

# North Yorkshire Council

## Environment Executive Members

12 July 2024

### York & North Yorkshire Bristol City Leap Pilot (Local Net Zero Accelerator Programme)- Acceptance of Funding allocation

#### Report of the Assistant Director – Environmental Service and Climate Change

##### **1.0 PURPOSE OF REPORT**

- 1.1 To seek approval of the acceptance of the funding allocation for North Yorkshire Council in undertaking its partnership role in supporting the delivery of the Local Net Zero Accelerator Programme, specifically the Bristol City Leap Pilot. A total of £328,750 (revenue) has been secured.
- 1.2 To request that delegated authority, subject to acceptable grant funding terms; be awarded to the Assistant Director for Environmental Services & Climate Change for subsequent approvals and minor amendments to the project.

##### **2.0 BACKGROUND**

- 2.1 York and North Yorkshire Combined Authority have been selected by the Department of Energy Security and Net Zero (DESNZ) to be one of three pilot places within the Local Net Zero Accelerator Programme. The Programme seeks to test different delivery models to accelerate the move towards net zero, at a local level, by leveraging in commercial investment at scale through a bundled approach.
- 2.2 At a 22 January 2024 Combined Authority Meeting, it was agreed for the Interim Director of Resources to be delegated authority to accept the £2million Leap funding on behalf of the Combined Authority.
- 2.3 Since then, York and North Yorkshire Combined Authority have been working closely with North Yorkshire Council and City of York Council colleagues to develop an Outline Business Case for the pilot, which will be submitted to the DESNZ Programme Board for the Local Net Zero Accelerator Programme for final approval.
- 2.4 As a delivery partner North Yorkshire are a key partner in this project and are to receive an allocation of funding for our time and support provided.

##### **3.0 CITY LEAP MODEL**

- 3.1 Bristol City Council developed the Bristol City Leap, which is an innovative partnership between Bristol City Council and Ameresco Ltd that will accelerate green energy investment in Bristol and help towards decarbonising the whole city.
- 3.2 The City Leap Energy Partnership ('BCL') is a joint venture between the council and its Strategic Partner (SP) Ameresco Limited (Ameresco). The council and Ameresco will each be 50/50 shareholders in a joint venture company (JVCo), that aims to decarbonise the council's estate and support the wider decarbonisation of Bristol.
- 3.3 The 20-year Concession Agreement is the foundation document for the BCL. Under the Concession Agreement, the council will grant the right to install low carbon energy infrastructure on the council's estate. Ameresco have exclusivity to bid for and deliver grant funding.

- 3.4 Over the next five years, Bristol City Leap plan to invest nearly £500 million into low carbon energy infrastructure, such as solar, wind, heat networks, heat pumps and energy efficiency measures.
- 3.5 Further benefits of the model include aggregating demand to build the green supply chain, creating 1,000 jobs, supporting decarbonisation of council assets in support of our Net zero targets, and creating social value opportunities through schemes such as a Community Energy Fund, as seen in other strategic energy partnerships.

#### **4.0 OVERVIEW OF PILOT PROJECT**

- 4.1 York & North Yorkshire Combined Authority (YNYCA) have been working closely with City of York Council (CYC) and NYC colleagues to develop an outline business case for the City Leap pilot project. The following provides a summary of the pilot:
- 4.2 The overarching aim of the York and North Yorkshire pilot is to test the replicability of Bristol's City Leap programme in a different locality, and whether it is possible with significantly reduced time and costs of development.
- 4.3 The specific objectives of the pilot are:
- i. To identify and agree the key outcomes and success criteria for a Bristol City Leap Model replicator in York and North Yorkshire.
  - ii. To identify the key requirements to replicate the Bristol City Leap model and test whether the model is the most appropriate strategic energy partnership model for York and North Yorkshire
  - iii. To adapt the Bristol City Leap model to a Y&NY context, or if the model is not suitable co-design an alternative partnership model that can drive investment and increase pace of delivery of net zero in the region; and
  - iv. To develop an Action Plan to identify key activities, resources and costs to replicate the Bristol City Leap model at an accelerated pace in Y&NY, or for an alternative preferred energy partnership model for the region.
- 4.4 If the City Leap model is not suitable for the region's asset base or other factors, then alternative strategic energy partnership models will be explored.
- 4.5 The delivery of these objectives will make a significant contribution to the implementation of York and North Yorkshire's Routemap to Carbon Negative, Local Area Energy Plans, and our own authorities Climate Change Strategy.
- 4.6 A summary of York and North Yorkshire City Leap Pilot project outputs and outcomes is provided in Appendix A.

#### **5.0 DELIVERY AND BUDGET SUMMARY**

- 5.1 The YNYCA will have overall responsibility for delivering the pilot, including project management. The YNYCA will work in close partnership with NYC and CYC.
- 5.2 The pilot project will be delivered through a blend of in-house capacity and consultancy support. YNYCA will recruit a team to lead and undertake elements of the project, ensuring the project builds local capacity and capability. For elements of the project that require specialist expertise beyond the skillset of the in-house team, consultancy support will be procured.
- 5.3 The table below summarises the allocation to NYC alongside services that will be procured, for each of the work packages:

Work Package	STAFF			PROCURED SERVICES	TOTALS
	YNYCA	NYC	CYC		
WPO Project Management	£177,168	£ -	£ -	£55,000	£232,168
WP1 Assets, Financial Modelling & Governance	£ -	£ 70,000	£70,000	£150,000	£290,000
WP2 Market Engagement & Investment	£91,649	£ -	£ -	£50,000	£141,649
WP3 Options Appraisal & Business Case Development	£90,000	£ -	£ -	£320,000	£410,000
WP4 Preparatory Work to implement partnership model	£90,000	£ -	£ -	£ -	£90,000
WP5 Learning & Dissemination	£19,503	£ -	£ -	£ 60,000	£79,503
Cross-cutting (i.e. input across a number of WPs)	£ 223,190	£ 258,750	£190,000	£84,740	£756,680
<b>TOTALS</b>	<b>£691,511</b>	<b>£ 328,750</b>	<b>£260,000</b>	<b>£719,740</b>	<b>£2,000,001</b>

**North Yorkshire Council allocation:**

Allocation Breakdown	COST
Existing Staff (recharges)	£ 30,000
New Staff	£ 298,750
<b>TOTAL</b>	<b>£ 328,750</b>

**6.0 RISKS**

6.1 Due to the innovative nature of this pilot project and a tight delivery timeframe (end of March 2026) there are several key risks associated with the project.

6.2 Key risks and mitigation are summarised in the table below:

Risk Description	Likelihood	Impact	Mitigation
Not being able to recruit officers with the required skillset to deliver the pilot project.	MEDIUM	HIGH	The team will work closely with HR and the Recruitment Team to ensure an effective recruitment strategy, including developing an effective job advert and social media campaign. Colleagues have already been contacted on the best approach.
Challenges in project partners agreeing on the preferred strategic partnership model and whether the Bristol City Leap model is the best fit for York & North Yorkshire.	LOW	HIGH	The pilot has been designed to follow a robust options appraisal process to ensure that a number of different factors are considered objectively and that each model is evaluated based on inherent risks, benefits and suitability for the region. From the outset of the project, the Mayor, members and senior officers will be engaged to establish the desired outcomes and success criteria for a strategic energy partnership for Y&NY. The Project Board will also have a key role in ensuring that partners swiftly raise issues, concerns, and their preferences, and support the alignment of views where possible.

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
The outcome of the options appraisal process and testing of the Bristol City Leap model indicate that the Bristol City Leap model is not suitable for Y&NY.	MEDIUM	MEDIUM	The pilot will objectively test the suitability of the Bristol City Leap model in the context for York and North Yorkshire, and in parallel carry out a robust options appraisal considering alternatives of the Bristol City Leap model. Even in the event that the Bristol City Leap model is not appropriate for York and North Yorkshire, there will still be significant learnings from the process that other LAs/CAs can use to identify the most suitable strategic energy partnership model for them. There is no expectation of funding repayment in the event a decision is not made on a developed model.

## **7.0 ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 N/A - Not accepting this grant would mean that delivery of the overall programme would be affected, and overall funding allocated by DESNZ would be at risk of being withdrawn.

## **8.0 FINANCIAL IMPLICATIONS**

- 8.1 The pilot will be funded from £2 million from DESNZ, as part of the Local Net Zero Accelerator Programme. North Yorkshire Council have been allocated £328,750 (revenue) from this overall award. No match funding from NYC is required.
- 8.2 North Yorkshire Council will be issued a grant funding agreement from YNYCA for the allocation of funding we have been awarded as part of this larger funding award. Funding acceptance will be subject to satisfactory agreement and acceptance of the grant funding agreement to be subsequently issued.
- 8.3 There is no repayment obligation in the event the project is not progressed, or the developed model is not progressed at the end of the project.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 A grant funding agreement for the pilot project between DESNZ and YNYCA is currently being reviewed by YNYCA for the overall programme funding allocation (£2million).
- 9.2 There will be a Grant Funding Agreement between North Yorkshire Council and YNYCA for payment of the Grant. If any of the terms and conditions present an unacceptable risk for the Council, then the grant offer would be declined.
- 9.3 Any expenditure of the Grant will be in line with the Subsidy Control Act 2022.
- 9.4 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.
- 9.5 As part of the project, legal advice will be sought in the process of evaluating different strategic energy partnership models and the development of the business case. This will be a procured service, but funding has been earmarked for internal legal support as required.

## **10.0 EQUALITIES IMPLICATIONS**

- 10.1 An equality impact assessment screening form has been completed (Appendix B). Based on this assessment there is not expected to be any impact on people with any protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics.

## 11.0 CLIMATE CHANGE IMPLICATONS

11.1 This pilot project is focused on designing a partnership model that will accelerate the development and delivery of net zero projects. In the long term, should this be progressed, the implementation of such as strategic energy partnership would support the reduction of carbon emissions and make a significant contribution to achieving our net zero target. A Climate Change Impact Assessment is provided in Appendix C.

## 12.0 REASONS FOR RECOMMENDATIONS

12.1 To enable North Yorkshire Council to receive its allocation of £328,750 from the York & North Yorkshire Combined Authority and support the £2million project to test the replicability of the City Leap model.

12.2 Briefings have been held with the Leader, Deputy Leader and Chief Executive who were supportive of the proposal and the low-risk nature of accepting the funding.

### 13.0 RECOMMENDATION(S)

13.1 That the Executive Member for Managing our Environment following consultation with the Assistant Director (Resources) and the Executive Member for Finance authorises the acceptance of the grant of £328,750, subject to acceptable grant funding terms.

13.2 That delegated authority, subject to acceptable grant funding terms; be awarded to the Assistant Director for Environmental Services & Climate Change for subsequent approvals and minor amendments to the project.

### APPENDICES:

Appendix A: Summary of York and North Yorkshire City Leap Pilot Outputs and Outcomes

Appendix B: Initial Equality Impact Assessment Screening Form

Appendix C: Climate Change Impact Assessment

### BACKGROUND DOCUMENTS: None

Michael Leah  
Assistant Director Environmental Service and Climate Change  
County Hall  
Northallerton  
14 June 2024

Report Author – Shaun Berry, Head of Environment & Sustainability

## Summary of York and North Yorkshire City Leap Pilot Outputs and Outcomes

1. Key **outputs** include:
  - i. Summary report of agreed outcomes and requirements for a City Leap replicator in Y&NY.
  - ii. Methodology and summary report for testing Bristol City Leap model, including a playbook of decisions and a template other CA/LAs can use to test suitability for Bristol City Leap model.
  - iii. Outline business case for a YNY City Leap replicator, or for an alternative preferred energy partnership model.
  - iv. Full business case for a YNY City Leap replicator, or for an alternative preferred energy partnership model (contingent on the York and North Yorkshire Combined Authority and partners agreeing to progress the partnership model beyond OBC stage); and
  - v. An Action Plan that identify key activities, resources, and costs to replicate City Leap in a YNY context or establish an alternative preferred energy partnership model for YNY.
  
2. The expected **outcomes** of the pilot project include:
  1. Improved understanding of the process to replicate the Bristol City Leap model in another place;
  - ii. Testing of the replicability of the Bristol City Leap model;
  - iii. Improved readiness for York and North Yorkshire to replicate City Leap, or establish an energy partnership model; and
  - iv. Accelerated pathway for local/combined authorities to adopt the Bristol City Leap model or similar strategic energy partnership models.

## Initial Equality Impact Assessment Screening Form

<b>Initial equality impact assessment screening form</b>			
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	Local Authority Regional Accelerator funding		
Officer(s) carrying out screening	Shaun Berry		
What are you proposing to do?	To authorise acceptance of grant funding.		
Why are you proposing this? What are the desired outcomes?	Will seek to explore private finance opportunities in support of our net zero ambitions. Funding to be accepted is provided by DESNZ and enables this project to progress. It has not requirement for match funding.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No		
<b>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</b>			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> <li>To what extent is this service used by particular groups of people with protected characteristics?</li> <li>Does the proposal relate to functions that previous consultation has identified as important?</li> <li>Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul>			
<b>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.</b>			
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	No		

<p><b>inequalities/probable impacts</b> (for example, disabled people's access to public transport)? Please give details.</p>				
<p><b>Will the proposal have a significant effect on how other organisations operate?</b> (for example, partners, funding criteria, etc.). <b>Do any of these organisations support people with protected characteristics?</b> Please explain why you have reached this conclusion.</p>	<p><b>No</b></p>			
<p><b>Decision (Please tick one option)</b></p>	<p>EIA not relevant or proportionate:</p>	<p>✓</p>	<p>Continue to full EIA:</p>	
<p><b>Reason for decision</b></p>	<p>No adverse impacts are anticipated.</p>			
<p><b>Signed (Assistant Director or equivalent)</b></p>	<p>Michael Leah</p>			
<p><b>Date</b></p>	<p>25/06/2024</p>			

## Climate Change Impact Assessment

## Climate change impact assessment

<b>Title of proposal</b>	<b>Local Authority Regional Accelerator funding</b>
<b>Brief description of proposal</b>	<b>North Yorkshire Council's allocation of funding to support a DESNZ project to explore the replication of the Bristol City Leap Model (Green Finance for Net Zero)</b>
<b>Directorate</b>	<b>Environment</b>
<b>Service area</b>	<b>Environmental Services and Climate Change</b>
<b>Lead officer</b>	<b>Shaun Berry</b>
<b>Names and roles of other people involved in carrying out the impact assessment</b>	<b>Shaun Gibbon, City of York Council, Katie Thomas, York &amp; North Yorkshire Mayoral Combined Authority</b>
<b>Date impact assessment started</b>	<b>21/06/2024</b>

<p><b>Options appraisal</b>  <b>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.</b></p> <p>The Local Authority Regional Accelerator funding will enable the options appraisal of different green finance models which may be suitable for our region. No options appraisal has been undertaken for accepting the funding as this was offered to York &amp; North Yorkshire Combined Authority, North Yorkshire Council and City of York Council by the Department of Energy Security and Net Zero.</p>
<p><b>What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?</b></p> <p>Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.</p> <p>There will be a positive impact on Council budgets as this external funding has been secured for a fixed term to employ new resources and fund internal support services required for the project. No internal match funding is required.</p>

How will this proposal impact on the environment?  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.		Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	Negative impact (Place a X in the box below where	Explain why will it have this effect and over what timescale?  Where possible/relevant please include: <ul style="list-style-type: none"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise <b>greenhouse gas emissions</b> e.g. reducing emissions from travel, increasing energy efficiencies etc.	Emissions from travel		X		The proposed project explores options to develop a strategic energy partnership or green finance model for securing private investment into Net Zero. This will support our Climate Change objectives but will have no impact on Emissions from Travel.		
	Emissions from construction		X		The proposed project explores options to develop a strategic energy partnership or green finance model for securing private investment into Net Zero. This will support our Climate Change objectives but will have no impact on Emissions from Construction.		
	Emissions from running of buildings	X			The proposed project explores options to develop a strategic energy partnership or green finance model for securing private investment into Net Zero. This should have a positive impact on emissions from running buildings as it seeks to secure finance to decarbonise our built environment estate.		

How will this proposal impact on the environment?  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.		Positive impact (Place a X in the box below where	No impact (Place a X in the box below where	Negative impact (Place a X in the box below where	Explain why will it have this effect and over what timescale?  Where possible/relevant please include: <ul style="list-style-type: none"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
	Emissions from data storage	X			The proposed project explores options to develop a strategic energy partnership or green finance model for securing private investment into Net Zero. This will support our Climate Change objectives and should provide funding to support overall decarbonisation and emissions from such sources.		
	Other	X			This will support our Climate Change objectives and should enable us to develop a model which could provide additional funding to support overall decarbonisation and emissions from such sources.		
Minimise <b>waste</b> : Reduce, reuse, recycle and compost e.g. reducing use of single use plastic			X		There is no impact on waste minimisation.		
Reduce <b>water</b> consumption			X		There is no impact on waste minimisation.		
Minimise <b>pollution</b> (including air, land, water, light and noise)		X			This will support our Climate Change objectives and should result in co-benefits such as minimising pollution.		

<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><b>Positive impact</b> (Place a X in the box below where</p>	<p><b>No impact</b> (Place a X in the box below where</p>	<p><b>Negative impact</b> (Place a X in the box below where</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"> <li>• Changes over and above business as usual</li> <li>• Evidence or measurement of effect</li> <li>• Figures for CO<sub>2</sub>e</li> <li>• Links to relevant documents</li> </ul>	<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 <b>resilience</b> to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>		X		<p>Overall, this project will support our Climate Change objectives which includes a focus on adaptation.</p>		
<p>Enhance <b>conservation</b> and wildlife</p>	X			<p>Overall, this project will support our Climate Change objectives and seeks to secure private finance to fund projects which deliver this. Other green finance models are being explored, which should be complementary generally and could provide synergies to the LINC programme.</p>		
<p>Safeguard the distinctive characteristics, features and special qualities of <b>North Yorkshire's landscape</b></p>		X		<p>This is not expected to be relevant.</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.

**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 project will support a green finance initiative by exploring how our region could benefit from a strategic energy partnership and private investment. Overall, this will support the Council to respond to the Climate Emergency and meet our ambitions towards both operational and regional net zero.

**Sign off section:**

This climate change impact assessment was completed by:

<b>Name</b>	<b>Shaun Berry</b>
<b>Job title</b>	<b>Head of Environment &amp; Sustainability</b>
<b>Service area</b>	<b>Environmental Services and Climate Change</b>
<b>Directorate</b>	<b>Environment</b>
<b>Signature</b>	
<b>Completion date</b>	<b>21/06/2024</b>

**Authorised by relevant Assistant Director (signature): Michael Leah**

**Date: 25/06/2024**