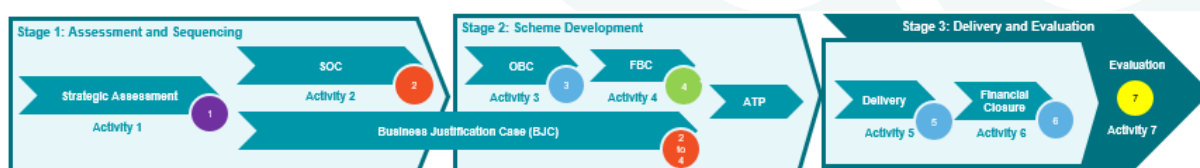


Report to:	Climate, Energy and Environment Committee
Date:	13 February 2024
Subject:	Better Neighbourhoods Project Approvals - Investment Priority 4 – Tackling the Climate Emergency and Environmental Sustainability
Director:	Liz Hunter, Director of Policing, Environment & Place
Author:	Sam Turner, Policy Coordinator

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 4 – Tackling the Climate Emergency and Environmental Sustainability Investment within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority’s assurance process.



- 1.2 The recommendations can be found in Section 12 of this report.

2 Report

- 2.1 This report presents proposals for the progression of schemes through the Combined Authority’s assurance process in line with the Combined Authority’s Assurance Framework. Further details on the schemes summarised below can be found as part of this report.

3 Better Neighbourhoods

- 3.1 The Better Neighbourhoods programme was approved by the Climate, Energy and Environment Committee on the 21 March 2023, and is part of the Climate and Environment plan Wave 1 Portfolio.
- 3.2 The programme has established community grant funding schemes across the five West Yorkshire Local Authority districts and is designed to inspire behaviour change and educate at community level, whilst contributing to improved community assets and improved sense of place. The programme provides grants of between £5,000 and £50,000 for projects delivered by Voluntary, Community and Social Enterprise organisations. The funding can be used to support projects in any community-type, allowing flexibility for local authorities to award funding where they judge it may have the largest impact.

- 3.3 Approximately £1,700,000 has been made available for grant funding, from the original programme approval of £2,060,000, with an expected 32-337 projects to be supported, based on the minimum and maximum project costs and partner council funding allocations.
- 3.4 By December 2024, the programme will contribute to a transition to net-zero carbon by investing a minimum of £1,700,000 in neighbourhood-level projects which engage communities in at least one of the following themes:
- Local, clean, and flexible energy solutions
 - Healthy, affordable, and efficient buildings
 - Walking, cycling and public transport
 - Green and climate-ready nature solutions
- 3.5 The programme formally launched across the region on the 21 July 2023. This included press and social media activity across the region, with coordinated social graphics and videos provided by the Combined Authority's Design team.
- 3.6 To date, demand for funding has been high. All five partner councils have sought applications for funding, receiving a total 207 expressions of interest from local community groups seeking funding for projects which contribute to the climate and environment agenda. The risk of funding not being allocated out to community groups is therefore seen as extremely low, due to the high levels of interest in the fund.
- 3.7 The programme has been incredibly popular with Community Groups across the region, and the programme is expected to allocate all available funding early in 2024. Our local authority partners have allocated funding to projects across the full range of themes on the programme, enabling a diverse range of projects to be delivered.
- 3.8 Examples of projects that have received funding include energy efficiency improvements in community buildings such as insulation, LED lighting and air conditioning; community gardens, allotments, and tree planting; Solar PV and Battery storage installation; and the purchase of bike storage and bike maintenance workshops.
- 3.9 Through the latest round of Quarterly Reporting, local authority delivery colleagues provided an early indication of lessons learnt on the programme. These include:
- The need to request more thorough information during the expression of interest stage, to provide early support to projects ahead of full applications as this will lead to stronger applications.
 - To provide clear articulation in application guidance of the need within applications to demonstrate the linkages between objective, activities, outputs, and funding.
 - Consideration of the need for Subsidy Control advice to be undertaken earlier on in the planning process of the fund.

- To plan for the possibility of the fund being under or oversubscribed in funding rounds and ensure messaging is clear on this.
- Providing funding to support VCSE groups with overhead costs associated with project delivery, as the lack of such funding may have put some groups off applying.

3.10 In November 2022, the Mayor of West Yorkshire received a letter for the England Chair of the National Lottery Community Fund, to discuss the possibility of future joint funding opportunities, building on the success of the Community Fund's work with the West Midlands Combined Authority on their 'Mayors Community Weekend'.

3.11 The Combined Authority subsequently had conversations with the Community Fund, around the prospect of the Community Fund providing additional funding to the Better Neighbourhoods programme, as well as the Community Fund sitting on the Better Neighbourhoods Steering Group to provide their expertise and knowledge in this area.

3.12 This led to a bid to the National Lottery Community Fund, for a total of £150,000. This is to match the 'top-up' pot that already exists on the programme and is the focus of the approval aspect of this paper. Confirmation of whether the bid was successful was outstanding at the time this report was written.

Scheme summaries

<p>Better Neighbourhoods West Yorkshire</p>	<p><u>Scheme description</u></p> <p>The Better Neighbourhoods programme works with the five West Yorkshire partner councils to provide grants to local communities, with a particular focus on those communities considered disadvantaged, to fund projects that will support the transition to net zero carbon.</p> <p>The programme is delivered through the Single Investment Fund (SIF), Investment Priority 4 gainshare allocation and approval is sought via this change request for an additional £150,000 of funding which has been bid for from the National Lottery Community Fund to enable the programme to fund more local projects, subject to funding confirmation.</p> <p><u>Impact</u></p> <p>The programme's wider social benefits include improving disadvantaged communities by providing funding at a community level to educate and implement climate improvement projects. These projects will increase climate knowledge, accelerate behaviour changes, and deliver infrastructure to improve wellbeing and building efficiency, with a long-term aim of reducing carbon emissions.</p> <p>No benefit cost ratio (BCR) or detailed value for money assessment is available to reflect value for money at this stage in programme development.</p> <p><u>Decision sought</u></p> <p>Approval to the change request for additional funding of up to £150,000, taking the total scheme costs and Combined Authority contribution from £2,060,000 to £2,210,000.</p> <p>Total value of the programme - £2,210,000</p> <p>Total value of Combined Authority funding - £2,210,000</p> <p>Funding recommendation sought - £150,000</p> <p>A decision by the Climate, Energy and Environment Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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Other decisions relevant to the Climate, Energy and Environment Committee

3.13 Since the Climate, Energy and Environment Committee meeting on 24 October 2023, no decision points or change requests relevant to the Better Neighbourhoods programme, have been assessed in line with the Combined Authority's assurance process and approved through another agreed delegation.

4 Information

4.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

4.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

4.3 There are no schemes to review at this stage.

Projects in Stage 2: Scheme development

4.4 There are no schemes to review at this stage.

Projects in Stage 3: Delivery and Evaluation

Project Title	Better Neighbourhoods
Stage	3 (delivery and evaluation)
Decision Point	Change request (activity 5)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.5 Better Neighbourhoods is a grant funding programme, which will be delivered by the five West Yorkshire partner councils.
- 4.6 Each project in the programme must demonstrate a positive impact on at least one disadvantaged community and will aim to reduce West Yorkshire’s carbon emissions such as installing bicycle storage to promote sustainable travel or installing solar panels on community buildings, complementing other CEP Wave 1 schemes installing solar panels.
- 4.7 To align the programme to the Combined Authority’s inclusive growth ambitions, and to support a ‘just’ transition to net zero, each project must demonstrate a positive impact on at least one disadvantaged community (top 10% Index of Multiple Deprivation or with protected characteristics).
- 4.8 The programme uses the term disadvantaged to describe communities that live in areas within the 10% most deprived in England, according to the Index of Multiple Deprivation (IMD) - equivalent to more than half a million people, 15 more than one in five people in West Yorkshire - or identify as having one or more of the nine protected characteristics.
- 4.9 The Combined Authority submitted a proposal to the National Lottery Community Fund (NLCF) for £150,000, to match the programme’s existing top-up pot funding, which supports projects which may have missed out on the opportunity for funding from partner council allocations. This change request seeks approval for £150,000 from the National Lottery Community Fund (NCLF), subject to the funding being secured, taking the total programme costs to £2,210,000.

4.10 This additional funding will enable the programme to deliver “more of the same” i.e. more projects which fit the programme’s existing aims, using the existing processes established when the programme went into delivery. There will be no other changes to the programme as a result of this additional funding. The funding will also for the development of a strategic working relationship with the National Lottery Community Fund.

Outputs and Outcomes

4.11 The overall scheme outputs, including with the additional funding, include:

- Delivery of between 35-367 projects across West Yorkshire which support the transition to net zero in communities
- At least one disadvantaged community per project is positively impacted
- Sustainable energy improvements in up to 10 community buildings.
- Contribute to the development of up to 10 energy generation projects
- Deliver up to 10 schemes which results in reported increases in public transport use, walking and cycling.
- Deliver up to 10 projects which increase community access to green space and nature.

4.12 The scheme outcomes:

- include improving disadvantaged communities by providing funding at a community level to educate and implement climate improvement projects. These projects will increase climate knowledge, accelerate behaviour changes, and deliver infrastructure to improve wellbeing and building efficiency, with a long-term aim of reducing carbon emissions.

Tackling the Climate Emergency Implications

4.13 Community buildings will be fitted with sustainable technologies to reduce natural gas consumption, reduce electricity consumption and / or improve energy efficiency. These improvements are likely to have long term impacts on reducing carbon emissions.

4.14 Sustainable travel will be promoted, through for example, bicycle storage installed within the community.

4.15 The programme will increase community knowledge on the importance of a transition to net zero, how to participate and will accelerate behaviour change.

4.16 A Stage 1 Carbon Impact Assessment was undertaken as part of the previous business case approval. Carbon savings / increases have not been calculated but are expected to be included in the programme’s evaluation.

Inclusive Growth Implications

4.17 The scheme inclusive growth implications include:

- The programme aims to target disadvantaged communities to overcome barriers to accessing climate resilience funds, contributing to better physical and mental health at a community level. Although projects can support any type of community, each project must demonstrate some positive impact on at least one disadvantaged community.

Equality and Diversity Implications

4.18 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

4.19 The Equality, Diversity and Inclusion (EDI) ambition of Better Neighbourhoods is to:

- Fund community-level projects which support a just transition to net zero carbon, through improved social cohesion, education, and access to appropriate support.
- Projects are identified through the programme delivery by nature of a grant making scheme, so it is not possible to accurately depict the impact each project may have. Projects delivered under Better Neighbourhoods are expected to demonstrate their impact on at least one disadvantaged community. Under this programme, the term disadvantaged is used to describe communities' that either:
 - Live in areas within the 10% most deprived in England, according to the Index of Multiple Deprivation (IMD). This is equivalent to more than half a million people, more than one in five people in West Yorkshire.
 - Identify as having one or more of the nine protected characteristics.

Consultation and Engagement

4.20 Consultation was carried out as part of the development of the current Better Neighbourhoods programme. As the additional funding will allow more projects to be delivered, under the same programme themes and there has been no change of scope, no further consultation has taken place, in relation to this change request.

Risks

4.21 The scheme risks and mitigations are:

- Increases in materials and labour costs mean there is a risk schemes may be financially limited. This is mitigated by using the latest cost estimates throughout business case development, with risk and contingency built in at a project-level, to cover unforeseen increases in costs.

- Partner councils experiencing resource and capacity issues which impact on programme delivery timeframes, and the programme being undersubscribed because communities are not engaged, do not know that grants are available or do not have the support they need to apply for grants. This will be mitigated by the partnership approaches that have been agreed with each partner council and regular task and finish group meetings. Monitoring and evaluation are also built into the programme so there is flexibility to ensure delivery is maximised.

Costs

- 4.22 The total scheme costs are £2,210,000.
- 4.23 The Combined Authority's contribution is £2,210,000, comprising £2,060,000 from the Single Investment Fund (SIF), Investment Priority 4 gainshare allocation and up to £150,000 from the National Community Lottery Fund.
- 4.24 Subject to this approval, the Combined Authority will need to enter into addendums to the existing Funding Agreements with the each of the West Yorkshire partners councils, where required, for expenditure of the some of the additional £150,000, to cover any programme reporting requirements, the National Lottery Community Fund set out.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 5)	Recommendation: Combined Authority's Director of Policing, Environment & Place (DoPEP) Decision: Climate, Energy and Environment Committee	13/02/2024
5 (completion / service delivery)	Recommendation: Combined Authority's Portfolio Investment Panel Decision: Combined Authority's Director of Policing, Environment & Place (DoPEP)	31/12/2024

Other Key Timescales

- Programme delivery ends - December 2024
- Project evaluation - November 2024 to March 2025
- Delivery closure report submission - March 2025

Assurance Tolerances

4.25 The previous approvals and assurance tolerances set are outlined below:

Control area	Baseline Tolerance approved by the CA at DP 2-4	Change Request Approval	Within tolerance?
Date	21 March 2023	17 February 2024	
Total Cost	£2,060,000	£2,210,000	
CA Funding	£2,060,000	£2,210,000	N
Completion Date (DP5)	31/12/2024	31/12/2024	Y
Outputs & Benefits	As detailed within this report.	As detailed within this report.	Y

4.26 The revised assurance tolerances for the recommended approval in this report are:

Assurance tolerances
Combined Authority funding remain within +10% of those outlined in this report.
Completion/service delivery date remains within +6 months of those outlined in this report.
Outputs remain within -10% of those outlined in this report.

Appraisal Summary

4.27 The programme is now launched and the grants on offer are stated to have been in high demand throughout West Yorkshire. Many of the uncertainties that were highlight at the previous appraisal at strategic outline case have now been resolved, particular in relation to the commercial case where the delivery mechanism and partner for each council was unknown. The economic case remains weaker than the other cases because the programme is still limited to qualitative outputs at this stage, preventing a benefit to cost ratio calculation and value for money position on the programme.

4.28 This change request is for the acceptance of a further £150,000 of additional funding for the Better Neighbourhoods Programme that has been applied for from the National Lottery Communities Fund. If the application is successful confirmation is estimated to be received in January 2024.

Recommendations

4.29 The Climate, Energy and Environment Committee, subject to funding confirmation, approves that:

- (i) The change request to the Better Neighbourhoods programme for additional funding of up to £150,000, taking the total programme approval

from £2,060,000 to £2,210,000, is approved. The total programme cost is £2,210,000.

- (ii) The Combined Authority enters into addendums to the existing Funding Agreements with the each of the West Yorkshire partners councils.
- (iii) That delegated authority be granted to the Combined Authority's Senior Responsible Officer (Head of Place and Environment Policy), to allocate additional funding to partner councils, where required.
- (iv) That delegated authority be granted to the Head of Place and Environment Policy and Deputy Director, Legal, Governance and Compliance Services respectively in consultation with each other to finalise the addendums to the existing Funding Agreements between the Combined Authority and the partner councils to support delivery of Better Neighbourhoods, and all other related legal documents that may be required.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

5 Tackling the Climate Emergency implications

- 5.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

6 Inclusive Growth implications

- 6.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

7 Equality and Diversity implications

- 7.1 Equality Impact Assessments (EqIA) have been undertaken on all projects included in this report as part of their business case development.

8 Financial implications

- 8.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

9 Legal implications

- 9.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

10 Staffing implications

- 10.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are, or are in the process of, being identified and costed for within the scheme in this report.

11 External consultees

11.1 Where applicable scheme promoters have been consulted on the content of this report.

12 Recommendations (Summary)

Better Neighbourhoods

12.1 The Climate, Energy and Environment Committee, subject to funding confirmation, approves that:

- (i) The change request to the Better Neighbourhoods programme for additional funding of up to £150,000, taking the total programme approval from £2,060,000 to £2,210,000, is approved. The total programme cost is £2,210,000.
- (ii) The Combined Authority enters into addendums to the existing Funding Agreements with the each of the West Yorkshire partners councils.
- (iii) That delegated authority be granted to the Combined Authority's Senior Responsible Officer (Head of Place and Environment Policy), to allocate additional funding to partner councils, where required.
- (iv) That delegated authority be granted to the Head of Place and Environment Policy and Deputy Director, Legal, Governance and Compliance Services respectively in consultation with each other to finalise the addendums to the existing Funding Agreements between the Combined Authority and the partner councils to support delivery of Better Neighbourhoods, and all other related legal documents that may be required.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

13 Background Documents

13.1 None as part of this report.

14 Appendices

14.1 None as part of this report.