

**The Highland Council**  
**Resources Committee – 27<sup>th</sup> August 2014**

Agenda Item	<b>25</b>
Report No	<b>RES/ 53/14</b>

**Carbon CLEVER Community Grant Fund**

**Report by Head of Policy and Reform**

**Summary**

Carbon CLEVER has the aim to co-ordinate, promote, and accelerate the work that is being conducted across the Highland region to reduce carbon emissions. The Carbon CLEVER Community grant fund will assist the Council to encourage and empower communities to take local action to reduce greenhouse gas emissions.

The Carbon CLEVER Community grant fund will enable Highland Communities to reduce their own greenhouse gas emissions, take leadership on carbon reduction, engage with others, achieve value for money, gain economic benefit for their local area, whilst raising awareness and promoting low carbon behaviour. The grant fund will allow communities to utilise capital expenditure to take local action and accelerate the process of making their community Carbon CLEVER.

**1. Background**

- 1.1 At a meeting of the Highland Council in June 2014, Members approved the development of a Carbon CLEVER Community Grant fund with an allowance of up to £200k from the £1 million capital budget allowance per annum. It was agreed that the detail of such a fund would be considered at a future meeting of the Resources committee. This report seeks to establish the criteria, process, and timescales for considering applications for the Carbon CLEVER Community Grant Fund.
- 1.2 The Highland Council's Programme, Working Together for the Highlands states that: In promoting new and innovative projects the Council will maintain a commitment to Scotland's Climate Change Declaration and work with everyone to achieve a Carbon CLEVER Highlands by 2025 (a carbon neutral Inverness in a low carbon Highlands).
- 1.3 The Carbon CLEVER Community Grant Fund will enable communities to implement Carbon CLEVER projects that are relevant and important to them. By working closely with communities to understand their circumstances and aspirations it will be possible to reduce carbon emissions and to identify future opportunities. This process of working towards a shared goal should support community cohesion, enhance self-reliance and build community resilience. The Grant Fund will enable local communities to finance capital investment in a way that improves outcomes for local communities.

**2. Grant Fund Criteria**

- 2.1 The proposed Carbon CLEVER Community Grand Fund would support communities to reduce carbon emissions and provide access to a fund that will enable them to draw in additional match funding.

2.2 It is recommended that the Carbon CLEVER Community Grant Fund follows The Highland Council Single Grants and Discretionary Funding application process. This will ensure that the application process is transparent and contains mechanisms to detect overlap or conflict. This established and audited application process allows specific questions to be asked relating to specific funding whilst ensuring that grants meet Highland Council core criteria as well as national guidance on Following the Public Pound. Using this process will ensure that all awards:

- Meet the Highland Council core criteria for grants and discretionary funding, outlined in the [Grant and Discretionary funding Application Guidance](#) and based on national guidance on Following the Public Pound;
- Meet the criteria for capital funding; and
- Support the objectives of the Carbon CLEVER initiative.

2.3 It is suggested that the Carbon CLEVER Community Grant Fund application asks specific questions to assess the merit of proposed projects against the criteria outlined in at paragraph 2.4. This will ensure that projects meet capital funding criteria and are in line with the Carbon CLEVER initiative.

2.4 To align the proposed Grant Fund with the Carbon CLEVER initiative, the suggested criteria for assessing applications is designed around the principles of Carbon CLEVER:

- **Carbon reduction:** Projects must lead to a reduction in carbon dioxide equivalent (CO<sub>2</sub>e) in communities. Guidance will be made available for organisations to assess the scope of carbon reduction of proposed projects and will be able to use reporting templates to monitor the progress.
- **Leadership:** Projects must demonstrate leadership in maximising carbon emission reduction and encourage behavioural change in the community.
- **Engagement:** Projects will be assessed on efforts to engage with the community. Consultation should be a key part of the project and efforts to engage with local stakeholders should be demonstrated in the application. A sample of those who are going to be directly impacted by the project should be involved in the project's development.
- **Value for money:** Projects will be assessed on value for money. Weighting will be given to projects which draw in additional funding, maximise carbon reduction, social benefit, community engagement and sustainable legacy.
- **Economic benefit:** Projects will be assessed on the economic community benefit that can be achieved through implementing the project.
- **Raise awareness and promote behaviour change:** Projects will be expected to have a sustainable legacy and influence change.

### 3. Process of Consideration

3.1 The suggested process of consideration for applications is outlined below. In line with Highland Council guidance for assessing applications it uses three main sources of information to determine whether an application for funding is supported.

1. **The Application Form.** Analysis will be undertaken by a member of the climate change team, in conjunction with the appropriate ward manager and Principal Policy Officer - Climate Change who will act as the fund manager. The application will use the Highland Council Grant and Discretionary Funding application form to ask specific questions about the project in order to capture details as to how the project meets the CLEVER criteria and the scope of any potential carbon savings.
2. **Contact with the Applicant.** Due to the strict conditions around allocating capital funding it may be necessary to seek more information about the proposed project to assess potential projects.
3. **Risk and Financial Assessment.** To ensure a consistent framework for assessment of applications, the Highland Council risk assessment and financial monitoring template will be used. This ensures applications meet the criteria and relevant monitoring mechanisms are in place. The Carbon CLEVER Community Grant Fund will require organisations to provide information in line with the Highland Council's Grant Monitoring Requirements.

3.2 The Council's Financial Regulations require that grant awards of over £10,000 of Council funding in total require consideration at a Council Committee for approval. For these applications the Climate Change team, Chief Executive's Office will prepare recommendations for consideration at the Resources Committee. In keeping with the Financial Regulations, applications for funding of £10,000 and under will be delegated to officers and be subject to the agreed criteria. In the annual report on progress with carbon reduction a full list of grant awards will be appended.

3.3 Once a recommendation has been made about an application, a letter of award or notice of unsuccessful application will be sent by the fund manager to the applicant to:

- Set out the terms and conditions of the grant. The acceptance of the terms and conditions of grant must be received prior to commencement of the project, or
- Supply feedback to as to why the application was unsuccessful.

3.4 It is uncertain what demand will be placed on the grant, however, from discussions with partner organisations it is anticipated that the proposed grant fund will be fully committed. For this reason, it is proposed that the fund is split into two rounds of funding each consisting of £100k. The first deadline for applications being the 6<sup>th</sup> April 2015, 5pm, and the second deadline 5<sup>th</sup> October 2015, 5pm. This process would be reviewed after one year.

3.5 It is suggested that the Carbon CLEVER Communities Grant Fund is officially launched at the Carbon CLEVER Conference 2014, with a provisional date for this the 21<sup>st</sup> November.

#### **4. Consultation and support**

4.1 Applying for finance and adhering to conditions of a variety of funding can be complex for community organisations. To ensure organisations have the ability to apply for funding and have the capacity to adhere to conditions detailed

guidance about the process will be developed. Also, organisations will be able to access free support through the Carbon CLEVER Declaration which could help them design projects, create business cases or identify match funding.

- 4.2 To ensure that all levels of community organisations have access to the fund it is planned to use scheduled engagement events e.g. the Carbon CLEVER Conference to consult with stakeholders who can help inform and create a Carbon CLEVER Community Grant Fund Ideas Bank. By using workshops and engagement events to create project ideas, organisations will be able to access a bank of ideas. Furthermore, organisations who receive grant support will be asked to share their projects in this ideas bank.
- 4.3 Having a range of projects in an Ideas Bank will extend the reach and increase the impact of the Grant Fund. It will enable ready-to-go projects to be replicated by other organisations. Having a range of project examples which would potentially qualify for the Carbon CLEVER Community Grant Fund and external funding will ensure that community groups have the best opportunity to secure finance from a variety of sources. It will also make the fund more accessible and facilitate the sharing of good practice and exchange of ideas.

## **5. Implications**

- 5.1 Resource Implications: An allocation of £200k from the £1 million per annum Carbon CLEVER capital budget allowance to support the Carbon CLEVER Community Grant Fund was agreed at a meeting of the Highland Council on June 26<sup>th</sup> 2014. Projects requiring funding of more than £10,000 will be presented to future meetings of the Resources Committee for approval.
- 5.2 Legal Implications: The Highland Council has an obligation to support national efforts to reduce carbon emissions to meet the targets set out in the Climate Change (Scotland) Act 2009. Furthermore, The Highland Council has a legal obligation with the spending of capital funding; grants to third parties can only be made if the expenditure, if incurred by the Local Authority, would be treated as capital expenditure.
- 5.3 Equalities Implications: To ensure that the grant is accessible to all groups of people support will be available throughout the process. Applications will be screened on an individual basis for equalities implications. Any projects that are granted funding will be required to have necessary policies in place and this will be outlined in award notices.
- 5.4 Climate Change/ Carbon CLEVER Implications: Through the Climate Change (Scotland) Act 2009 and as a signatory to Scotland's Climate Change Declaration the Highland Council has a duty to encourage and work with others in its local community to take action to adapt to the impact of climate change, to reduce their own greenhouse gas emissions and to make public its commitments to action. Through the Carbon CLEVER Community Grant Fund, the Highland Council will be supporting local communities to take practical steps to mitigate against climate change. Successful applications and projects will also reinforce and support the aims of Carbon CLEVER.

- 5.5 Risk Implications: The Carbon CLEVER Community Grant Fund will require careful management and monitoring to ensure that the application process and award of funding is open and transparent. This will reduce any risks associated with the fund.
- 5.6 Gaelic Implications: The Carbon CLEVER Community Grant Fund will follow the Council's policy on signage and branding. The application form will seek to assess any contribution that a project may make to the promotion of the language.
- 5.7 Rural Implications: The Carbon CLEVER Community Grant Fund will be open to community groups and organisations throughout the Highlands.

### **Recommendation**

Members are invited to:

1. Agree the proposed criteria and associated process and timescales for the Carbon CLEVER Community grant fund; and
2. Note the development of a Carbon CLEVER Ideas Bank to support and encourage communities interested in the Carbon CLEVER Community fund

Designation: Head of Policy and Reform

Date: 07/08/2014

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Background Papers: [Grant and Discretionary funding Application Guidance](#)