

North Yorkshire Council

Executive Member for Culture, Arts and Housing

14 June 2023

CONFIDENTIAL – NOT TO BE PUBLISHED

Request to accept funding for Local Energy Advice Demonstrator Pilot Programme

Report of the Corporate Director Community Development

This report contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended) (*information relating to the financial or business affairs of any particular person (including the authority holding that information)*) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

1.0 PURPOSE OF REPORT

- 1.1 To recommend that the Executive Member for Culture, Arts and Housing following consultation with the Corporate Director of Community Development, the Corporate Director - Resources and the Assistant Chief Executive (Legal and Democratic Services) authorises the acceptance of the grant of £910,000, subject to:
- a) formal approval that the match funding identified to support this project, from the UK Shared Prosperity Fund (UKSPF) Decarbonising Communities and Businesses stream, can be allocated to this project; and
 - b) Assistant Chief Executive Legal and Democratic Services and Corporate Director of Resources approval of the terms and conditions of the funding agreement (at the time of writing, draft Terms and Conditions have not been received).

2.0 SUMMARY

- 2.1 The project provides an opportunity to secure funding for elements of a longer-term strategically important project – ‘One Stop Shop for Energy Efficiency’ tackling issues of fuel poverty and carbon emissions from the domestic housing sector, and supply chains and skills in the construction sector. The Local Energy Advice Demonstrator fund, from the Department for Energy Security and Net Zero (DESNZ), provides funding for 22 months of revenue support (totalling approximately £1.5m) to deliver a pilot project across North Yorkshire.
- 2.2 The main challenges with the project’s design and delivery are linked to the short government-set timescales. However the officers involved with the project are experienced in delivering for DESNZ within time-pressured projects and are confident in being able to design and deliver a scalable, coherent and impactful multi-partner programme of work.

3.0 BACKGROUND

3.1 The background on the funding opportunity, contribution to regional priorities and related background research that has informed the application made was laid out in the report that requested permission to apply – “Request to bid for Local Energy Advice Demonstrator Pilot Programme”, made by decision maker Executive Member for Managing our Environment on 13 April 2023.

4.0 PROPOSED LOCAL ENERGY ADVICE DEMONSTRATOR PROGRAMME

4.1 The programme aims to develop a sustainable business model to provide detailed domestic energy efficiency advice. All advice will be from qualified advisors and, due to the funded pilot activity, will be provided free of charge. It will provide evidence towards developing national programmes for energy advice. It is structured around 4 work packages (WPs), which broadly align with stages of the customer journey through the one-stop-shop:

- Recruitment and education
- In-house advice to design
- Client management and Quality Assurance
- Supply chain strengthening

4.2 Due to the pilot nature of the programme, the activities with each of these WPs will be applied at a range of pilot neighbourhoods, which have been identified using the aforementioned data and aligning the attributes of the priority areas to the requirements of the fund (hard to treat and/or hard to reach).

4.3 The delivery of the programme will be completed by a consortium of partners, with project management initially provided by the York and North Yorkshire Local Enterprise Partnership (Y&NY LEP), as requested by NYC, as the project comes during a time of significant change for the Council. This will be reviewed in line with the new North Yorkshire Council and the move to a Mayoral Combined Authority. Procurement will be required for all parts of the programme, but we are confident that potential suppliers are engaged and willing to support, evidenced by the work done so far on the one-stop-shop. Due to tight timescales, procurement has been engaged to inform programme development, building in sufficient time to the work plan to deliver the appropriate procurement exercises. A consortium agreement and project management team will be developed upon final confirmation of the funding (both grant and match from UK SPF, see 4.4 & 4.5). Appropriate officer time has been costed into the bid, including project management capacity.

4.4 On 21 April 2023, NYC submitted an application for £1,189,300 grant funding from the Local Energy Advice Demonstrators fund. The total project value was £1,289,300 with £100,000 match from the UK SPF Decarbonising communities and businesses stream prior to bid submission (subject to formal approval via the Business and Low Carbon Thematic Group and Local Partnership Group).

4.5 On 11 May 2023, the funder requested that the NYC-led project was redrafted in line with receiving a potential grant totalling a maximum of £910,000. The bid was reduced slightly in scope (removing one of the focal neighbourhoods), and increased levels of match funding have been identified from UK SPF Decarbonising Communities and Businesses stream. The evaluation budget has also been reduced, in line with the revised information on the free availability of some evaluation tools and datasets.

- 4.6 On 26 May 2023, an offer of funding for the revised £910,000 was made by the funder. However, public release of this information has been embargoed until some point in July 2023 (date as yet unknown), hence the confidentiality of this report.
- 4.7 Due to the potential tight timelines between access to grant Terms and Conditions (as yet not provided by funder) and expected grant agreement signing (initially expected for 5th June 2023, new timeline as yet unknown), this report is unable to ask for the final acceptance, as at the time of writing:
- The use of the match funding has not been approved. This is considered low risk as the funding is already secured and allocated to the decarbonisation stream of UKSPF and the requirement for support for households outlined in the UKSPF prospectus, and the project will support the delivery of the priority around supporting building retrofit and combatting fuel poverty.
 - The Terms and Conditions of the grant have not yet been received for review and agreement by legal and financial service colleagues.
- 4.7 The revised application (submitted to the Hub on 17 May 2023) has included notification to the Hub that the original grant agreement signing date of 5th June 2023 will not be possible due to the timeline for securing the additional SPF match, and for sufficient time for internal review and sign-off procedures, with a grant agreement date projected for early July 2023 instead.

5.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 5.1 The Council has declared a Climate Emergency and pledged to play its part in tackling the causes and impacts of climate change.
- 5.2 The NYC CCS delivers the following specific Council Plan ambitions:
- Place and Environment:
 - A clean, environmentally sustainable and attractive place to live, work and visit
 - Communities are supported and work together to improve their local area
 - Good quality, affordable and sustainable housing that meets the needs of our communities
 - Economy
 - Economically sustainable growth that enables people and places to prosper
 - Health and Wellbeing
 - People are supported to have a good quality of life and enjoy active and healthy lifestyles
 - Reduced variations in health through tackling the root causes of inequality
 - People
 - In times of hardship, support is provided to those that need it most
- 5.3 Greenhouse gas emissions from the domestic sector in North Yorkshire are 19% of the total carbon emissions in the region. The project directly contributes to the North Yorkshire Council Climate Change Strategy, the Consultation Draft. The Draft document includes:
- Support home and property owners (including landlords) to retrofit properties. Working with partners to develop and deliver a York and North Yorkshire Retrofit Strategy to improve access to advice and finance
 - Increase renewable and low carbon energy capacity at differing scales such as on individual buildings, carparks and harbours and at large scales such as solar parks.
 - Support community energy projects

- Encouraging everyone to reduce carbon emissions
- Embed climate adaptation in retrofit activity and infrastructure maintenance programmes

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 As an alternative to accepting the funding we could instead decide not to accept the grant for piloting a part of the one-stop-shop service and pursue the full rollout at a later date. However, although the model aims for the full service to be self-sustaining within 3 years, the seed funding for up-front costs would need to be sought via a grant or via corporate resources at the Council.
- 6.2 One alternative source of funding for the service could be via the York & North Yorkshire Mayoral Combined Authority. However, competition for 'gainshare' will be high across a wide range of priorities, and it may be easier to make the case for resources if a successful fully-funded trial could be used to evidence any further required investment for the wider rollout beyond pilot neighbourhoods.
- 6.3 It is considered preferable to deliver this programme of energy efficiency advice as early as possible to support residents through the cost of living crisis and in order to take action on the Climate Emergency declaration.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The revised project, as per the North East and Yorkshire Net Zero Hub's (the Hub) request, totals revenue funding of £1,201,050 (£909,161 LEAD grant plus £291,889 UK SPF NY Decarbonising Communities and Businesses) for a 22-month period from grant offer which is expected to be 5 June 2023, therefore covering financial years 2023/24 and 2024/25. There is no requirement for match funding for this application from core NYC budgets. Financial Services support will be required to support the management of quarterly claims in arrears to the NEY Net Zero Hub, and to ensure NYC financial procedures are followed.
- 7.2 Financial risks are set out in section 11 below.
- 7.3 A review of Terms & Conditions (not available at the time of writing) will be carried out by legal and finance prior to acceptance of the funding. Any final decision to accept the funding would also need to be following confirmation of allocation of £291,889 Shared Prosperity Funding required to deliver this project.

8.0 LEGAL IMPLICATIONS

- 8.1 Acceptance of the funding will require NYC 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.
- 8.2 Any expenditure of the grant monies shall be spent in accordance with the Council's Procurement and Contract Procedure Rules, and where relevant the Public Contracts Regulations 2015.

9.0 EQUALITIES IMPLICATIONS

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

10.0 CLIMATE CHANGE IMPLICATIONS

- 10.1 A climate change impact assessment is attached at Appendix A. The bid will support NYC draft climate change ambitions as outlined in 5 above.

11.0 RISK MANAGEMENT IMPLICATIONS

- 11.1 This project carries moderate risk, with challenging timelines coupled with a new area of work for the council. The risks identified include:
- a. Recruitment of additional capacity to undertake the project management and delivery roles (fixed-term roles linked to project lifetime for project manager and communications officer). It is not expected that the posts can be recruited to ahead of the grant kick-off (expected July 2023) but the bid to the Hub outlined timelines for recruitment starting June and resulting in posts filled by September. NYC/Y&NY LEP resources are already being utilised to ensure mobilisation can take place within these timescales, and the NEY Hub has been notified of the potential delay to grant agreement signing due to the need to sign-off further SPF match.
 - b. Procurement – it is anticipated that commissioning and procurement of subcontractors will be required to deliver each work package. The bid document has been built around soft-market testing quotes to ensure it is appropriate for the volume of work requested.
 - c. Capacity – the fund will provide funding for a project manager 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 and partners. The NYC Housing Retrofit Board will support this wider capacity, embedding the programme alongside other high-profile projects such as Home Upgrade Grants, and streamlining decision-making. Grant funding can cover existing or new posts although provision of the energy efficiency advice must be provided by trained and accredited individuals. The Corporate Director of Community Development will decide on the project management delivery capacity. Training budgets are included to ensure this is possible.
 - d. Financial – The grant covers 76% of costs and it is expected that the claims will be made quarterly in arrears – however this has not been confirmed by the programme administrators (Tees Valley Combined Authority, on behalf of the North East and Yorkshire Net Zero Hub). Costs will be monitored and managed with monthly claims from delivery partners and robust tracking of spend against delivery timelines by the PM. Any cost overruns will be managed through careful monitoring. Numbers of interventions have been modelled in the bid (e.g. numbers of retrofit plans drafted) but this can be scaled should cost per unit change. Additionally, formal approval of £291,889 from UK SPF Decarbonising Communities and Businesses stream must be secured prior to signing of grant agreements, via NYC's UK SPF governance procedures. This is expected to delay the project start date from the funder's initial request of 5 June 2023 by approximately 1 month (early July 2023).

- e. Reputational – The project will seek to increase the provision of energy efficiency advice for residents throughout North Yorkshire and support innovation for the Council to support its decarbonisation ambitions. It will support residents with cost of living issues and fuel poverty. The funding will only be available for 22 months, at which point the pilot areas are expected to have a model for financial independence – although this will be built into the project’s design, there is a reputational risk should the self-sustaining model prove ineffective and the service have to close down after pilot stage. As the fund will be claimed in arrears, unspent funding will likely be returned to DESNeZ from the Hub – as yet there are no contract Terms and Conditions to review and confirm this. The self-sustaining model (in development in the current one-stop-shop research project) will be built on fees for homeowners (which are free in the funded grant period) and percentage referral fees from contractors upon completion of retrofit activity, which are being set in collaboration with contractors to ensure they are suitable for the vehicle’s sustainability and palatable to industry.

12.0 HUMAN RESOURCES IMPLICATIONS

- 12.1 Human Resources support will be required in the recruitment of a project manager immediately upon capacity decision (outlined 11.1 c). There is dedicated support at the Y&NY LEP to provide interim support prior to the PM being in post and from the NYC Climate Change Officers, mitigating risk.

13.0 COMMUNITY SAFETY IMPLICATIONS

- 13.1 The proposed project involves people contracted through the Council entering resident’s homes. The programme guidance requires all people entering homes and providing one-to-one advice to have a valid DBS certificate to ensure safety of residents. The project manager will ensure all delivery partners demonstrate compliance to this requirement, and there is funding set aside to pay for certification in the bid.

14.0 REASONS FOR RECOMMENDATIONS

- 14.1 The Local Energy Advice Demonstrator Pilot Programme provides NYC and partners with a great opportunity to take forward an area of work which would not otherwise have resource attached to it.

15.0 RECOMMENDATION(S)

- 15.1 That the Executive Member for Culture, Arts and Housing following consultation with the Corporate Director of Community Development, the Corporate Director - Resources and the Assistant Chief Executive (Legal and Democratic Services) authorises the acceptance of up to £910,000 of revenue funding, covering financial years 2023/24 and 2024/35, from the North East and Yorkshire Net Zero Hub’s Local Energy Advice Demonstrator Pilot Programme subject to:
 - a. formal approval that the match funding identified to support this project, from the UK SPF Decarbonising Communities and Businesses stream, can be allocated to this project;

- b. the Assistant Chief Executive Legal and Democratic Services and Corporate Director of Resources approval that the terms and conditions of the funding agreement are acceptable.

APPENDICES:

- Appendix A – Climate Change Impact Assessment
Appendix B – Initial equality impact assessment screening form

BACKGROUND DOCUMENTS:

Background papers relied upon in the preparation of this report:

[Local Energy Advice Demonstrator - North East & Yorkshire Net Zero Hub \(neynetzerohub.com\)](https://www.neynetzerohub.com)
[York & North Yorkshire Routemap to Carbon Negative](#)
[York & North Yorkshire Local Area Energy Plans](#)

Nic Harne
Corporate Director – Community Development
County Hall
Northallerton
17 May 2023

Report Author – *Katie Privett, York and North Yorkshire Local Enterprise Partnership, Enterprise Partnership Officer, and Jos Holmes, NYC Climate Change Policy Officer*
Presenter of Report – *Katie Privett, York and North Yorkshire Local Enterprise Partnership, Enterprise Partnership Officer*

Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email beyond.carbon@northyorks.gov.uk

Version 2: amended 11 August 2021

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:

Planning Permission
Environmental Impact Assessment
Strategic Environmental Assessment

However, you will still need to summarise your findings in the summary section of the form below.

Please contact beyond.carbon@northyorks.gov.uk for advice.

Title of proposal	Request to bid for Local Energy Advice Demonstrator Pilot Programme
Brief description of proposal	To indicate proposed project for submission to the above fund
Directorate	Environment
Service area	Environment
Lead officer	Jos Holmes, NYC Climate Change Policy Officer
Names and roles of other people involved in carrying out the impact assessment	Katie Privett, Energy Programme Lead, YNYLEP (EPU)
Date impact assessment started	30.03.23

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

A discussion at officer level has been held regarding the potential projects that NYC and partners could submit given the timescale and capacity. Consultation was held with National Parks, City of York, private sector and voluntary and community sector groups.

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.

The project will be 76% by the grant, and will utilise £291,889 of UK Shared Prosperity Funding to cover the remaining costs. It will investigate and trial, as part of a national programme of innovation, the provision of sustainable business model for the provision of face-to-face energy efficiency advice.

How will this proposal impact on the environment?		Positive impact (Place a X in the box below)	No impact (Place a X in the box below)	Negative impact (Place a X in the box below)	Explain why will it have this effect and over what timescale? Where possible/relevant please include: <ul style="list-style-type: none"> Changes over and above business as usual Evidence or measurement of effect Figures for CO₂e Links to relevant documents 	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.	Emissions from travel	X			Provision of advice will be in community-based settings to avoid need to travel. Movement of suppliers and advisors to sites will be coordinated via car-share/public transport (including shared bus)		
	Emissions from construction		X		Although capital investment is not part of the project, any embodied carbon in measures recommended for use by the trial will be outweighed by carbon savings of energy efficiency; and wherever possible, biobased retrofit materials will be explored.		
	Emissions from running of buildings	X			The project will advise clients on improved energy efficiency methods to reduce energy consumption and low carbon heating options consequently reducing greenhouse gas emissions.		

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	Positive impact (Place a X in the box below)	No impact (Place a X in the box below)	Negative impact (Place a X in the box below)	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> Changes over and above business as usual Evidence or measurement of effect Figures for CO₂e Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
Emissions from data storage		X				
Other		X				
Minimise waste : Reduce, reuse, recycle and compost e.g. reducing use of single use plastic		X				
Reduce water consumption		X				
Minimise pollution (including air, land, water, light and noise)	X			Advice will be provided on outdoor lighting, particularly with reference to Dark Skies designated areas.		
Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers	X			Advice will be provided on housing retrofit related to adaptation as well as mitigation factors.		
Enhance conservation and wildlife		X				

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below)</p>	<p>No impact (Place a X in the box below)</p>	<p>Negative impact (Place a X in the box below)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> Changes over and above business as usual Evidence or measurement of effect Figures for CO₂e Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>	X			<p>Advice will be given on the potential to improve energy efficiency of listed buildings and in protected landscapes</p>		
<p>Other (please state below)</p>		X				

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

The project is a 'demonstrator / pilot' and learning from across the England programme will be developed.

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The proposals are aimed at reducing emissions to contribute towards the Y&NY Routemap to Carbon Negative ambitions.

Sign off section

This climate change impact assessment was completed by:

Name	Jos Holmes
Job title	NYC Climate Change Policy Officer
Service area	Environment and Climate Change
Directorate	Environment
Signature	Michael Leah
Completion date	13 th April 2023

Authorised by relevant Assistant Director (signature): Approved by email

Date: 13th April 2023

Initial equality impact assessment screening form			
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Environment		
Service area	Environment and Climate Change		
Proposal being screened	Bid for LEAD		
Officer(s) carrying out screening	Jos Holmes		
What are you proposing to do?	Bid for funding to provide energy efficiency advice for domestic properties.		
Why are you proposing this? What are the desired outcomes?	To reduce greenhouse gas emissions and cost of living issues such as fuel poverty		
Does the proposal involve a significant commitment or removal of resources? Please give details.	We are bidding for £0.9m		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? 			
If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
People in rural areas	X		
People on a low income	X		
Carer (unpaid family or friend)			
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g.	No		

disabled people's access to public transport)? Please give details.					
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No				
Decision (Please tick one option)	<table border="1"> <tr> <td>EIA not relevant or proportionate:</td> <td style="text-align: center;">✓</td> <td>Continue to full EIA:</td> <td></td> </tr> </table>	EIA not relevant or proportionate:	✓	Continue to full EIA:	
EIA not relevant or proportionate:	✓	Continue to full EIA:			
Reason for decision	This programme will be available to all sectors of society within the selected geographical areas.				
Signed (Assistant Director or equivalent)	Approved by Michael Leah by email				
Date	13th April 2023				