

North Yorkshire County Council
Executive Member for Open to Business

28 February 2023

Request to bid for Net Zero Living 'Fast Followers' Fund for a 'decarbonisation of waste programme'

Report of the Assistant Director – Travel, Environment and Countryside

1.1 Purpose of Report

- 1.2 To request approval to submit an outline application to bid for up to £300K from the Net Zero Living Fast Followers Fund; and
- 1.3 If the application is successful, to delegate to the Corporate Director - Strategic Resources authority to accept the grant ultimately offered as a result of the bid to the Net Zero Living Fast Followers Fund, subject to acceptable MoU and terms and conditions being reviewed.

2.0 Key Background Information

2.1 Innovate UK is the United Kingdom's innovation agency, which provides money and support to organisations to make new products and services. It is a non-departmental public body operating at arm's length from the Government as part of the United Kingdom Research and Innovation organisation.

2.2 The new funding programme from the Innovate UK_ provides support of up to £300K over two years to local authorities, their partners and communities to overcome non-technical systemic barriers to the scaling and adoption of net zero solutions. These include:

- financing
- capacity, capability and skills
- consumer engagement and behaviour change
- policy and regulation
- system governance
- common data standards for open source and interoperability
- ability to influence strategic grid reinforcement

2.3 The Fast Followers awards aim to equip local authorities with the experience and skills to overcome non-technical barriers and help to accelerate progress towards net zero. The programme will fund up to 20 Fast Followers. The awards will be used to fund a resource within each Local Authority over an 18-24 month period which includes both officer and funding to pilot new ideas. The officer post will be recruited to either as a secondment or on a fixed term contract. The officer will form part of a Net Zero Living innovation cohort; have access to training and resources provided by Innovate UK and partners, and apply these skills to turn their ambitions into deliverable plans. Applications are made via an online portal and the closing date for submissions is 11am 1st March 2023.

2.4 The North Yorkshire Council Climate Change Strategy Consultation Draft is currently out for public consultation. The Draft document includes:

- Increase access to 'alternative fuels' for vehicles. Implement the NYCC EV Charging Strategy, investigate the feasibility of green hydrogen and other low carbon fuels as technology develops.
- We will investigate how NYC Assets such as land and buildings can best be used to generate low carbon energy to 'offset' Council carbon emissions. This includes opportunities at the jointly owned assets Energy From Waste plant and closed landfill sites, and for vegetation management and food waste for Anaerobic Digestion.

3.0 Decarbonising Waste Collection and Disposal

- 3.1 Waste management is a resource intensive service, particularly in a rural county where distances travelled by residual and recycling collection vehicles are high. Local Government Reorganisation brings the opportunity to implement consistent collection and disposal to gain efficiencies both for the customer and for the Council.
- 3.2 Residual waste is collected from across North Yorkshire and taken to Allerton Waste Recovery Park (AWRP) for processing. After recyclates and organic materials have been extracted, the remaining residual waste is incinerated in an Energy From Waste facility which generates heat and power. Currently the electricity is sold to the National Grid and the heat is under utilised. Approximately 70 refuse vehicles visit the site on a daily basis.
- 3.3 Decarbonising both the AWRP and the vehicles that transport waste to the site is technically possible, but extremely challenging due to the technological change required, systems change and the costs to deploy. The proposed programme for the 'Fast Followers' fund is to investigate the business plan options and address barriers for generating low carbon fuel sources on site, either as biomethane or green hydrogen. This would be predominantly to use as a transport fuel for residual and recycling waste vehicles as an alternative to fossil fuels, but the options for income generation will also be explored. Potential co-benefits include improved energy security, releasing grid capacity for other renewable energy sources at the sub station currently utilised and implications for the Emissions Trading Scheme for which the Energy from Waste facility will be liable in future.
- 3.4 The non-technical barriers include:
- Knowledge: Review of Government policy regarding hydrogen and biomethane as transport fuel and of academic research and current use.
 - Skills required to install, service and maintain low carbon fuels generation and storage on site and for vehicles utilising the fuel.
 - Financial review; short medium and long term costs and for capital and revenue development and potential for income generation and raising finance.
 - Regulation regarding the production and storage of hydrogen and biomethane and development control requirements and costs, including planning requirements.
 - Contract requirements for long term waste treatment
 - Governance arrangements required for the generation and use of low carbon fuels
 - Community and citizen engagement to understand public perception regarding the use of hydrogen and biomethane as transport fuels
- 3.5 It may be possible, once the market analysis has been undertaken, to extend this concept to the closed landfill sites and waste transfer stations and to investigate the use of renewable energy to generate green hydrogen for similar purposes.
- 3.6 It is anticipated that a programme steering team will be established to oversee the programme which will include both NYCC officers and external stakeholders including

representatives from the York and North Yorkshire Local Enterprise Partnership and Allerton Waste Recovery Park management.

4.0 Risks

4.1 This is a relatively low risk project. These include:

- i. Recruitment of an officer to undertake the role for NYCC and also to join the 'Fast Followers' cohort by 01.07.23 is an essential time dependent element. A job description will be prepared in advance of funding award to ensure that recruitment process is efficiently progressed and permission is given by the funder to recruit a consultant if required to fill the gap prior to an officer commencing in post.
- ii. **Procurement** – It is anticipated that procurement of subcontractors will be required to deliver feasibility research outcomes for each of the non technical barriers identified. Sufficient project planning will be required to ensure this can be completed within the required timeframes.
- iii. **Capacity** – The fund will provide funding for an officer to lead this project. However, additional capacity of a steering team will be required to support this work and ensure that the outcomes are met and the skills are embedded within the Council. The grant funding can cover existing posts that are committed to the management of the project.
- iv. **Financial** –The grant covers 100% of costs and claims are made monthly in arrears. Budgets may be moved between headings after grant approval as the project develops utilising a change mechanism.
- v. **Reputational** – The project will seek to open up a new area of technology innovation for the Council to support its decarbonisation ambitions. Citizen engagement will be included as part of the non technical barriers to bringing forward this technology solution.

5.0 Financial Implications

5.1 The bid will be for up to £300,000 revenue for a two year period from grant offer. There is no requirement for match funding for this application. Financial Services support will be required to support the management of quarterly claims in arrears to Innovate UK and to ensure NYCC financial procedures are followed.

6.0 Legal Implications

6.1 There are no legal implications arising from the submission of an outline application for grant funding from the Fast Followers programme.

6.2 If the bid is successful, acceptance of the funding may require NYCC to enter into a Memorandum of Understanding or other formal grant agreement. Any legal agreement required to be signed, will be reviewed by Legal Services and if any of the terms and conditions present unacceptable risk for the Council then the grant offer would be declined.

6.0 Climate Change Implications

7.1 A climate change impact assessment is attached at Appendix A. The bid will support NYC draft climate change ambitions as outlined in 2.4 above.

7.0 Equalities Implications

8.1 An equalities screening assessment has been undertaken and is attached at Appendix B. No equalities issues are raised by the decision to submit an application for funding for this programme, and it is concluded that a full Equalities Impact Assessment is not required.

9.0 Conclusion

- 9.1 The chance to apply to the Fast Followers programme provides NYCC with a great opportunity to take forward an area of work which would not otherwise have resource attached to it. It will enable waste decarbonisation to take a great stride forward in terms of taking feasibility concepts to the investment grade business plan level.

10.0 Recommendation

- 10.1 It is recommended that the Executive Member for Open to Business:
- i. Authorises the submission of an application by NYCC for grant funding of up to £300K covering two financial years 2023/24 and 2024/25;
 - ii. Delegates approval of the final content of the application to the Corporate Director (Business and Environmental Services)
 - iii. Delegates the acceptance of any grant funding offered as a result of this application to the Corporate Director - Strategic Resources following consultation with the Corporate Director - Business and Environmental Services and the Assistant Chief Executive (Legal and Democratic Services), subject to acceptable terms and conditions being received.

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Background papers relied upon in the preparation of this report: [Competition overview - Net Zero Living: Fast Followers - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Appendices:

Appendix A – Climate Change Impact Assessment
Appendix B – Equality Impact Assessment – Initial Screening

For further information contact the author of the report