

Better Neighbourhoods small grants fund

Date: 12 July 2023

Report of: Senior Project Manager

Report to: Director (Communities Housing and Environment) and Chief Officer (Financial Services)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Community Grants for Climate Projects (previously known as Better Neighbourhoods) is a project funded by the West Yorkshire Combined Authority which will award grant funding to community organisations for local projects that reduce carbon emissions and support disadvantaged or excluded communities. The fund, totalling £2 million across West Yorkshire, provides Leeds with an allocation of £604,624, which will be managed and administered by the council.

The fund will support projects in four categories: energy, efficient buildings, transport, and nature solutions, for the benefit of disadvantaged or excluded communities. These priorities align strongly with local and regional objectives around inclusive growth, zero carbon, and increased wellbeing.

The council is required to enter into a memorandum of understanding with WYCA which will enable us to receive the funding and operate the scheme.

Recommendations

It is recommended that the chief officer, financial services:

- a) Approves the injection of £604,624 into the capital programme with 100% funding from WYCA to deliver the Community Grants for Climate Projects scheme in Leeds

It is recommended that the Director of Communities Housing and Environment:

- b) Grants authority to enter into a Memorandum of Understanding with West Yorkshire Combined Authority that will enable the council to receive Community Grants for Climate Projects funding and setting out the terms and conditions under which it is provided
- c) Grants authority to spend £604,624 for provision of the above

What is this report about?

- 1 The Community Grants for Climate Projects Fund is a WYCA funded and council delivered project that will provide small grants to community organisations. The purpose of these grants is to finance local projects that aim to reduce carbon emissions and provide support to disadvantaged or excluded communities.
- 2 The funding for the Community Grants for Climate Projects originates from gainshare funding, which is a result of the West Yorkshire devolution settlement. The total budget for the fund across the county amounts to £2 million. This sum is divided amongst the constituent local authorities according to the population size of each district. Leeds has been allocated £604,624.
- 3 Each local authority has the discretion to manage their funding as they consider appropriate, while still abiding by the WYCA's conditions on suitable uses for the grant. This structure ensures that the fund is used for its intended purpose while respecting local governance.
- 4 Community groups in Leeds that wish to access this fund will submit applications via Leeds City Council. The application process involves an assessment of each proposal based on meeting eligibility and quality criteria. WYCA will not be involved in decisions regarding the funding of individual projects.
- 5 Community Grants for Climate Projects is scheduled to be launched across West Yorkshire in mid-July.

What impact will this proposal have?

- 6 The Community Grants for Climate Projects Fund is set to make significant contributions towards reducing carbon emissions in disadvantaged communities. At its heart is a community-led approach, with project proposals emerging directly from community groups.
- 7 To be eligible for funding, proposed projects must align with one of four categories:
 - a) local, clean, and flexible energy solutions;
 - b) healthy, affordable, and efficient buildings;
 - c) walking, cycling, and public transport; or
 - d) green and climate-ready nature solutions.
- 8 Additionally, each project should benefit a disadvantaged community, defined as either being within the three lowest Index of Multiple Deprivation deciles or reducing inequality in one of the protected characteristics.
- 9 At the West Yorkshire level, Community Grants for Climate Projects aligns with and contributes to several WYCA priorities. These include:
 - a) Recovery and enhancement of nature
 - b) Increases in biodiversity, green spaces and trees, and natural environments
 - c) Increase in the number of zero carbon and environment projects being developed and implemented in the region
 - d) Warm, healthy, affordable and low carbon homes, energy efficient workplaces
 - e) More local, clean, and flexible energy
 - f) Reduction in energy and fuel costs for residents and third sector organisations
 - g) Ensuring the region is adapted and resilient to the worst impacts of a changing climate

- 10 The council acknowledges the importance of a robust community sector to the city. By directing funding to community sector organisations, Community Grants for Climate Projects will bolster the capacity of this sector and foster increased collaboration between the public and third sectors.
- 11 Organisations will apply for funding through the council, and funding decisions will be taken by the council, with input from the community sector. To assist with this, the Council's Climate, Energy and Green Spaces team will support applicants to develop their applications prior to submission.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 12 The aforementioned priorities of the fund closely align with the inclusive growth and zero-carbon pillars of the council's Best City Ambition. There is potential for projects to also support the health and wellbeing pillar, for instance, by reducing fuel poverty through the creation of more energy-efficient buildings or by enhancing amenity green spaces.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 13 In preparing for the implementation of the Community Grants for Climate Projects fund in Leeds, several consultation and engagement steps have been taken. Proposals for administering the fund in the city have been jointly developed with the West Yorkshire Combined Authority (WYCA).
- 14 Consultation has also taken place with the community sector. A briefing was made to the Third Sector Partnership on the draft proposals earlier in the year. Voluntary Action Leeds, a key organisation supporting local voluntary, community, and faith sector groups, also participated in the consultations and provided feedback on the proposals.
- 15 Further activities are planned before and after the launch of the fund. These will include a briefing for members and 'Meet the Funder' events, which will be facilitated by Voluntary Action Leeds.

What are the resource implications?

- 16 Leeds has an allocated of £604,624 from the £2 million overall budget. Out of this allocation, £544,161 is available for direct grant awards to individual projects. The remaining £60,462 is assigned for the administration and promotion of the scheme. Grant funding will be claimed in from WYCA in arrears for each project funded through the scheme.
- 17 Funding applications can range from a minimum of £5,000 to a maximum of £50,000 per project. The fund is fully financed by WYCA, with no obligation for the council or communities to provide match funding. To stretch the funds further however, the council will look favourably on those projects that provide an element of match funding.
- 18 Existing personnel within the Climate Energy and Green Spaces team will manage the administration of the fund in Leeds.

19 A first funding round is set to run until early October 2023. The sum available for future funding rounds will depend on the amount allocated in the preceding rounds. This approach ensures an adaptive allocation process based on the progress and outcomes of the earlier funding cycles.

What are the key risks and how are they being managed?

20 A risk register has been drawn up for the project. Some of the key risks are:

- a) Projects diverging from agreed budgets due to inflation, lack of experience in delivery and insufficiently developed costings at application stage.
- b) Health and safety procedures not being adhered to in capital works
- c) Carbon savings aren't properly quantified

21 Mitigation of these risks is largely through the thorough and clear application process and support offered to groups to assist with application development. Projects will be monitored by the council when in delivery to ensure progress is in line with agreed outputs

What are the legal implications?

22 To access the funding, Leeds City Council must enter into a memorandum of understanding (MOU) with the West Yorkshire Combined Authority. This agreement is largely based around a standard grant agreement that accompanies WYCA funding.

23 The agreement describes the criteria that projects must satisfy to be eligible for funding, as well as activities that are not permissible for grant allocation. This MOU has undergone legal review and has been cleared for signing.

24 Successful applicants for the Community Grants for Climate Projects Fund will be required to sign a grant agreement with Leeds City Council. This agreement will outline the responsibilities of both parties involved in delivering the funded project. This agreement, and the grant application process, has been based on those already successfully used by the council to deliver community committee and other small grants.

Options, timescales and measuring success

What other options were considered?

25 The council could have chosen a third party to administer the scheme on our behalf. It was considered better value to operate the scheme in-house.

26 The council could have opted not to participate in Community Grants for Climate Projects. This would have deprived the city of funding to tackle climate change and disadvantage and was not considered a viable option.

How will success be measured?

27 WYCA have defined deliverable outputs for Community Grants for Climate Projects that apply at West Yorkshire level. These are:

- a) Deliver up to 10 schemes resulting in reported increases in public transport use, walking and cycling
- b) A positive impact on at least one disadvantaged community per project
- c) Sustainable energy improvements in up to 10 community buildings

- d) Contribute to the development of up to ten clean energy projects
- e) Deliver up to 10 projects increasing community access to green space and nature

28 Outputs at project level will vary from project to project as there is a wide range of projects that can be funded. However, all projects will be required to demonstrate a reduction in carbon emissions and that they will benefit a disadvantaged community.

29 Outputs will be clearly defined in applications to the fund and subject to monitoring during delivery.

What is the timetable and who will be responsible for implementation?

30 The fund is scheduled to launch West Yorkshire-wide in mid-July. Practical delivery on all projects is required to be completed by the end of December 2024, with all activities on the programme due to be wrapped up by April 2025.

31 The council will report progress on the scheme as a whole to WYCA on a quarterly basis. Monitoring of funded projects will be carried out by the council.

32 The Senior Project Manager within Climate, Energy and Green Spaces will be responsible for successful delivery of this project.

Appendices

- None

Background papers

- None