

North Yorkshire Council

Assistant Director Resources: Environment

19 February 2024

Grant Application for Local Industrial Decarbonisation Plan at Dalton Industrial Estate

Report of the Assistant Director – Environmental Services and Climate Change

1.0 PURPOSE OF REPORT

- 1.1 To seek approval for the acceptance of a grant for revenue funding of £129,064 from the Innovate UK Local Industrial Decarbonisation Plans programme from the Assistant Director – Resources (Environment) **(under sub delegated powers from the Chief Finance Officer)**

2.0 BACKGROUND

- 2.1 The Dalton Industrial Estate on an old RAF airfield in Thirsk has been identified in the Local Area Energy Plan as a significant node of energy use and carbon emissions in the area. The estate is home to 28 business, 9 of which are large manufacturers, and the developers Citivale have permission to expand, potentially tripling the site's size and drastically increasing emissions, unless opportunities to decarbonise are taken at the earliest stage possible.
- 2.2 Businesses on the estate have recently faced issues with securing sufficient electricity to the site, such that this is limiting the development of large-scale on-site renewable generation for existing businesses and is a critical barrier to more businesses joining the site.
- 2.3 Previous grant funding opportunities for industrial decarbonisation plans have focussed on the UK's largest industrial clusters, such as the Humber. This is the first grant funding opportunity relevant to the scale and type of businesses at Dalton Industrial Estate.
- 2.4 While the vast majority of the largest businesses on the site are supportive of the proposals, none have the capacity to lead on the programme as a whole. Having previously worked to coordinate the businesses on the site in discussions regarding energy, North Yorkshire Council is in a strong position to coordinate the programme of works for the site.

3.0 DETAILED PRESENTATION OF THE SUBSTANTIVE ISSUE

- 3.1 This revenue funding will be used to procure consultants to develop a credible and actionable route to net zero for the Dalton Industrial Estate, covering power, heat, transport, materials, and natural capital.
- 3.2 The Council will work in partnership with the major energy users of the site, with work packages regarding each aspect of net zero split between them. Citivale will lead on power; Inspired Pet Nutrition will lead on heat; Severfield will lead on transport; Cleveland Steel will lead on materials; and NYC will lead on Natural Capital. Each business lead will co-ordinate the work package through existing staff time (part match funded) and sub-contract out feasibility work.

- 3.3 North Yorkshire Council will provide match funding through Growth and Heritage Services LINC officer time of £5,135.85 equivalent, will secure £25,428 for officer time for overarching PM and natural capital technical support duties, and will secure £5,000 to sub-contract out overarching programme co-ordinator support (for a total grant to NYC of £30,428).
- 3.4 Our partner businesses in Dalton Industrial Estate will provide the following match funding and secure the following grant values:

Organisation	Grant value	Match funding value
Citivale	£30,222	£12,952
Cleveland Steel	£22,909	£15,273
Wetherby Stone	£3,611	£1,547
Inspired Pet Nutrition	£13,778	£13,778
Severfield	£23,320	£23,320
National Tube Stockholders	£5,313	£5,313

- 3.5 While NYC is the lead applicant and responsible body, the grant funding to be used by the partner businesses will be granted directly to them, rather than coming through NYC. NYC will receive £30,428 of grant directly.

4.0 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative funding options for industrial decarbonisation plans are notably lacking and tend to be focussed on the UK's primary industrial clusters. This project was not at a sufficient level of planning for the Devolution Deal Net Zero Fund and no other relevant funding options are known to be approaching. To not submit this funding application would leave the businesses of the site without a clear approach to decarbonisation for the foreseeable future, deeply damaging the region's 2040 carbon negative target and their individual decarbonisation objectives.
- 4.2 Alternative options of focussing on individual elements of this project individually or taking a business-by-business approach would not achieve a sufficiently holistic view of net zero or the industrial site and would therefore almost certainly result in less valuable outputs which would result in poorer value for money capital works resulting from such a version of this project.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The grant application is for a grant of up to £129,064 of revenue funding; however, only £30,428 of this would flow directly to NYC. While NYC is the lead applicant and responsible body, the grant funding to be used by the partner businesses will be granted directly to them, rather than coming through NYC.
- 5.2 North Yorkshire Council will provide match funding through Growth and Heritage Services LINC officer time of £5,135.85 equivalent. The grant to be received by the council will be used to secure £25,428 for officer time for overarching PM and natural capital technical support duties, along with £5,000 to sub-contract out overarching programme co-ordinator support (for a total grant to NYC of £30,428).
- 5.3 Payments from the funding body are to be made quarterly in arrears. Any failure to deliver the work by NYC or Dalton businesses would result in the payback of the grant paid to date directly from the individual organisation, resulting in minimal risk to NYC from the Dalton businesses failing to sufficiently use the funding.

6.0 LEGAL IMPLICATIONS

- 6.1 The Grant Offer Letter from Innovate UK dated 15 February 2024 including the Terms and Conditions for the grant has been reviewed by Legal Services.
- 6.2 Any expenditure of the grant will be in line with the Subsidy Control Act 2022.
- 6.3 Any contracts entered into in respect of the grant funding will be in accordance with the Council's Procurement and Contract Procedure Rules and, if relevant, the Public Contracts Regulations 2015.

7.0 EQUALITIES IMPLICATIONS

- 7.1 This project is deemed to have no equalities implications, as per Appendix A below

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 The establishment of a decarbonisation plan for the Dalton Industrial estate will pave the way for future capital works to decarbonise the estate, resulting in a future positive climate change implication. As per Appendix B below.

9.0 REASONS FOR RECOMMENDATIONS

- 9.1 Authorisation to accept the grant offer letter to develop a Local Industrial Decarbonisation Plan is recommended because:
- Dalton Industrial Estate is a key carbon emitter in the region and requires a holistic plan of action to ensure cost effective decarbonisation.
 - North Yorkshire Council is required to coordinate the numerous businesses on site to ensure a holistic plan is developed.

11.0 RECOMMENDATION(S)

- i) That the Assistant Director Resources (Environment) (under sub delegated powers from the Chief Finance Officer) authorises the acceptance of the grant of £129,064 from Innovate UK.
- ii) Delegate authority to the Assistant Director of Environment and climate change to accept the grant funding provided the grant offer letter terms are acceptable.

APPENDICES

Appendix A – Initial Equality Impact Assessment

Appendix B – Climate Change Impact Assessment

Ollie Braithwaite

Climate Change Business Partner – Community Development

Mercury House

Richmond

Report Author & Presenter – Ollie Braithwaite - Climate Change Business Partner – Community Development

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	Climate Change		
Proposal being screened	Grant Application for Local Industrial Decarbonisation Plans		
Officer(s) carrying out screening	Harry Baross		
What are you proposing to do?	Apply for a grant to develop a Local Industrial Decarbonisation Plan for Dalton Industrial Estate		
Why are you proposing this? What are the desired outcomes?	This revenue funding will be used to procure consultants to develop a credible and actionable route to net zero for the Dalton industrial estate, covering power, heat, transport, materials, and natural capital. This is required to ensure a holistic decarbonisation journey for all current and future occupiers of the site.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	Not in the context of the wider council but does require staff resource from within the climate change service.		
<p>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</p> <p>As part of this assessment, please consider the following questions:</p> <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? <p>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 directorate representative for advice if you are in any doubt.</p>			
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)		X	
Are from the Armed Forces Community		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (for example, disabled people's access to public transport)? Please give details.	No		
Will the proposal have a significant effect on how other organisations operate? (for example, 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)	EIA not relevant or proportionate :	<input type="checkbox"/>	Continue to full EIA:
Reason for decision	The project will develop a decarbonisation plan for future capital delivery and thus has no direct equality impacts at this stage.		
Signed (Assistant Director or equivalent)	Michael Leah		
Date	02 August 2023		

Title of proposal	Grant application for Local Industrial Decarbonisation Plans
Brief description of proposal	This revenue funding will be used to procure consultants to develop a credible and actionable route to net zero for the Dalton industrial estate, covering power, heat, transport, materials, and natural capital. This is required to ensure a holistic decarbonisation journey for all current and future occupiers of the site.
Directorate	Environment
Service area	Climate Change
Lead officer	Harry Baross
Names and roles of other people involved in carrying out the impact assessment	Suzanne Sheriff Katie Privett

Environmental factor to consider	For the council	For the county	Overall
Greenhouse gas emissions	No effect on emissions	No Effect on emissions	No effect on emissions
Waste	No effect on waste	No effect on waste	No effect on waste
Water use	No effect on water usage	No effect on water usage	No effect on water usage
Pollution (air, land, water, noise, light)	No effect on pollution	No effect on pollution	No effect on pollution
Resilience to adverse weather/climate events (flooding, drought etc)	Increases resilience	No effect on resilience	No effect on resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	No effect on ecology	No effect on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

Decision (Please tick one option)	Full CCIA not relevant or proportionate:	X	Continue to full CCIA:	
Reason for decision	The establishment of a decarbonisation plan for the Dalton Industrial estate will pave the way for future capital works to decarbonise the estate, resulting in a future positive climate change implication but no active impact at this time.			
Signed (Assistant Director or equivalent)	Michael Leah			
Date	2 August 2023			