

REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE
DATE: 8th April 2022
REPORT TITLE: GREEN RECOVERY FUND
DIRECTOR: JESS LEE, HEAD OF STRATEGY & INNOVATION
AUTHOR: HELEN ILES, SENIOR POLICY MANAGER & LIZZY UPTON,
SENIOR POLICY OFFICER

Purpose of Report

1. To provide further detail of Green Recovery Fund and seek agreement for assessment criteria and first business cases to be drawn down from the GRF.
2. To agree an award of £100,000 from the Green Recovery Fund to finalise the business case for investment in EV charging infrastructure and note the Combined Authority's intention to seek £5m from the GRF to deliver a package of infrastructure investment proposals once business cases are fully developed.
3. To agree delegated authority to the West of England Combined Authority Chief Executive, in conjunction with the Chief Executives, to agree the final scope and work required to finalise the Combined Authority's EV charging proposals.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Supporting action on climate and ecological emergencies to ensure a sustainable future for the region

Recommendation

4. Committee are asked to:
 - Approve the Gateway criteria for the Green Recovery Fund
 - Approve the outline business cases for retrofit accelerator programme and should there be urgency to delegate approval of the full business case to the

Combined Authority Chief Executive in consultation with the Chief Executive of the constituent Councils.

- Approve the full business case for the Community Pollinator Fund and the award of £1.45m from the Green Recovery Fund
- Approve the Feasibility and Development Funding Application and the award of £100k from the Green Recovery Fund to finalise the business case for investment in EV charging infrastructure, helping to accelerate the uptake of electric vehicles.
- To agree delegated authority to the West of England Combined Authority Chief Executive, in conjunction with the Chief Executive of the constituent Councils, to agree the final scope and work required to finalise the Combined Authority's EV charging proposals.

Background / Issues for Consideration

5. The Green Recovery Fund represents an initial programme of investment to kick-start a wide range of activity within priority areas for the region to help us advance our journey to achieve our 2030 ambitions and stimulate private investment. It provides one route to funding the proposals set out in the regional Climate and Ecology Strategy & Action Plan. Additional government resources are required, amongst other things, to enable the region to reach our shared 2030 ambitions.

Objectives & Principles for Green Recovery Fund

6. As initially outlined in the December 2021 Committee, the objectives of the fund will be to:
 - Reduce the region's emissions from buildings and transport, and enhance our natural habitats;
 - Raise employment in businesses providing solutions to climate transition;
 - Develop viable and sustainable markets for net zero transition, by overcoming obstacles or developing innovative solutions;
 - Support the region's economy to decarbonise, including increasing green skills provision; and
 - Leverage external funding into the region to tackle climate and ecological emergencies.
7. The key outcomes of the fund will be to:
 - Protect the environment and reduce emissions
 - Create jobs and increase green skills provision
8. Principles for the Green Recovery Fund, including eligibility include:
 - Funding to be released through process of Full Business Case development, subject to combined authority Committee approval mirroring the process for the Investment Fund.
 - Any organisation can apply, including our unitary authority partners, not-for-profit organisations such as community groups, charities and social

enterprises, along with the Combined Authority and others are eligible. Eligible organisations are also able to apply on behalf of commercial businesses.

- Multiple applications from the same applicant will be assessed independently from one another and the success of one will not influence the success of another.
- Proposals must meet a basic set of gateway criteria, and will be assessed against more detailed assessment criteria that is specific to a priority theme or funding call.
- Requirements for match-funding can be in the form of money or in-kind resources, or through commitment to create investable programmes or projects that will attract future funding or become self-sustaining. Where any minimum amount or percentage of cash match is required, this will be clearly stipulated.

Green Recovery Fund - Gateway Criteria

9. In order to progress proposals to business case development stage, all applications will initially need to meet the following gateway criteria.

First Stage entry Criteria	Assessment - must score Y in all categories to pass initial gateway	Notes
Deliver on Green Recovery Fund objectives	Y/N	Outline delivery against one or more of the funds' objectives, as agreed via Committee: <ul style="list-style-type: none"> • <i>Reduce the region's emissions from buildings and transport, and enhance our natural habitats;</i> • <i>Raise employment in businesses providing solutions to climate transition;</i> • <i>Develop viable and sustainable markets for net zero transition, by overcoming obstacles or developing innovative solutions;</i> • <i>Support the region's economy to decarbonise, including increasing green skills provision; and</i> • <i>Leverage external funding into the region to tackle climate and ecological emergencies.</i>
Scope to align with Green Recovery Fund priority themes	Y/N	Outline scope to align with one or more priority themes, as agreed via Committee: <ul style="list-style-type: none"> • <i>Low carbon buildings and places</i> • <i>Green environment</i> • <i>Low carbon transport system (inc. EV infrastructure)</i> • <i>Renewable energy & Energy Capacity</i>
Strategic Fit: revised CESAP, SDS, JLTP4, JGIS or other relevant strategic programmes	Y/N	Applicant to provide written submission for sign-off
Demonstrate match-funding	Y/N	Applicant to provide evidence of identified match-funding, ideally 30% of total project cost. This can be financial or in-kind resources.

Delivery timescales: delivery must commence before March 2025	Y/N	Applicant to outline proposed timetable for commencing and completing delivery
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Key Outputs for each theme:

10. In addition to meeting the gateway criteria, projects brought forward under the Green Recovery Fund will be expected to meet at least one of the following key outputs in order to secure funding.

Low carbon buildings & places	<ul style="list-style-type: none"> ▪ Deliver an increase in Energy Performance Certificate (EPC) rating for each property or deliver an improvement in SAP scores indicative of an increase in the EPC rating for each property ▪ Reduce emissions from building & places within the region ▪ Demonstrate innovative, scalable technologies, innovative approaches or techniques, including new ways to combine a range of existing measures, that demonstrate cost-effective retrofit; ▪ Stimulate the supply chain for retrofit to make it more affordable and accessible at scale across the region. ▪ Increase the skills provision and number of accredited retrofit providers, in line with industry accreditations incl PAS2035
Low carbon transport	<ul style="list-style-type: none"> • Reduce the number of car journeys made by internal combustion engine vehicles and support alternatives to private car ownership • Increase the number of electric vehicle charge points within the region, helping to accelerate EV uptake • Support the West of England's commitment to carbon reduction • Stimulate the supply chain for electric vehicles within the region • Increase skills provision and number of trained professions to install and maintain electric vehicles and EV charging infrastructure.
Nature recovery (formerly Green Environment)	<ul style="list-style-type: none"> • Create new wild-life rich habitats, including pollinator habitats. • Increase the number trees and woodland cover across the region, including replacing those lost to storms • Improve water catchments to ensure that they are in at least moderate ecological status • Close nature recovery network connectivity gaps through the creation of new habitats.
Renewable energy & energy capacity	<ul style="list-style-type: none"> • Increase the amount of mega watt hours of renewable energy generated within the region • Address grid capacity issues in order to increase the capacity for renewable energy generation and use within the region • Bring innovative, scalable renewable energy systems, innovative approaches or techniques to the region, including hydrogen, tidal or nuclear fusion • Increase the amount of community energy generation with the region

Assessing Green Recovery Fund Applications

11. In addition to meeting the gateway criteria and relevant key outputs for the theme, all proposals will be assessed against a range of standard criteria spanning the five areas of the 5-case business case model. This includes value for money, deliverability, financial viability and added social value.

Future Pipeline for the Green Recovery Fund

12. Of the total funds available, Committee have already allocated from the Green Recovery Fund:

- £3.2m for retrofit programmes including Retrofit Accelerator
- £1.45m for green infrastructure projects (incl Bath RiverLine)

13. The remaining funds, will be allocated over the next three years, up to 2025 in line with the initial allocations that were agreed at January Committee;

- £10m for Low carbon buildings and places
- £10m for Nature recovery (formerly Green Environment but changed to align with the revised Climate & Ecological Emergency Strategy & Action Plan - green infrastructure and biodiversity projects)
- £5m for Low carbon transport system, including EV infrastructure
- £5m for Renewable Energy & Energy capacity

14. The table below summarises the funds that have already been allocated from the Green Recovery Fund and the projects that it is anticipated that the Combined Authority will work with our partners to bring forward to full business case stage. For ease of reference, the projects that have already been committed too are greyed out.

GRF theme	Outline Proposal	Indicative funding request	Status	Business case anticipated	Project delivery anticipated
Low carbon buildings & places	Retrofit Accelerator	£ 3,000,000	OBC in submitted to April 22 committee, delegated approval for FBC to CEOS.		Summer 2022
	Retrofit Step-up	£ 200,000	Funding allocated at Dec 21 committee.		Summer 2022
	Retrofit supply chain	£5,000,000	Building on retrofit accelerator to look at supply chain generation/stimulus and economic stimulus (grant/loans).	Business case to be developed after FBC for retrofit accelerator.	

	LCCF – Green Business Grants continuation	£ 2,000,000	Continuation of existing scheme, replacing ERDF funding.	FBC Sept 22	April 2023 onwards
Totals		£10m			
Low carbon transport system, including EV infrastructure	Trials of innovative low cost on-street residential charging infrastructure	Schemes will total £5m but further feasibility required to determine exact costs	Further feasibility & development required to inform business cases	FBC Dec 2022	Spring 2023
	Trial residential charging hubs			FBC April 2023	Summer 2023
	Install destination chargers in public car parks			FBC April 2023	Summer 2023
	Support EV Car Clubs			FBC April 2023	Summer 2023
Totals		£5m			
Nature recovery (formerly Green Environment)	GI projects (incl Bath RiverLine)	£ 1,450,000	Agreed at Jan 2022 committee		Delivery underway
	Community Pollinator Fund	£ 1,450,000		FBC April 22 committee	May 2022
Totals		£2.9m			
Renewable Energy & Energy Capacity	LCCF – Community Energy Scheme (local energy scheme continuation)	£ 2,000,000	Capital grant support for community energy groups to deliver renewable energy and smart grid schemes up to 5MW.	FBC Sept 2022	March 2023 onwards
Totals		£2m			

15. All business cases lead by the combined authority will be developed in partnership with our Unitary Authorities and key partners within the region and meet the Gateway criteria and relevant key outputs for each theme.

Allocating the remaining Green Recovery Fund

16. The amount already allocated from the Green Recovery Fund and projected future pipeline is summarised below:

GRF theme	Allocation & future pipeline	Outstanding funds
Low carbon buildings & places	£10m	-
Low carbon transport system, including EV infrastructure	£5m	-
Nature recovery (formerly Green Environment)	£2.9m	£7.1m
Renewable Energy & Energy Capacity	£2m	£5m

17. The remaining funds will be administered through separate open calls for applications to the Green Recovery Fund. These calls will be open to applications from eligible partners including the Unitary Authorities, as defined within the gateway criteria.
18. The funding calls will be opened according to the follow schedule and in line proposed committee dates. It is intended that all funds will be allocated by March 2024 with the expectation that delivery of programmes will commence by March 2025.

Funding application round	Deadline for business case submissions	Date of Committee
Round one	July 2022	Sept 2022
Round two	Feb 2022	April 2023
Round three	Feb 2022	April 2024

19. In order to make an application to the Green Recovery Fund, Unitary Authorities and eligible partners will be expected to submit a completed business case, that meets the Gateway criteria, has match funding and delivers at least one of the key outputs for the selected relevant theme. Guidance and templates for completing a business case will be provided.
20. Operating the fund in this way will help to manage and prioritize the development of business cases and ensure that proposals can be considered alongside each other, allowing officers and politicians to better understand the relative merits of each application and overarching impact of the programme.
21. The fund will be reviewed regularly as part of the Delivery Assurance process and reports to committee. To help counter potential delays there will be a requirement for a Committee decision on whether to continue, pause and review, or cease funding for schemes which are delayed by an aggregate total of 12 months from the milestones agreed at approval. It is also planned to strengthen the approach to reporting and the escalation of delays and cost changes to ensure effective utilisation of funding, and to incentivise timely delivery. This will help to create a 'use it or lose it' culture with respect to regional funding allocations.

Initial Businesses Cases and funding development

22. In line with earlier Committee updates confirming priority areas for investment, and agreed funding allocations (in the case of retrofit), the Combined Authority has developed and is seeking approval for:

- 1) Full business case for £1.45m funding for a multi-year Community Pollinator Fund; and

- 2) Outline Business Case for initial elements of the £3m Retrofit Accelerator programme, for which funding allocation was approved at December Committee.

23. The business cases have been assessed and meet the gateway criteria and key thematic outputs for the Green Recovery Fund.

Community Pollinator Fund

24. A three year 'Community Pollinator Fund' (2022-2024) is proposed to promote and fund community-led ecology projects that enhance biodiversity and pollinator habitats across the region. The fund, would invite proposals for a range of smaller scale projects i.e. below landscape-scale¹ that offer multiple environmental and societal benefits, with an emphasis on supporting pollinators and community engagement.

Retrofit Accelerator programme

25. An initial allocation of £3m of Green Recovery Fund funding was agreed at December Committee for a Retrofit accelerator programme to sustainably increase the pace of retrofit in the region. The funding was approved subject to subsequent business case approval.

26. The retrofit accelerator will take the form of a three-year programme of activity, working in close partnership with a network of expert organisations already active in the field within the region to address demand and supply-side weaknesses in the retrofit market.

27. As discussed with and supported by unitary authority partners and expert regional stakeholders, the ambitions for the retrofit accelerator 'offer' is to create a single wrapper for a range of demand- and supply-side interventions, including, namely:

- end-to-end homeowner retrofit advice service;
- forms of homeowner incentives;
- accreditation and skills support for installers; and
- wider marketing and communication.

28. Different elements of the accelerator require varying degrees of development and market engagement, hence proposals will be brought forward in stages

¹ As defined in the Green Infrastructure Strategy

once sufficiently advanced.

29. The initial retrofit accelerator business case seeks to create a PAS2035 based end-to-end service for homeowners that will support them from the initial stages of thinking about retrofitting right through to the completion of retrofit works to their properties. The service will offer a single point of contact and provide assured, independent and expert advice, encouraging and enabling the retrofit of private homes.

Electric Vehicles & Charging Infrastructure – further development

30. With the transport sector being a significant source of emissions, there is a need to accelerate the uptake of EVs as part of a range of interventions to reduce carbon emissions.
31. The Combined Authority commissioned EV specialists to support with the development of its EV approach and to develop investable propositions, with the intention of bringing forward business cases for the Green Recovery Fund.
32. The development work is being completed in two stages:
 1. Stage 1: Investment Proposal report, setting out the strategic case for public sector intervention in EV charging infrastructure and a range of priority investment opportunities.
 - a. These investment options provide an opportunity to build on work undertaken by the West of England's Unitary Authorities to date, with a focus on:
 - On-street chargers, including low-cost on-street charging trials;
 - Residential charging hubs;
 - Destination charging in Council-owned car parks; and
 - Support for EV car clubs, with the aim of establishing a more comprehensive network of car club vehicles.
 - b. Appendix 1 provides further detail on the strategic case for each of these investment options.
 - c. Investment in EV infrastructure is expected to unlock further grant funding from central government for the delivery of residential charging infrastructure (providing opportunities to match-fund UA bids to the [ORCS](#) scheme which are currently in development).
 - i. *DfT will match fund local capital investment to varying percentages depending upon the type of infrastructure. This option therefore provides an opportunity to maximise investment.*
 - d. These options are intended to support work currently being undertaken by UA officers on EV charging in the region.
 2. Stage 2: Expected to complete in the Spring, EV specialists have worked with the Combined Authority and Unitary Authorities to identify a range of complementary delivery options and policy-based interventions that will bring complementary benefits to the investment options taken forward at Stage 1 and support the region's wider decarbonisation agenda, including:
 - aligning planning policy to hold developers to account

- influencing market consistency to make regional and countrywide usage more straightforward
- development of measures to improve rural EV charging provision

Investment ask

33. In order to build on this existing work and develop investable propositions and business cases, committee are asked to award £100k from the Green Recovery Fund for the development and refinement of the investment options identified in Stage 1 (outlined in Annex 1). This will enable an additional Investment Fund ask of £5m to be subsequently brought to Committee to secure funds required for the delivery these investment options
34. It should be noted that, although some additional refinement of these proposals is required, we have been proactive in focusing work undertaken to date on an output which can be used to support a future business case, thus reducing the scope of the additional work required to meet Combined Authority business case requirements.
35. While we currently expect the total package of measures outlined in Annex 1 to exceed £5m in terms of their total cost, we have sought to develop a wide range of investment options in anticipation of further match-funding opportunities from central government.
36. Aside from the current match funding, it is anticipated that DfT will launch new funding bids for EV infrastructure to accelerate the current low provision and slow up take of existing match funding. The proposed work would provide a pipeline of investment in preparation for any potential bid opportunities.
37. Committee members are requested to delegate authority to the West of England Combined Authority Chief Executive, in conjunction with the UA Chief Executives, to agree the final scope and commissioning of work required to refine the Combined Authority's EV charging proposals.

Consultation

38. No statutory consultation was required in the development of the report, though our partner unitary authorities were consulted through existing officer working groups such as Environment Officer Steering Group and the Energy Action Group.

Other Options Considered

- Not opening the Green Recovery Fund – not making the fund accessible would further slow down action on tackling the climate and ecological emergencies within the region.
- Delivering the Green Recovery Fund internally – not opening the GRF to applications from outside the Green Recovery Fund would minimise its impact, and prevent us from further collaborating with our partner Unitary Authorities.

Risk Management/Assessment

39. Full risk assessments will be undertaken for each project funded by the Green Recovery Fund will be developed as part of the business case application process.

40. The management of the fund will be overseen by the Combined Authority's Grant Assurance team and processes, in line with the Investment Fund management.

Public Sector Equality Duties

41. Full equalities impact assessments will be undertaken for each project funded by the Green Recovery Fund as part of the business case application process in order ensure that we are meeting our duties under the Equality Act 2010.

Finance Implications, including economic impact assessment where appropriate:

42. The available funding is set out in the body of the report. The evaluation of bids will need to ensure that all grant conditions are met.

Advice given by: Richard Ennis – Interim Director of Investment and Corporate Services.

Legal Implications:

43. *Please state any legal implications arising as a result of this report.*

Advice given by:

Climate Change Implications

44. The Green Recovery Fund has been designed to help address the climate and ecological emergencies. The projects taken forward through the Green Recovery Fund will work to reduce emissions and/or help nature to recover, as outlined in the criteria set out in this report.

45. A full assessment of the implications and outputs of the projects taken forward will be undertaken as part of the business case application process and ongoing project monitoring.

Land/property Implications

46. *Please state any land/property implications arising as a result of this report.*

Advice given by:

Human Resources Implications:

47. *Please state any HR implications arising as a result of this report.*

Advice given by:

Appendices:

List any appendices to the report:

Appendix 1 – xx

Appendix 2 – xx

etc.

Background papers:

Insert details (any documents listed will need to be made available for public inspection on request – where possible, insert links to documents quoted)

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: democratic.services@westofengland-ca.gov.uk

Annex 1

Current indicative proposals for EV charging investment

Investment Opportunity	Description	Strategic Case	Recommended delivery approach
On-street residential chargers	On-street chargers, including a trial of low-cost lamp column or satellite bollard chargers in residential streets	21% of households across the sub-region do not have access to off-street parking where they can charge a car. The innovative solutions considered can be rolled out widely and quickly due to relatively low cost and do not require complex grid connections.	Phase 1: To implement Bristol's shovel ready lamp column charger scheme. Across 150 planned locations in Bristol. Acting as a trial phase.
			Phase 2: Installation of on-street charging infrastructure in South Gloucestershire, supporting proposals for residential charging currently in development.
Trial community charging hubs	Hubs consisting of multiple chargers in off-street car parks in residential areas. Allowing residents to charge overnight close to their homes.	21% of households do not have access to off-street parking where they can charge a car. Off-street hubs, where possible present ideal sites, complemented by on-street chargers where suitable car parks are not available.	Install residential charging hubs in council run car parks, typically comprising around 6 fast and 2 rapid chargers per site but tailored to the most suitable combination based on site specific characteristics. If initial trials are successful, invest further in an exemplar hub using innovative technologies such as solar charging canopies and battery storage.
Install destination chargers in publicly-owned car parks	Destination chargers installed in council owned car parks, serving visitors to high streets, leisure, supermarkets, railway stations etc. Allowing them to top up on the go.	The ability to 'top-up' whilst parked at a destination relieves range anxiety which is a key barrier to EV uptake. Installation of charge points in public car parks where people are already wishing to visit and spend time is an efficient means of catering to charging demand without introducing additional stops, and potentially supports more slower charging.	Install groups of four destination chargers in council car parks, typically working to a ratio of 75% fast and 25% rapid chargers but tailored to the most suitable combination based on site specific characteristics. Phased approach starting with 20 highest priority sites in year 1 and 20 in subsequent years.

Support EV Car Clubs	<p>A car club is a form of short-term car rental service which provides members access to vehicles parked locally on public roads and car parks. Making the vehicles on offer EVs, supported by the associated charging infrastructure, enables a wider transition to EVs.</p>	<p>Car-sharing allows users to have access to a car without the need to own a private vehicle and has been demonstrated to reduce overall car mileage through reduce car ownership. It encourages the user to make journeys by active or sustainable travel where possible, whilst allowing the use of a car when required. Converting the vehicles to EVs mitigates the remaining climate impacts further by removing tail pipe emissions, and removes cost barriers to EVs, as well enabling more people to experience driving EVs</p>	<p>Work with Co-wheels to expand upon their 9 existing EV car clubs in Bristol to 20 bays. TBC - following discussion with BCC and Co-wheels.</p>
			<p>Feasibility study to understand how to roll out EV car clubs to other areas. Including engagement with additional prospective operators</p>
			<p>If viable invest in large scale roll out of EV car clubs across the West of England</p>