal projects (Type V) in development using technologies such as Direct Air Capture (DAC); Bioenergy with Carbon Capture and Storage (BECCS); biochar; and Enhanced Rock Weathering (ERW). It is estimated that there are over 500 of such projects in various stages of development offering another potential source of carbon credits for corporate purchase[118]. Whilst the majority of these projects are situated in the USA, a growing number of projects are emerging in the UK.

CDR.fyi report that cumulatively, the equivalent of 4.1 MT of carbon dioxide removals have been purchased as credits[119]. These transactions are largely driven by a core group of major corporate buyers such as Microsoft, Airbus, JPMorgan Chase, and Shopify. The vast majority of these purchases consist of forward purchases for the future delivery of carbon creidts (see, for example, Frontier's Advanced Market Commitment in Annex X). This is because many engineered removal technologies are in an early stage of technological and commercial readiness and not able to deliver large-scale carbon removals yet. To date, only 2.6% of the carbon removal credit purchases (~109k tonnes) have actually been delivered.

[115] https://www.york.gov.uk/downloads/file/9262/council-plan-2023-to-2027
[116] https://www.forestryengland.uk/article/york-community-woodland
[117] https://www.york.gov.uk/YorkGreenStreets
[118] Allied Offsets (2023). Carbon Dioxide Removal Report: Summer 2023 [online]. Available from: https://alliedoffsets.com/reports/ [Accessed 17 August 2023].
[119] CDR.fyi tracks 100+ year permanence carbon removal purchases and deliveries (i.e., Type V engineered removals).

There continues to be a wide price variance between different engineered carbon removal methods, as well as within methods (see Annex X). This indicates that the market is still highly illiquid, and dependent on individual transaction terms and negotiations. However, the cost of carbon credits from engineered carbon removal projects is currently prohibitively expensive for smaller buyers. For example, CDR.fyi reported that the weighted average price per tonne across durable removal methods for 2023 Q2 was $537.

The prices for five of the most promising CDR technologies are biochar, DAC, BECCS, Ocean Alkalinity Enhancement, and mineralisation (Enhanced Rock Weathering (ERW)).

The highest volume of companies in the VCM are DAC (82) and biochar (62), with average prices of $886/tCO2 and $250/tCO2 respectively.

Buyer Data

Methodology	Number of Different Buyers	Number of Credits	Number of total transactions
BECCS	3	2,760,000	3
DAC	48	491,000	112
Biochar	33	104,365	117
Ocean Alkalinity Enhancement	5	5,804	5
Enhanced Rock Weathering (Ex-Situ)	9	4,340	54
Enhanced Rock Weathering (In-Situ)	4	2,673	6

Appendix 1 – Carbon reduction projects (Type I – III)

Intro

Carbon reduction projects are a type of project that prevents or reduces greenhouse gas emissions from being released into the atmosphere. There are three broad categories of options for reducing emissions:

I. **Avoid or reduce emissions from the geosphere** – emissions can be avoided by deploying renewable energy to replace fossil fuel use, or by improving efficiency.

II. **Avoid or reduce emissions from the biosphere** – by protecting ecosystems and their soils and vegetation from damage or degradation.

III. **Reduce emissions from the geosphere by capturing and storing fossil carbon** – from industrial point sources or fossil-fuelled power stations.

Example projects

Retrofit credits

Appendix 2 – Carbon removal to the biosphere (Type IV)

Ewdsvsdbvds

1 Reforestation

2 Soil Carbon

3 Peatland restoration

4 Blue carbon

5 Others

Appendix 3 - Carbon removal to the geosphere (Type V)

Carbon removal to the geosphere involves extracting CO_2 from the atmosphere and storing it in the geosphere, such as through direct air capture with geological storage (DACCS) or converting atmospheric carbon into rock through remineralisation (enhanced rock weathering) [120]. Within the literature, these technologies are often referred as technology-based or engineered carbon removal technologies.

The following Type V technologies are outlined below:

- Direct Air Carbon Capture and Storage (DACCS)
- Bioenergy with Carbon Capture and Storage (BECCS)
- Enhanced Rock Weathering (ERW)
- Biochar
- Others –

The portfolio of greenhouse gas removal methods is rapidly growing; however, most engineering-based approaches are at an early stage of commercial development and have not yet been deployed at scale in the UK [121].

1. Direct Air Carbon Capture and Storage (DACCS)

Direct Air Capture (DAC) describes the process by which CO_2 is directly removed from the atmosphere at any location through physical or chemical processes. This varies from carbon capture which is generally carried out at the point of emission, such as a steel plant [122]. The technology is typically coupled with carbon storage to store the CO_2 in deep geological reservoirs. When coupled with long-term carbon storage, the technology is often referred to as Direct Air Capture with Carbon Capture and Storage (DACCS), which is a form of negative emission technology (NET).

There are two main types of DAC used to physically extract CO_2 from the air [123]. These are categorised based on the medium of the chemical used to capture the CO_2:

- Liquid Direct Air Capture (L-DAC) – the most technically mature method for capturing CO_2 is to place air into contact with a strong liquid base (i.e., liquid solvent), such as potassium hydroxide or sodium hydroxide, which dissolves the CO_2. This method is already in use by technology providers such as Carbon Engineering.
- Solid Direct Air Capture (S-DAC) – the most common alternative method is to use a solid sorbent to adsorb CO2 rather than absorb it. This method is already in use by technology providers such as Climeworks.

With the application of heat, the CO_2 can then be released in a concentrated form for geological storage or utilisation applications (see Figure X).

[120] https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
[121] https://assets.publishing.service.gov.uk/media/64d4b25a5cac65000dc2dd1f/task-finish-group-report-ability-beccs-to-generate-negative-emissions.pdf
[122] https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/direct-air-capture
[123] https://www.oxfordenergy.org/wpcms/wp-content/uploads/2023/12/CM07-Scaling-Direct-Air-Capture-DAC-technology.pdf

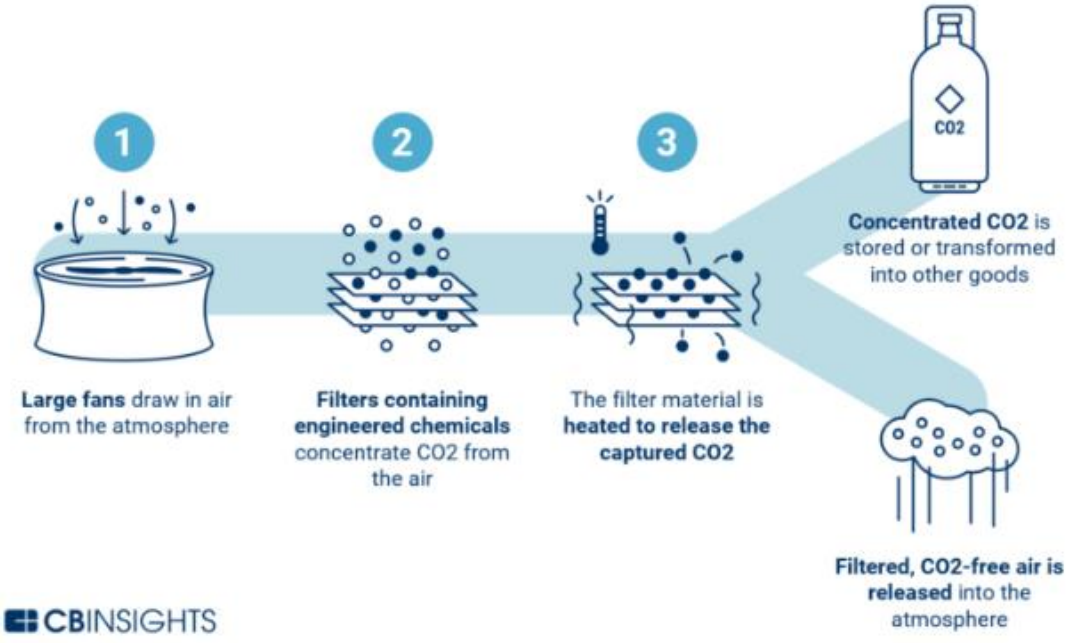

Figure 13: Illustration of the direct air capture process (Source: CB Insights, 2021)

Within this broad conception of DAC technologies, there are many different types of design. The most common design type is to use banks of fans to circulate large volumes of air among solid or liquid sorbents. This design type is being used by technology providers such as Carbon Engineering, Climeworks, and Global Thermostat, and is capable of capturing >1MtCO_2/yr.

To ensure that DACCS technologies provide significant CO_2 removal, all electricity and heat input required to operate the technology needs to come from low-carbon sources. Otherwise, if a DAC facility is operated with electricity generated from fossil fuel sources such as gas, for example, it is estimated that the gas combustion alone would return the equivalent of 70-90% of all CO_2 captured by the DAC plant back to the atmosphere[124].

The UK's Sixth Carbon Budget, published by the Climate Change Committee in 2020, calculated that DACCS will need to account for 5MtCO_2e/yr removals by 2050 in the UK's Net Zero Balanced Pathway. The UK Government's Net Zero Strategy identified the need for around 80 Mt of CO_2 removal by 2050 using predominantly DACCS and BECCS technologies. It also pledged to deliver £100m innovation funding for DACCS and other GGRs. As part of the £100m funding, the Government launched the Direct Air Capture and other GGR Innovation Programme. Several UK-based DAC projects have been funded throughout the first two phases of the programme. Moreover, the Government's latest Spring Budget, announced on 15 March 2023, included funding of up to £20 billion for CCUS applications, including DAC.

Technology Readiness

DAC plants currently operate on a small scale, but with plans to grow. The IEA report that 27 DAC plants have been commissioned to date worldwide, capturing almost 0.01MtCO_2/yr. All these plants are small-scale, with only a few commercial agreements in place to sell or store the captured CO_2, while the remaining plants are operated for testing and demonstration purposes.

[124] Gambhir & Tavoni (2019)

Plans for at least a further 130 DAC facilities are now at various stages of development. Large-scale demonstrations are yet to become operational, however there are several large projects under development. This includes:

- DAC 1 – Led by Carbon Engineering, one of the main DACCS technology developers in Canada, plans are to build a plant with the capacity of 1 $MtCO_2$/yr removal. DAC 1 is expected to begin operations in 2024 and will become the world's largest DAC facility. Financed and developed by 1PointFive, a development company created by Oxy Low Carbon Ventures (OLCV). It will be located in the Permian Basin of the US.
- Storegga Dreamcatcher Project - partnership with Carbon Engineering to develop the UK's first large-scale DAC facility. Awarded a £249,000 grant by BEIS to develop the project.

Costs

A wide range of cost estimates have been reported for the development of DACCS in the literature. This ranges from low-end ambitious cost estimates often provided by DACCS technology to high-end estimates derived from other academic and market intelligence sources. DAC technologies range from \$600 - \$1100/tCO_2e removed. UK cost estimates are provided below:

- BEIS (2021) – estimate that the cost of DACCS in the UK will likely range from £150-700/tCO_2e in 2030 to £70-250/tCO_2e in 2050.
- Climate Change Committee (2020) – early-stage DACCS plants in the UK will cost an estimated £400/tCO_2e during the 2020s, before reducing to £180/tCO_2e by 2050 as the technology develops and is scaled up globally.

Long term costs of DACCS remain uncertain because the technology has yet to be commercialised, and cost reductions through learning-by-doing and scale-up have yet to take effect. Overall, DACCS is one of the most expensive GGR options available relative to other GGR technologies because capturing CO_2 directly from the air is very energy intensive. Nevertheless, the modular nature of DACCS technology, as well as its relative immaturity, suggests there is considerable scope for innovation and cost reduction over time.

The market for DAC-based CO_2 removal has grown significantly over recent years. Suppliers of DAC-based CO_2 removal, such as 1PointFive and Climeworks have recently started to sell carbon credits in advance of delivery via forward purchases. CDR.fyi report that the main purchasers of these credits have been from large corporations (e.g., Airbus, Shopify, and Microsoft) and demand aggregators such as Frontier. AlliedOffsets report that the average price of carbon credits from DACCS projects is currently \$886/tCO_2e. CDR.fyi report that the current spot price for carbon credits from DACCS projects is \$690.

Despite the high price compared to other carbon removal solutions on the market, there is significant demand for DAC-based carbon removal credits from corporate buyers. This is because they offer carbon removal with high durability storage which aligns with net zero best practice. For example, the Oxford Principles for Net Zero Aligned Offsetting and the Science-Based Targets Initiative's Net Zero Standard encourage organisations to shift their purchases towards high durability carbon removals over time in order to maximise contributions towards net zero targets.

There are also a range of voluntary standards and methodologies that are being developed to provide standardised frameworks for measuring and verifying removals from DAC projects and ensuring high integrity credits are created. This includes the following:

- Puro.earth – developed the Puro Standard, a carbon removal standard for engineered carbon removal methods in the VCM. It consists of high-quality carbon removal methodologies for several carbon removal projects including one for Geologically Stored Carbon from DACCS and BECCS.
- Climeworks – developed a methodology to measure the net emissions removed from the atmosphere from a DAC project after adjusting for emissions resulting from plant construction, operation, and disposal.
- Isometric – has developed the DAC Protocol which provides the requirements and procedures for the calculation of net CO_2e removals from the atmosphere via Direct Air Capture (DAC) projects.
- CCS+ Initiative – is developing methodologies for CCUS methods including a draft methodology for DAC under Verra's Verified Carbon Standard (VCS).

Benefits

There are several benefits associated with DACCS:

- DACCS can technically be deployed anywhere, provided low-carbon energy inputs and appropriate CO_2 transport and storage facilities are available.
- Compared with other carbon removal technologies, DACCS does not require significant land and has limited ecological impacts. One estimate suggests that DACCS has a land intensity (ha/tCO_2/yr) of <0.1% that of BECCS (although this would increase if accounting for land area of dedicated solar PV to provide renewable energy input to DACCS plant) [125].
- DACCS can produce several co-benefits associated with industrial and infrastructure projects such as skills development, job creation, and Gross Value Added (GVA) [126].

Challenges & Limitations

Aside from the benefits outlined, deploying DACCS technologies also presents unique challenges:

- DACCS requires energy in the form of electricity or heat in order to operate and are thus exposed to heat and electricity price volatility. DACCS does not provide a co-product revenue compared to carbon removal technologies that use biomass (e.g., BECCS, Building with Biomass) [127].
- There are also potentially adverse consequences if the chemicals used for sorbent manufacture, and the disposal of sorbents at the end of their useful lives, are not handled in an environmentally responsible manner[128].
- Whilst the evidence base around DACCS has developed significantly over recent years, the technologies are still in an early stage of commercial readiness.

Further Reading

[125] https://linkinghub.elsevier.com/retrieve/pii/S2590332219302167

[126] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1026988/ggr-methods-potential-deployment.pdf

[127] http://www.element-energy.co.uk/wordpress/wp-content/uploads/2022/06/BEIS-Engineered-GGR-policies-FINAL-REPORT.pdf

[128] https://linkinghub.elsevier.com/retrieve/pii/S2590332219302167

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Webb et al (2023). Scaling Direct Air Capture (DAC): A moonshot or the sky's the limit?. [Online]. Available from: https://www.oxfordenergy.org/wpcms/wp-content/uploads/2023/12/CM07-Scaling-Direct-Air-Capture-DAC-technology.pdf [Date Accessed: 17/04/2024]

2. Bioenergy with Carbon Capture and Storage (BECCS)

Bioenergy with carbon capture and storage (BECCS) involves capturing and permanently storing CO_2 from processes where biomass is converted into fuels or directly burned to generate energy [129]. The combination of bioenergy and CCS achieved greenhouse gas removal by taking atmospheric CO_2 temporarily locked in plants and storing it permanently in geological formations, while using the biomass to generate energy. Biomass includes both dedicated energy crops and waste, such as those from forestry, agricultural and municipal sources. These can be used as the single fuel source for power generation (dedicated use) or in combination with other conventional fossil fuels, such as coal and gas (co-fired generation) [130].

There is no singular definition of BECCS since it can include a variety of industries, biomass feedstocks, and methods of energy conversion. A number of BECCS technologies exist which can be divided into the following categories [131]:

1. BECCS Power – the combustion of biomass for the primary purposes of exporting power to the grid, combined with either post-combustion or pre-combustion carbon capture technology and permanent sequestration of captured biogenic CO_2.
2. BECCS Energy from Waste (EfW) – the application of CCS onto energy from waste incineration facilities. The energy from waste part of this refers to incinerating municipal solid waste (MSW) or commercial and industrial waste with co-generation of electricity or heat, where the primary function remains that of sanitary waste

[129] https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/bioenergy-with-carbon-capture-and-storage
[130] https://royalsociety.org/-/media/policy/projects/greenhouse-gas-removal/royal-society-greenhouse-gas-removal-report-2018.pdf
[131] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1026988/ggr-methods-potential-deployment.pdf

disposal to avoid landfill. The associated GGR option is the use of post-combustion carbon capture technology, followed by CO_2 transport and permanent storage, allowing the permanent storage of any biogenic CO_2 produced by the EfW facility.

3. BECCS Industry – the application of CCS on industrial processes that use biomass derived feedstocks for fuel. This could be existing users of biogenic fuels or sites which switch to biogenic fuels prior to the net zero target date.
4. BECCS Hydrogen & Other – the application of BECCS to the production of hydrogen and other applications (e.g., biofuel production). This covers the application of CCS to plants that provide gasification of biomass to syngas with subsequent conversion to products such as hydrogen, biofuels or biomethane.

Like DACCS, BECCS is also one of the key GGR technologies of focus in the UK. Out of the 23 projects selected in Phase 1 of the DAC and Other GGR Technologies Competition, four were BECCS projects, including three biohydrogen projects. Two of these projects have been selected for Phase 2 of the programme [132], including:

- Ince Bioenergy Carbon Capture & Storage (INBECCS)
- BECCSH_2: Carbon Capture and Hydrogen

The £5m Hydrogen BECCS Innovation Programme[133] was also launched in January 2022, specifically aiming to support technologies that can produce hydrogen from biogenic feedstocks that are combined with carbon capture.

Technology Readiness

The IEA report that only 2 Mt of biogenic CO_2 are currently captured per year, 90% of which is captured in bioethanol facilities [134]. However, plans for around 20 facilities together capturing 15 Mt CO_2 per year have been announced. Based on projects currently in the early and advanced stages of deployment, carbon removal via BECCS could reach just under 50 Mt CO_2/yr by 2030 [135].

In the UK, Drax Power Ltd currently operates two pilot BECCS facilities at the Drax Power Station in North Yorkshire, UK, with plans for commercial-scale capture as of 2027 [136].

Costs

BECCS spot price of $160

[132] https://www.gov.uk/government/publications/direct-air-capture-and-other-greenhouse-gas-removal-technologies-competition/projects-selected-for-phase-2-of-the-direct-air-capture-and-greenhouse-gas-removal-programme
[133] https://www.gov.uk/government/publications/hydrogen-beccs-innovation-programme
[134] https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/bioenergy-with-carbon-capture-and-storage
[135] https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/bioenergy-with-carbon-capture-and-storage
[136] https://www.drax.com/about-us/our-projects/bioenergy-carbon-capture-use-and-storage-beccs/

There are also a range of voluntary standards and methodologies that are being developed to provide standardised frameworks for measuring and verifying removals from BECCS projects and ensuring high integrity credits are created. This includes the following:

- Puro.earth – developed the Puro Standard, a carbon removal standard for engineered carbon removal methods in the VCM. It consists of high-quality carbon removal methodologies for several carbon removal projects including one for Geologically Stored Carbon from DACCS and BECCS.
- Climeworks – developed a methodology to measure the net emissions removed from the atmosphere from a DAC project after adjusting for emissions resulting from plant construction, operation, and disposal.
- CCS+ Initiative – is developing methodologies for CCUS methods including a draft methodology for DAC under Verra's Verified Carbon Standard (VCS).

Benefits

Challenges and Limitations

While investment in BECCS is gaining momentum, a suite of policies are required to address barriers in BECCS applications (e.g., high upfront investment needs, long payback periods, uncertain carbon markets (carbon price), the sustainability of biomass supply, and access to CO_2 transport and storage (T&S) infrastructure)[137].

BECCS is susceptible to upstream carbon leakage, primarily associated with the cultivation, harvesting, processing, and transport of biomass. It is therefore important to quantify and minimise carbon leakage across the biomass supply chain [138].

The impact of BECCS on resources, soil health and biodiversity have been identified as important limitations for its projected deployment.

Land use – major concern because requires significant land – using high quality land such as grassland or cropland to grow bioenergy crops for BECCS is likely to result in competition with other land-based activities, such as food production, potentially increasing food prices.

Negative emissions – the ability of BECCS to deliver genuine negative emissions relies on the assumption that burning wood to generate power is carbon neutral. However, a large and growing majority of scientific evidence shows that burning wood for power is often not carbon neutral and in some circumstances can be a worse pollute than coal. There is also strong evidence that wood-sourcing practices are damaging to natural forests, risking further ecological harm [139].

Water-use – significant amount of water required in order to deploy BECCS unsustainable

CCS dimension – BECCS deployment is intrinsically dependent on the existence of carbon capture and storage (CCS) infrastructure. To date, there are 17 operating CCS projects in

[137] https://www.iea.org/reports/bioenergy-with-carbon-capture-and-storage
[138] https://assets.publishing.service.gov.uk/media/64d4b25a5cac65000dc2dd1f/task-finish-group-report-ability-beccs-to-generate-negative-emissions.pdf
[139] https://ember-climate.org/app/uploads/2024/01/Draxs-BECCS-project-climbs-in-cost-to-the-UK-public.pdf

the world, reaching a cumulative capture capacity of 31.5 Mt of CO2 per year, of which only 3.7 is stored in geological formations. Though technology advances have brought down the cost of capture, low investor confidence remains the main bottleneck in the way of unlocking a CCS economy. [140]

Further Reading

DESNZ (2023). The ability of BECCS to generate negative emissions: Task and Finish Group Report. [Online]. Available from: https://assets.publishing.service.gov.uk/media/64d4b25a5cac65000dc2dd1f/task-finish-group-report-ability-beccs-to-generate-negative-emissions.pdf [Date Accessed: 18/04/2024]

Fajardy et al (2019). BECCS deployment: a reality check. [Online]. Available from: https://www.imperial.ac.uk/media/imperial-college/grantham-institute/public/publications/briefing-papers/BECCS-deployment---a-reality-check.pdf [Date Accessed: 18/04/2024]

3. Enhanced Rock Weathering (ERW)

Enhanced rock weathering (ERW) is a carbon removal method that accelerates the natural carbonate-silicate cycle and durably removes carbon dioxide from the atmosphere. It achieves this by spreading certain types of ground alkaline material (i.e., silicate rocks such as basalt, olivine, and serpentinite) over agricultural soil. This ground alkaline material reacts with CO_2 in the soil to form stable bicarbonate ions – accelerating the time scale of natural weathering from centuries and millennia to months and years [141]. The bicarbonate travels through the soil and river networks to the ocean where it is stored for tens of thousands of years.

The choice of rock depends on factors such as availability, reactivity, cost, and suitability for specific project locations. Different ERW projects may employ different rock types based on their specific requirements and circumstances. These rocks are crushed or ground into fine particles to increase their surface area and enhance their interaction with carbon dioxide [142].

Technology Readiness

ERW, like other carbon removal methods, is a relatively new technique, and many projects are still in their early stages.

Substantial short-term financial investment is required to develop and scale up these projects to effectively remove significant amounts of CO2 from the atmosphere.

Costs

[140] https://www.imperial.ac.uk/media/imperial-college/grantham-institute/public/publications/briefing-papers/BECCS-deployment---a-reality-check.pdf

[141] https://static1.squarespace.com/static/6054db4efc6c3622f12682fe/t/65faf8e2048ccf04bf5561e7/1710946576798/EnhancedWeathering.pdf

[142] https://www.kita.earth/blog/school-of-rock-unearthing-the-potential-of-enhanced-rock-weathering

A range of voluntary methodologies are being developed to provide standardised frameworks for measuring and verifying removals from ERW projects and ensuring high integrity credits are created. This includes the following:

- Puro.earth - published the world's first ERW methodology which provides a framework for project developers to measure and verify removals from ERW projects. The methodology opens up new possibilities for scaling up the ERW process and expanding the purchase of carbon credits generated through it.
- Isometric – currently publicly consulting on its EW Protocol which provides the requirements and procedures for the calculation of net CO_2e removal from the atmosphere via enhanced weathering (EW) in agricultural settings.

Benefits

ERW carbon credits are particularly attractive due to their additional co-benefits as they create more value than some other carbon removal technologies, making them an attractive option for buyers. Beyond its significant carbon removal capacity, ERW has a number of other co-benefits, including:

- Agronomic co-benefits – the application of crushed alkaline material to agricultural land raises soil PH, and therefore reduces soil acidification. It also increases the bioavailability of important crop nutrients such as nitrogen, phosphrous, and potassium which can improve soil health, increase crop yields, and optimise the use of costly and emissions-intensive chemical fertilisers [143].
- Income stream for farmers – selling credits generated by ERW projects offers a potentially significant recurring incremental income stream for farmers.
- Local jobs - by utilising locally obtained crushed basalt rock and existing farming equipment, local individuals are empowered to actively participate in carbon removal initiatives within their own communities, avoiding the need for external machinery or expertise.
- Ocean deacidification – ERW captures biocarbonate ions that are then released into the sea supporting the deacidification of the oceans and providing marine organisms with calcium carbonate to construct their shells.

Challenges and Limitations

The biggest challenge in ERW is accurately measuring and quantifying the amount of carbon dioxide removed. To ensure transparency and credibility of the carbon credits, rigorous data management systems are necessary to provide full visibility across the supply chain. This involves traceability from feedstock sourcing to end-use application.

While ERW shows great promise, further research is needed to fully understand its long-term impacts, cost-effectiveness, and potential side effects on ecosystems.

Further Reading

Carbon Business Council (2024). Enhanced Weathering Policy Primer: Assessing the Opportunity. [Online]. Available from:

143

https://static1.squarespace.com/static/6054db4efc6c3622f12682fe/t/65faf8e2048ccf04bf5561e7/1710946576798/EnhancedWeathering.pdf [Date Accessed: 18/04/2024]

Kita (2023). School of Rock: unearthing the potential of enhanced rock weathering. [Online]. Available from: https://www.kita.earth/blog/school-of-rock-unearthing-the-potential-of-enhanced-rock-weathering [Date Accessed: 18/04/2024]

4. Biochar

Biochar is a charcoal-like substance that is produced by heating organic material such as wood, crop residues or manure in the absence of oxygen through a process called pyrolysis (see Figure X) [144]. Pyrolysis involves heating the biomass to a high temperature (typically between 350 – 700°C) in a container with limited air supply, which causes the biomass to undergo a chemical transformation and break down into a solid, carbon-rich material. Biochar is a stable and durable form of carbon which resists decay and can store carbon for approximately 2000 years, making it an ideal technology for CDR [145].

In addition to biochar, the pyrolysis process also yields byproducts including syngas and pyrolysis oil. These by-products can be suitable for fuel, making the process self-sustaining. The feedstock input and sophistication of the technology used to create the biochar can determine the quality of its output and, thus, its applicability to different use cases [146].

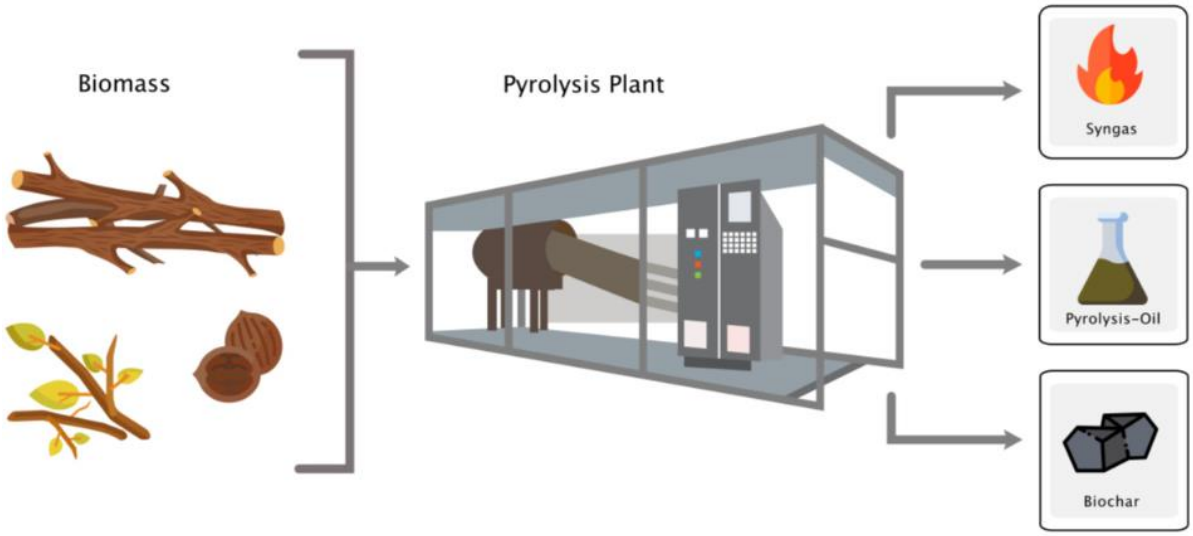

Figure 14: Biochar production process (Source: Bier et al, 2020)

[144] https://cloverly.com/ultimate-business-guide-to-biochar/
[145] https://medium.com/alliedoffsets/biochar-in-the-vcm-a-cdr-primer-31e726eb7bce
[146] https://www.abatable.com/blog/biochar

In the UK, it is estimated that 6-41 $MtCO_2$ will be able to be removed through biochar per year [147]. Globally, the estimated potential of greenhouse gas removal for biochar is between 1.9 and 4.8 $GtCO_2$ per year [148].

Technology Readiness

While there are various technology types to produce biochar, they can broadly be classified into three categories [149]:

1. Continuous and high-technology systems – an automated process that uses high technology equipment such as gasifiers or pyrolysis machines, using a continuous system to produce biochar. This type of system is highly efficient and is used to produce larger quantities of biochar.
2. Batch systems – the process of heating biomass in a container or kiln with limited airflow to produce biochar, repeating the process for multiple small batches.
3. Artisanal based systems – the labour-intensive process of using low-technology equipment such as a pit kiln or open fire to produce biochar in small quantities.

Compared to other durable carbon removal technologies (i.e., Type V), biochar has the highest Technology Readiness level (see Figure X) [150].

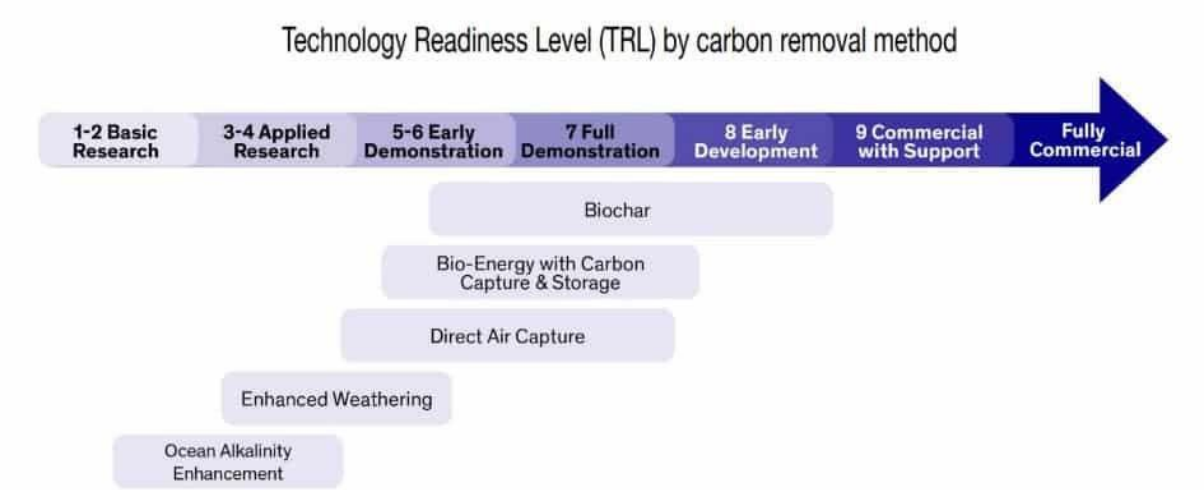

Figure 15: Technology Readiness Levels (TRL) by durable carbon removal method (Source: Carboncredits.com)

Costs

The average price for biochar carbon credits in 2023 was \$131/tCO_2e removed which is significantly cheaper than the average cost across all durable carbon removal technologies which is \$488/tCO_2e [151]. Due to the lower cost, biochar credits are an attractive option for companies looking to purchase durable carbon removal credits as part of their portfolio of credits.

147

148

149 https://www.kita.earth/blog/feel-the-burn-exploring-biochars-climate-benefits

150 https://carboncredits.com/biochar-makes-the-grade-a-rating-engineered-carbon-removals/

151 https://www.cdr.fyi/blog/2023-year-in-review

According to CDR.fyi, biochar carbon credits accounted for more than 90% of the durable carbon removal credits delivered in the voluntary carbon market in 2023 (see Figure X). Corporate buyers like Microsoft and JP Morgan Chase are ramping up their investment, signalling greater buyer confidence in the biochar carbon credit market. The prospect of being able to trade carbon credits relating to biochar is viewed as a potential means to transform this commodity into a scalable form of carbon removal [152].

Currently the market now has three approved methodologies that have been developed to provide standardised frameworks for measuring and verifying removals from biochar projects and ensuring high integrity credits are created. This includes the following:

- Verra – developed a globally applicable methodology which provides criteria and procedures for the quantification of GHG benefits from biochar utilisation in soil and non-soil applications.
- Puro.earth – developed the first ever carbon removal crediting methodology for biochar in 2019. This methodology quantifies the net CO_2 removal achieved over the time horizon of 100 years by the production of biochar, when using in applications placed in the environment.
- European Biochar Certificate – voluntary standard that ensures the quality and safety of biochar products in Europe.

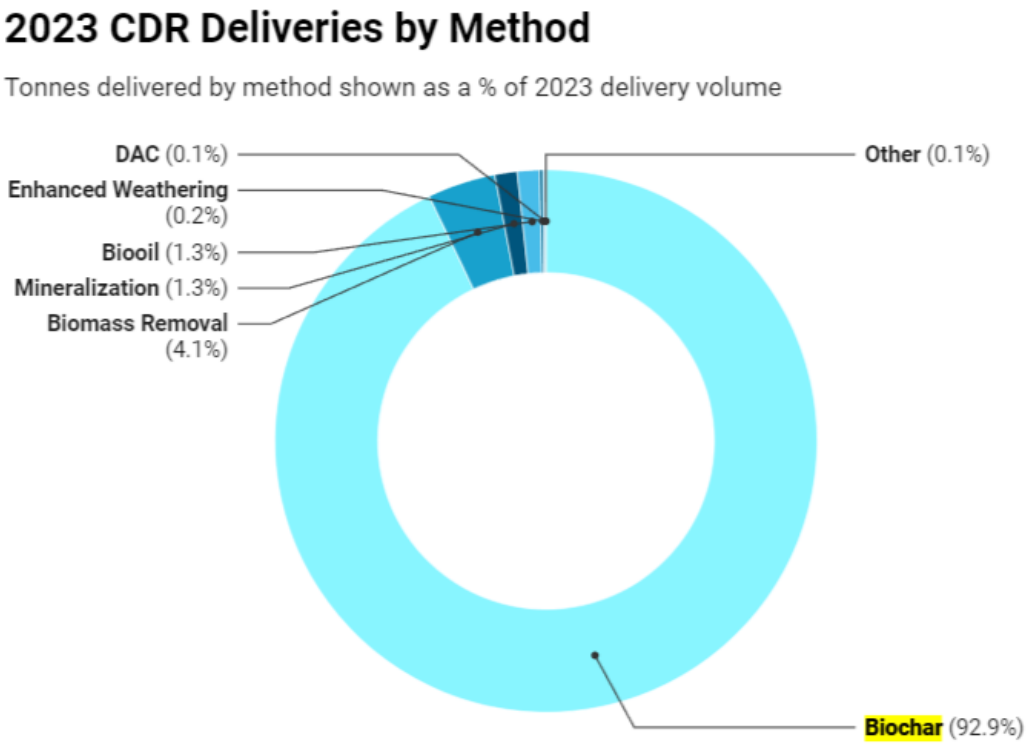

Figure 16: Carbon credit deliveries by durable carbon removal method (Source: CDR.fyi)

Benefits

[152] https://www.sciencedirect.com/science/article/pii/S1462901124000388?via%3Dihub

Beyond carbon removal, biochar offers several important co-benefits. A number of primary uses and benefits of biochar are outlined in Figure X [153].

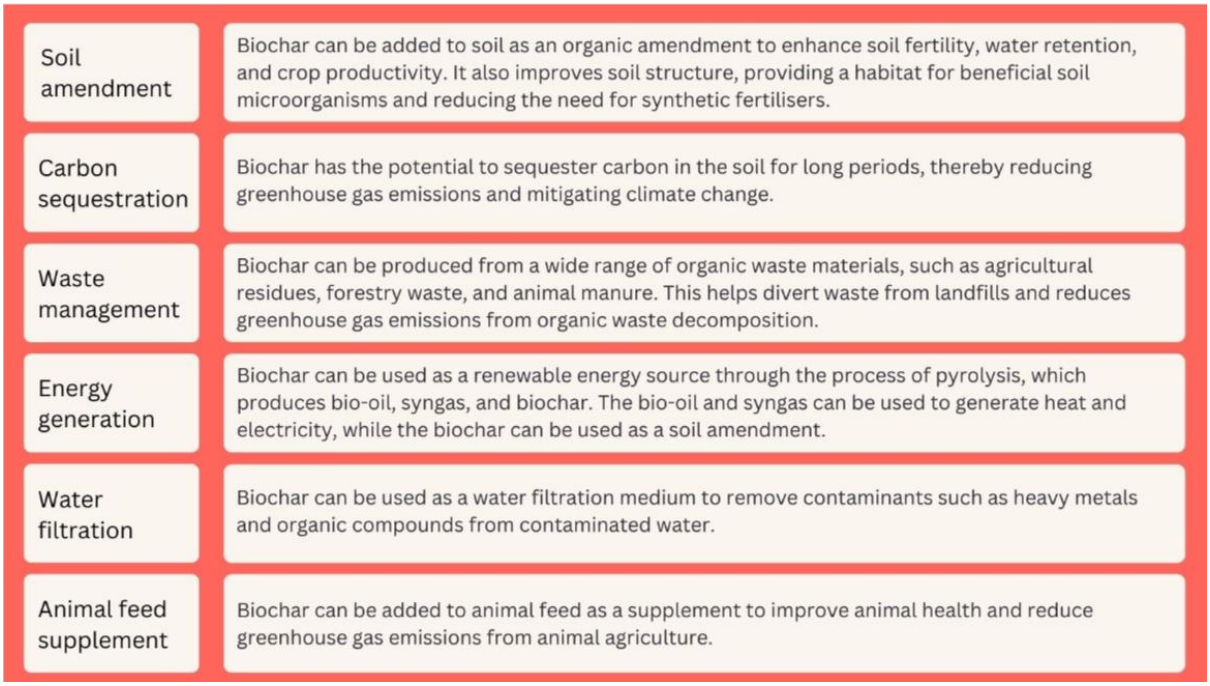

Figure 17: Range of benefits of biochar (Source: Kita, 2023)

Challenges and Limitations

Further Reading

Bier et al (2020). EBI Whitepaper: Biochar-based carbon sinks to mitigate climate change. [Online]. Available from: https://www.biochar-industry.com/wp-content/uploads/2020/10/Whitepaper_Biochar2020.pdf [Date Accessed: 17/04/2024]

Cloverly (2024). The Ultimate Business Guide to Biochar: Everything You Need To Know. [Online]. Available from: https://cloverly.com/ultimate-business-guide-to-biochar/ [Date Accessed: 17/04/2024]

Kita (2023). Feel the burn: exploring biochar's climate benefits. [Online]. Available from: https://www.kita.earth/blog/feel-the-burn-exploring-biochars-climate-benefits [Date Accessed: 18/04/2024]

Price et al (2024). Biochar carbon markets: A mitigation deterrence threat. *Environmental Science and Policy, 154*: 103704. https://doi.org/10.1016/j.envsci.2024.103704

5. Others

Range of other technologies not discussed in detail within report:

[153] https://www.kita.earth/blog/feel-the-burn-exploring-biochars-climate-benefits

Wood in Construction

Ocean Alkalinity Enhancement

Standards and guidance

The Oxford Principles are an important step towards ensuring that carbon offsetting is used in a way that is credible and contributes to achieving net zero emissions. They provide a framework for organisations to develop and implement offsetting programs that are aligned with the Paris Agreement goals.

VCMI Claims Code of Practice

A rulebook for company level on credible use of high quality carbon credits on the path to net zero.

The following table describes net zero pathway types, with 1 being the most and 5 being the least ambitious (adapted from VCMI):

Net Zero Pathway Type	Target, Strategy and Performance	Use of Carbon Credits
Type 1	Target Company adopts a 1.5oC abatement target as well as a long-term net zero target. Target covers full Scope 1-3 emissions and non-CO2 emissions. The target is validated by a reputable third-party initiative or standard (e.g., SBTi)	Company purchases carbon credits to compensate all unabated emissions and neutralise residual emissions. Company also purchases carbon credits to compensate for all its historical emissions.
Type 2	Strategy Company has a net zero aligned (short- and long-term) low carbon transition strategy and a concrete plan/roadmap to meet its formally adopted target.	Company purchases carbon credits to compensate all unabated emissions and neutralise residual emissions. Company does not purchase carbon credits to compensate for its historic emissions.
Type 3	Performance Company is on track to meet the formal net zero aligned target on a rolling average	Company purchases carbon credits to neutralise residual emissions. Company does not compensate all unabated emissions in the short to medium term. Company does not purchase carbon credits to compensate for its historic emissions.
Type 4	Target, strategy, and performance criteria not met (but company may have a non-validated net zero target OR may have a validated target but is not on track to achieve it).	Company purchases carbon credits for “offsetting as a substitute for within value-chain science-based action”.

Corporate Services, Climate Change and Scrutiny Management Committee
Work Plan 2024/25

Theme	Item	Lead Officer / Exec Member	Scope
13 May 2024			
	Ten Year Strategies	Claire Foale Cllrs Kilbane, Kent, Ravilious, Coles, Douglas	Stocktake on the status of these strategies
Regular Report	Petitions Schedule Council Motions	Bryn Roberts / Dawn Steel	Review of petitions schedule and progress with implementation of Full Council motions
10 June 2024			
	York pipeline of proposals for the Y&NY Combined Authority	Sam Blyth	
08 July 2024			
	Corporate Improvement Framework	Claire Foale Cllr Douglas	Pre-decision scrutiny
	HR policy and terms and conditions approval journey	Helen Whiting Cllr Douglas	
	York pipeline of proposals for the Y&NY Combined Authority	Sam Blyth Claire Foale Cllr Douglas	

09 September 2024			
	Acomb Front Street	Kathryn Daly/ Cllr Kilbane	Pre-decision scrutiny
	Scrutiny process – Issue arising from the LGA peer review	Lindsay Tomlinson Cllr Douglas	For information
07 October 2024			
	F&P 2023-24 Outturn	Debbie Mitchell / Ian Cunningham	
	Finance & Performance Monitor Q1	Debbie Mitchell / Ian Cunningham	
	Budget setting process	Debbie Mitchell / Ian Cunningham	Briefing paper
	Scrutiny Review	Lindsay Tomlinson	
11 November 2024			
	Annual Report Complaints/Compliments	Lorraine Lunt	
	Workforce Strategy	Helen Whiting Cllr Douglas	
	Budget proposals	Debbie Mitchell	
Regular reports	Council Motions and Schedule of Petitions	Bryn Roberts / Lindsay Tomlinson	Review of petitions schedule and progress with implementation of Full Council motions
09 December 2024			
	Finance & Performance Monitor Q2	Debbie Mitchell / Ian Cunningham	

	York Climate Commission	Shaun Gibbons Cllr Kent	At the May 2024 meeting it was agreed that the committee would receive a report on the refreshed Climate Commission to better understand its role
	Major Projects - York Central	Claire Foale/James Gilchrist Cllr Lomas	Update report last received in March 2024
20 January 2025			
	Carbon Offsetting/Insetting strategy	Shaun Gibbons Cllr Kent	At the April 2024 meeting it was resolved that the strategy be brought to the committee for comment prior to approval
	Major Projects - Castle Gateway	Katie Peeke-Vout Cllr Lomas	Update report last received in September 2023
	Procurement, Social Value Policy	Chloe Wilcox, Debbie Mitchell Cllr Lomas	
10 February 2025			
	Scrutiny Review	*Lindsay Tomlinson / Bryn Roberts* *Cllr Douglas*	*Additional meeting* *TBC*
10 March 2025			
	Finance & Performance Monitor Q3	Debbie Mitchell / Ian Cunningham	
	Intermediate Carbon Reduction Targets	Shaun Gibbons	Brought back to scrutiny for comment

		Cllr Kent	
	Council Motions and Petitions Schedule	Bryn Roberts Lindsay Tomlinson	
14 April 2025	Y&NY Combined Authority Net Zero Projects	Shaun Gibbons Cllr Kent	Last discussed at the December 2023 meeting at which it was resolved that the committee would monitor the progress of these and other Net Zero projects

Unallocated items

Item	**Origin**	**Lead Officer and Exec Member**	**Notes**
Telecoms digital switchover	Discussed at January 2024 meeting at which it was resolved that the committee receive further updates as the switchover progresses	Roy Grant / Pauline Stuchfield	2025?
Improving Customer Experience	Last discussed at the September 2023 meeting when it was resolved that a report be brought to the committee prior to approval by Executive	Pauline Stuchfield Cllr Douglas	On hold due to internal restructure.
Emissions Reporting	Exec Member	Shaun Gibbons	October 2025

Item	Origin	Lead Officer and Exec Member	Notes
Climate Change Action Plan		Cllr Kent	
Harewood Whin Green Energy Park Business Case	Neil Fletcher, Renewable Energy Project Manager	Neil Fletcher, Cllr Kent	
Community Woodland update from Forestry England	Cllr Kent	Shaun Gibbons Cllr Kent	

Possible Task & Finish Groups

Topic	Aims and objectives	Membership
Procurement		
Community Infrastructure Levy	Better understand the approach to implementation of the CIL in parished and unparished areas, and in particular, what advantages parished areas might have.	
Council Communications with Residents		

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Scrutiny Work Plan

Meeting Date	Committee	Agenda Item
20/01/25	CSMC	• Procurement Social Value Policy • Carbon Offsetting/Insetting strategy • Major Projects - Castle Gateway
28/01/25	EPAT	• Garden waste collections: review of implementation of charging arrangements (when ready) • Review of bags to bins • Neighbourhood Caretakers
04/03/25	CCC	• Finance & Performance Q3 (for information) • Children Safeguarding Partnership Annual Report • Safer York Partnership Report
10/03/25	CSMC	• Finance & Performance Monitor Q3 • Intermediate Carbon Reduction Targets • Council Motions and Petitions Schedule

The Forward Plan can be found here.

Committees

CSMC	Corporate Services, Climate Change and Scrutiny Management Committee
EPAT	Economy, Place, Access and Transport Scrutiny Committee
HHASC	Health, Housing and Adult Social Care Scrutiny Committee
CCC	Children, Culture and Communities Scrutiny Committee

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