

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 tCO₂e 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.
- 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.
- 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 CO₂, or an equivalent amount of greenhouse gases (CO₂e). 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.

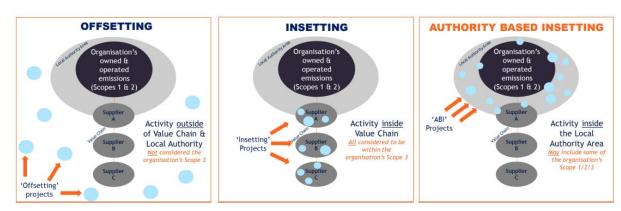


Figure 1: Diagram which illustrates the differences between offsetting and insetting (Source: Anthesis, 2022).

- 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 emissions². 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: naturebased 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.

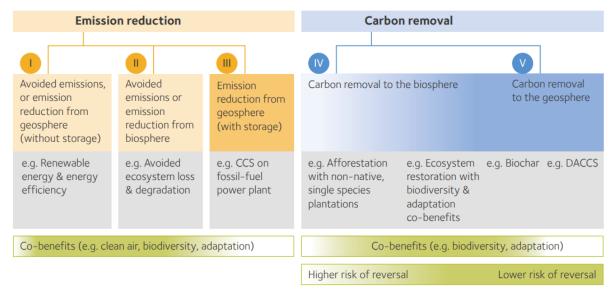


Figure 2: Taxonomy showing five different classifications of carbon offset/inset projects (Source: Axelsson et al, 2024, pg.12)

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
 - 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/

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
- 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
- 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

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

 $^{^{15} \, \}underline{\text{https://democracy.plymouth.gov.uk/documents/s144938/240318\%20Appendix\%20A\%20NZAP\%202024-27\%20FC\%20FINAL.pdf}$

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 tCO₂e.
- 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):

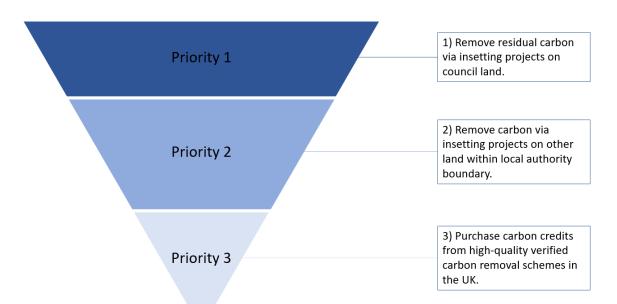


Figure 3: Hierarchical approach for the council to address its residual emissions from its corporate activity.

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 tCO₂e over a 100-year period. By 2030, the project is expected to remove 102 tCO₂e, 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 ktCO₂e 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 ktCO₂e 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.

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

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Report 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 CO₂ – Carbon dioxide CO₂e – 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