

North Yorkshire Council

Executive Members

12 April 2024

Department for Environment, Food and Rural Affairs Local Investment in Natural Capital Programme – approval to award a grant to 3Keel Consultants to provide capacity funding for the Resilient Landscapes Yorkshire Community Interest Company (CIC)

Report of the Assistant Director – Environmental Services and Climate Change

1.0 PURPOSE OF REPORT

- 1.1 Further to Decision Record 1523 dated 24 January 2023, which provided authority for submission of an Expression of Interest by North Yorkshire County Council (now North Yorkshire Council) to DEFRA for grant funding, delegated approval of the final content of the Expression of Interest and delegated acceptance of the grant funding received subject to acceptable terms and conditions being received it is recommended that the Corporate Director of Environment, in consultation with the Executive Member for Managing our Environment:
- i. Award the grant fund of £20,000 of funding from the Department for Environment, Food and Rural Affairs (DEFRA) Local Investment in Natural Capital grant to provide capacity funding for the Resilient Landscapes Yorkshire Community Interest Company (CIC).
 - ii. Delegates authority to the Assistant Director for Environmental Services and Climate Change in consultation with the Executive Member for Managing our Environment for the overall DEFRA Local Investment in Natural Capital namely to award grant funds, oversee the implementation of the fund, and to make minor changes to programme spend under delegated powers

2.0 BACKGROUND

- 2.1 North Yorkshire Council is the accountable authority for the Local Investment in Natural Capital (LINC) Pilot Programme in North Yorkshire and York. The LINC programme is a key workstream within the Department of Environment, Food and Rural Affairs (DEFRA) portfolio of Green Finance projects.
- 2.2 The primary goal of the LINC programme is to support North Yorkshire Council, York and North Yorkshire Combined Authority and the City of York Council to strengthen their ability to attract private investment to support the delivery of projects relating to nature recovery, climate adaptation and climate resilience.
- 2.3 On the 24 of January 2023 delegated powers were granted to the Corporate Director - Strategic Resources (now Corporate Director, Resources) in consultation with the Corporate Director - Business and Environmental Services (now Corporate Director, Environment) and the Assistant Chief Executive (Legal and Democratic Services) to accept the grant of £999,832 from DEFRA subject to acceptable terms and conditions being received.

- 2.4 The terms and conditions were reviewed and signed off as acceptable by Finance and Legal. On the 07 of March 2023, the Corporate Director, Environment formally signed the grant MoU which commits the North Yorkshire Council (NYC), York and North Yorkshire Local Enterprise Partnership (now the York and North Yorkshire Combined Authority) and City of York Council (CYC) to delivering on six areas of responsibility.
- 2.5 The total grant amount of £999,832 has been received by the Council and the internal process requirements for grant acceptance have been concluded.

3.0 GRANT FUNDING TO SUPPORT THE RESILIENT LANDSCAPES YORKSHIRE COMMUNITY INTEREST COMPANY (CIC)

- 3.1 Approximately £400,000 from the DEFRA grant is allocated to staffing costs and approximately £300,000 to professional consultancy fees. A further £200k has been allocated to pump prime delivery of Pilot Projects.
- 3.2 The original Expression of Interest to DEFRA included a pilot project focused on testing the Landscape Enterprise Network (LENs) approach with large businesses. The LENs model is designed to link businesses in a region with a common commercial interest to invest in the landscapes that influence their ability to operate. The Resilient Landscapes Yorkshire Community Interest Company (CIC) was incorporated in June 2023 to help facilitate trades between businesses or public sector organisations who wish to fund nature-based solutions and land managers who can deliver these nature-based solutions. Currently, the CIC has no staff.
- 3.3 Providing capacity within the CIC will support delivery of LINC strategic objectives including
- i. helping to secure private sector funding to improve York and North Yorkshire's natural capital,
 - ii. engaging with private businesses, public organisations, and land managers to build a pipeline of additional trade opportunities
 - iii. testing whether the LENs model can work for Small and Medium Sized Enterprises (SMEs)
 - iv. developing local knowledge around the types of measures business are willing to fund, informing the Natural Capital Investment Plan for York and North Yorkshire, a core output of LINC.
- 3.4 The grant of £20,000 will be provided to 3Keel consultants to part-fund an officer who will sit within the CIC and support delivery of the LINC strategic objectives. Yorkshire Water would provide the remainder of the funding. 3Keel consultants would appoint and host the officer. The appointment would run from April 2024 until March 2025 aligned to the overall LINC programme end date of March 2025. The grant payment will be awarded through a robust grant agreement and completion of a best value form.

4.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 4.1 Providing capacity within the Resilient Landscapes Yorkshire CIC will contribute to the following Council priorities:

Place and Environment

- A clean, environmentally sustainable and attractive place to live, work and visit.

Economy

- To harness North Yorkshire's Natural Capital and promote the green and blue economies.

- 4.2 York and North Yorkshire has committed to becoming a trailblazer in Natural Capital investment, as part of the devolution deal agreement. Investing in Natural Capital is one of the core pillars which underpins the region's ambitious plans to become carbon negative by 2040.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The only alternative is not to provide this capacity funding however this would not assist in the development of an Investment Plan in Natural Capital for North Yorkshire which is a requirement of the grant conditions.

6.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

- 6.1 The capacity funding will support expansion of the Resilient Landscapes Yorkshire CIC.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The Council has successfully secured the DEFRA funding award of £999,832. The projected spending is broken down into three main cost drivers – staffing costs represent approximately £400,000, professional consultancy fees estimated at £300,000 and issuing agreed funds to support the delivery of Pilot projects, projected at £200,000. The balance of £99,832 will cover a range of associated expenditure activities including potential data licensing fees, venue hire and training.
- 7.2 The grant award to 3Keel consultants to provide capacity funding to the Resilient Landscapes Yorkshire CIC falls within the overall grant costs. Match funding to support the project officer role would be provided by Yorkshire Water.

8.0 LEGAL IMPLICATIONS

- 8.1 A Best Value Form, Decision Record and Funding Legal Agreement will be drawn up and agreed by legal services. The terms and conditions of the funding agreement will provide assurance that the funding is spent in accordance with the request, will set out that the Council reputation will not be damaged in any business transaction(s) and that the different Council/Authority names will be protected as part of trading arrangements. To minimise risk, funding will not be issued until an officer has been successfully recruited and clawback requirements will be built in should the post become vacant.

9.0 EQUALITIES IMPLICATIONS

- 9.1 An Equalities Impact Screening Statement has been completed and is attached as Appendix A. No equalities issues are raised by the decision to award grant funding 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 as Appendix B. The decision to award grant funding will not have any direct climate change impacts. There is potential for positive impacts in the long term if natural capital enhancement measures are funded and implemented. Enhancing Natural Capital assets is also a key theme of the Council's Climate Change Strategy.

11.0 REASONS FOR RECOMMENDATIONS

- 11.1 To approve grant expenditure to provide capacity funding for the Resilient Landscapes Yorkshire CIC to support the delivery of strategic objectives for the overall LINC programme and the development of the York and North Yorkshire Natural Capital Investment Plan.

12.0 RECOMMENDATION

12.1 Further to Decision Record 1523 dated 24 January 2023, which provided authority for submission of an Expression of Interest by North Yorkshire County Council (now North Yorkshire Council) to DEFRA for grant funding, delegated approval of the final content of the Expression of Interest and delegated acceptance of the grant funding received subject to acceptable terms and conditions being received it is recommended that the Corporate Director of Environment, in consultation with the Executive Member for Managing our Environment:

- i. Award the grant fund of £20,000 of funding from the Department for Environment, Food and Rural Affairs (DEFRA) Local Investment in Natural Capital grant to provide capacity funding for the Resilient Landscapes Yorkshire Community Interest Company (CIC).
- ii. Delegates authority to the Assistant Director for Environmental Services and Climate Change in consultation with the Executive Member for Managing our Environment for the overall DEFRA Local Investment in Natural Capital namely to award grant funds, oversee the implementation of the fund, and to make minor changes to programme spend under delegated powers.

APPENDICES:

Appendix A – Equalities Impact Statement

Appendix B – Climate Change Impact Assessment

BACKGROUND DOCUMENTS:

Decision Record 1523 dated 24 January 2023 - [Decision - Local Investment in Natural Capital \(LINC\) Programme - approval for submission of Expression of Interest | North Yorkshire Council](#)

Michael Leah
Assistant Director Environmental Services and Climate Change
County Hall
Northallerton
12 April 2024

Report Author – Juliette Young, Natural Capital Project Officer

Presenter of Report – Juliette Young, Natural Capital Project Officer
Head of Service – Shaun Berry, Sustainability & Environment

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	Environmental Services and Climate Change		
Proposal being screened	Report to approve grant award to 3Keel consultants to part-fund a project officer within the Resilient Landscapes Yorkshire CIC. The funded officer will support delivery of the Local Investment in Natural Capital (LINC) strategic objectives		
Officer(s) carrying out screening	Juliette Young, Natural Capital Project Officer		
What are you proposing to do?	The report seeks approval to use DEFRA funding for the Local Investment in Natural Capital (LINC) programme to part-fund a project officer within the Resilient Landscapes Yorkshire CIC		
Why are you proposing this? What are the desired outcomes?	This is required to comply with grant conditions, including supporting delivery of a Natural Capital Investment Plan.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No. £20,000 is proposed to be directly awarded to 3Keel consultants who will appoint and host the project officer. The remaining funding for the appointment will come from Yorkshire Water. The £20,000 grant award from North Yorkshire Council will come from the overall DEFRA fund for the LINC programme (£999,832) which has been secured by North Yorkshire Council.		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC'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 directorate representative 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	

Appendix A

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:	✓	Continue to full EIA:
Reason for decision	<p>This is a report seeking approval to give grant funding to 3Keel consultants to part-fund a project officer within the Resilient Landscapes Yorkshire CIC. This will support delivery of the LINC programme as a whole.</p> <p>There are no negative impacts on people with protected characteristics.</p>		
Signed (Assistant Director or equivalent)	Karl Battersby		
Date	27/03/2024		

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 climatechange@northyorks.gov.uk

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 climatechange@northyorks.gov.uk for advice.

Title of proposal	Capacity funding to the Resilient Landscapes Yorkshire Community Interest Company (CIC)
Brief description of proposal	<p>Report to approve grant award to 3Keel consultants to part-fund a project officer within the Resilient Landscapes Yorkshire Community Interest Company (CIC). This will provide learnings that support the overall DEFRA funded LINC programme.</p> <p>For example, providing capacity within the CIC will support delivery of LINC strategic objectives including</p> <ul style="list-style-type: none"> (i) Helping to secure private sector funding to improve York and North Yorkshire’s natural capital, (ii) Engaging with private businesses, public organisations and land managers to build a pipeline of additional trade opportunities (iii) Testing whether the Landscape Enterprise Networks (LENs) model can work for Small and Medium Sized Enterprises (SMEs) and (iv) Developing local knowledge around the types of measures business are willing to fund, informing the Natural Capital Investment Plan for York and North Yorkshire, a core output of LINC.

Directorate	Environment
Service area	Environmental Services & Climate Change
Lead officer	Juliette Young
Names and roles of other people involved in carrying out the impact assessment	n/a
Date impact assessment started	14 March 2024

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.

The only alternative option is not to provide this capacity funding however this would not assist in the development of an Investment Plan in Natural Capital for North Yorkshire which is a requirement of the overall DEFRA funded grant conditions.

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 grant award (£20,000) to 3Keel consultants to increase capacity within the Resilient Landscapes Yorkshire Community Interest Company (CIC) comes from DEFRA funding for the Local Investment in Natural Capital (LINC) programme (£999,832). This overall funding has been provided to North Yorkshire Council and secured. As such, there will be no impact on Council budgets.

<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 where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</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>Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.</p>	Emissions from travel		X		Emissions from travel are out of scope.		
	Emissions from construction		X		Emissions from construction are out of scope.		
	Emissions from running of buildings	X			Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully funded and implemented, could support enhanced carbon sequestration in the long term.		
	Emissions from data storage	X			Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully funded and implemented, could support enhanced carbon sequestration in the long term.		
	Other	X			Potential habitat creation / restoration emerging from support to the Resilient Landscapes CIC, if fully funded and implemented in the long term, could support		

<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 where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</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>enhanced carbon sequestration and reduced greenhouse gas emissions.</p>		
<p>Minimise waste: Reduce, reuse, recycle and compost e.g. reducing use of single use plastic</p>		<p>X</p>		<p>No impact.</p>		
<p>Reduce water consumption</p>	<p>X</p>			<p>Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully funded and implemented, could support reduced water consumption in the long term.</p>		
<p>Minimise pollution (including air, land, water, light and noise)</p>	<p>X</p>			<p>Potential habitat creation / restoration emerging from support to the Resilient Landscapes CIC, if fully implemented and funded in the long term, could support efforts to minimise pollution.</p>		

<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 where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</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>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>	<p>X</p>			<p>Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully implemented and funded in the long term, are likely to be beneficial in terms of helping the natural environment adapt to unavoidable climate change impacts.</p>		
<p>Enhance conservation and wildlife</p>	<p>X</p>			<p>Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully implemented and funded in the long term, may have benefits for conservation and wildlife.</p>		
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>	<p>X</p>			<p>Natural capital enhancement measures emerging from support to the Resilient Landscapes CIC, if fully implemented and funded in the long term, may provide benefits in terms of enhancing and adding to the diversity of North Yorkshire's landscape.</p>		
<p>Other (please state below)</p>						

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

N/A

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.

Approving the grant award to 3Keel consultants to increase capacity within the Resilient Landscapes Yorkshire CIC will establish the potential for natural capital enhancement, creating opportunities for environmental improvement in North Yorkshire in the long term.

Sign off section

This climate change impact assessment was completed by:

Name	Juliette Young
Job title	Natural Capital Project Officer
Service area	Environmental Services and Climate Change
Directorate	Environment
Signature	Juliette Young
Completion date	14 March 2024

Authorised by relevant Assistant Director (signature): Karl Battersby

Date: 27/03/2024