

## WMCA Investment Board

<b>Date</b>	19 June 2023
<b>Report title</b>	Community Environment Fund Business Justification Case
<b>Portfolio Lead</b>	Councillor Ian Courts - Environment, Energy & HS2
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<b>Report has been considered by</b>	Environment and Energy Board

### Recommendation(s) for action or decision:\*

#### The Investment Board is recommended to:

- (1) Approve the Community Environment Fund Business Justification Case for delivery of a £1.2m programme, subject to receipt of the final grant award letter for Commonwealth Games Legacy Funding from DCMS and accepted by WMCA, which is the source of funding requested. Board will be notified should this award contain any conditions that materially affect the delivery of the project as outlined within this cover report and BJC.

#### 1. Purpose\*

The Community Environment Fund (CEF) will deliver 5 large and up to 30 small community initiatives by March 2025, to help create a better environment and improve people's lives in the West Midlands. The projects will align with the focus of the sustainability pillar of the Commonwealth Games and the WMCA Environment Team's delivery programme.

#### 2. Background\*

- 2.1 A paper was taken to WMCA Board in January 2023 to approve the WMCA as the accountable body for the receipt of up to £70m of the Commonwealth Games Legacy Fund, granted by the Department for Digital, Culture, Media & Sport from 75% of the

unallocated contingency funding in the Commonwealth Games budget. The funding allocation was agreed to be split across four pillars, one of which is Wellbeing and Sustainability.

- 2.2 The proposal for the sustainability element of the Wellbeing and Sustainability pillar is to build on the already successful WMCA Community Green Grants programme and to broaden it out into a Community Environment Fund. This would have the same underlying purpose – to enhance community health and wellbeing through environment projects – but would extend beyond improving access to green space to other areas of the WMCA environment programme (covered in 2.6). This would reflect the breadth of the work undertaken by the Commonwealth Games sustainability programme.
- 2.3 The current Community Green Grants programme has a budget of £725k to improve access to green space for communities across the West Midlands. Its overarching aims are to:
- Increase or improve green spaces close to where people live (e.g., within ten-minute walk)
  - Connect people to nature, especially communities experiencing green deprivation
  - Enhance the local environment (e.g., tree planting, increasing biodiversity)
  - Tackle barriers to accessing green spaces, e.g., concerns around safety or the lack of awareness of local green space
- 2.4 The current timeframe for the Community Green Grants programme is 2 years, with it due to conclude in its existing form by March 2024 at the latest. So far the programme has awarded both large (up to £100k) and small (£3k - £25k) grants to community/environmental groups across the WMCA area. Since it launched in January 2022, 18 projects have been approved totalling over £460k. This is comprised of 16 small grants (£292,143.50) and 2 large grants (£168,708). Funded projects so far have the potential to reach 150,000 people based on populations within a 15 minute walk. The projects are forecast to directly engage over 40,000 people. This also includes 2km of river restoration, commitment of over 2000 trees planted, 11 new or restored ponds and improved access to 20 hectares of greenspace.

<b>Local Authority</b>	<b>Received 2022/23</b>	<b>Approved 2022/23</b>
Birmingham	36	6
Coventry	6	2
Dudley	4 (inc.1 joint with Sandwell)	3 (inc. 1 joint with Sandwell)
Sandwell	9 (inc. 1 joint with Dudley)	3 (inc. 1 joint with Dudley)
Solihull	3	1
Walsall	7	3
Wolverhampton	7	1
<b>Total</b>	<b>71</b>	<b>18</b>

- 2.5 As a result of our experience in running the Community Green Grants programme, we have been able to hear from communities about other projects and initiatives that they would like to establish that do not fit within existing criteria. The ambition was always to extend the programme beyond its initial function, whilst retaining the valuable outcomes it has delivered. This proposed expansion into the Community Environment Fund responds to feedback that we have had from the existing programme, as well as aligning with both the sustainability programme from the Commonwealth Games and supporting the WMCA environment programme.

- 2.6 The proposal for the CEF is to develop workstreams in the following areas, with projects that deliver the following outcomes:
- Natural environment – to protect, restore and enhance nature and wildlife.
  - Circular economy – to reduce waste and keep resources and materials in use for as long as possible.
  - Climate adaptation – to make communities more resilient and prepared for the impacts of climate change.
  - Access to green space – to provide better access to and community use of green space for health and wellbeing – similar to the existing Community Green Grants programme.
  - Environment awareness – to improve knowledge of environment issues and support behaviour change.
- 2.7 The award criteria will need to be developed in further detail for topic specific criteria, each application will need to answer the following questions effectively to be awarded:
1. Why is this project needed?
  2. How will your project have a positive impact on the local environment?
  3. How many people will your project support and who are they?
  4. How does the project support a range of 'protected characteristics' such as age, gender, disability, ethnicity etc. and socio-economic background, e.g. is the project in an area of high social deprivation?
  5. How will your project deliver value for money?
  6. What co-benefits will be delivered as part of your projects – skills and jobs, health etc.
- 2.8 In terms of value of grants, we would anticipate a similar breakdown to the Community Green Grants programme in terms of large and small grants – with up to £25k for small grants and up to £100k for large grants. This formula has worked well for the existing Community Green Grants programme. In terms of balance, we would imagine awarding 5 large grants across the CEF programme, with the remainder (approximately 30) being available for small grants. The funding must be spent by March 2025 in accordance with CWG Legacy Funding agreements.
- 2.9 In addition to the grants themselves, we anticipate other costs for running the programme as follows:
- Grant administration support. We have worked with a grants administrator to support the Community Green Grants process. Working with an organisation that has expertise in both administering the grant, as well as carrying out due diligence on the applicants, has been invaluable. We would look to have similar support for the CEF.
  - Monitoring and evaluation methodology. We will build on our existing evaluation process by developing a robust methodology that can be used across projects being delivered.
  - WMCA staff support. The current Community Green Grants Officer post has been a fundamental part of making the current programme a success, in particular reaching out to community groups and encouraging applications. This post will continue as part of the delivery of the CEF. In order to manage, and grow, this bigger programme of work, we also intend to recruit a Community Environment Fund Manager to support the successful deployment of the grant, to

work with a wider diversity of groups, given the expanded remit of the programme, and to build private and other support, including attracting further funding for continuation of the programme beyond the CWG Legacy Funding.

2.10 As part of the programme, we will also:

- Run a series of webinars and community outreach events to publicise the grant scheme and provide support for applicants. This has been very well received in the existing programme.
- Collate data and case studies from across the programme to demonstrate impact of the grant and ideas for communities; this would be published in a CEF report half way through the programme.
- Retain the Grant Assessment Panel model adopted for the Community Green Grants, but broaden the membership to reflect the breadth of the new programme.
- Continue to work closely with agreed local authority contacts to ensure any issues with projects can be considered as part of the decision making process, and that all potential applicants across the WMCA area are aware of the opportunity and timeline for submissions and delivery.

This proposal was presented to WMCA's Environment and Energy Board on 1st March with support from members. Progress on the delivery of the Community Environment Fund will be reported through the WMCA Environment and Energy Board on a quarterly basis.

### **3. Strategic Aims and Objectives**

- The CEF priorities align primarily with WMCA's aim and objective to reduce carbon emissions to net zero and enhance the environment.
- The CWG legacy funding for the sustainability element of this pillar builds on priorities established through the sustainability plans for the Games (see here: <https://www.birmingham2022.com/about-us/our-purpose/our-legacy/sustainability/>). DCMS were part of the Sustainability Working Group, established as part of the CWG plans. The Community Environment Fund maps to the priorities identified, particularly those linked to conservation and circular economy.
- These are also priorities that the WMCA Environment Team. Our current Community Green Grants programme has been very successful in improving green space for local communities, but the expansion of the remit, linked to Commonwealth Games Legacy Fund, now enables community involvement in other parts of the programme. These include our Natural Environment Plan and Circular Economy Routemap (both published in 2021) and the climate adaptation work developed in 2022.

### **4. Financial Implications**

4.1 The total available from the CWG Legacy Fund for the CEF is £1.2m revenue grant funding for 2 years (April 23 to March 25), subject to receipt of the final grant award letter for Commonwealth Games Legacy funding from DCMS and accepted by WMCA. The intended use of this is as follows:

	£
Grants for disbursement	925,000
Grant Administration	120,000
Direct Resources	155,000
<b>Total</b>	<b>1,200,000</b>

- Of the total, £925k is available for disbursements as grants to successful applicants and not subject to VAT.
- Funding for a Community Environment Fund Manager post and the assimilation of the Community Green Grants Officer (from April 2024) will cost up to £150k. As outlined in 2.9, the Community Environment Fund Manager will be responsible for attracting further funding from a range of public and private bodies during delivery of the CWG Legacy Funding. The objective identified in the BJC is for at least £500k per year from 2025 based on initial conversations with one potential funder, representing good long-term value for money.
- The budget associated with the end-to-end administration of the grant applications is up to £120k. A full procurement process will be completed, taking a similar approach to securing grant administration support for the Community Green Grants. The grant administration costs will be a contract for service and subject to VAT.
- £5k will be used to commission consultancy support to establish a monitoring and evaluation methodology. We will seek one written quotation from a reputable consultant.
- WMCA will be required to cashflow this programme, as the grant can only be claimed quarterly in arrears from DCMS.

## 5. Legal Implications\*

The legal implications as a result of this paper relate to the contractual arrangements that will be entered into as a result of the procurement processes for a grant administrator and consultancy support. Any legal or subsidy control implications relating to grant awarded projects will be considered on a project-by-project basis.

## 6. Single Assurance Framework Implications

The funding source is the Commonwealth Games Legacy Funding that WMCA Board has agreed WMCA to be the accountable body for. The BJC has been completed in accordance with the SAF process and colleagues in Programme Assurance and Appraisal.

## 7. Equalities Implications

One of the aims of the CEF will be to ensure that we are providing opportunities (whether these are social, economic or environmental) for communities participating in the programme. The outreach work that is being undertaken by our Community Green Grants Officer in our current grants programme is ensuring that we make the grant accessible to as wide a range of organisations as possible who are working to achieve this. We will ensure that this continues to be a central principle of the CEF. The award criteria as set out in 2.7 will ensure projects are also addressing diversity and socio-economic issues through project delivery and the final scoring and assessment criteria

will be produced in coordination with WMCA's Equalities and Diversity Manager to reflect best practice.

## **8. Inclusive Growth Implications**

This report links to a number of the WMCA's eight inclusive growth fundamentals, which are identified as 'a catalyst for improved and sustained outcomes for people and place, co-designed with partners and beneficiaries'. The climate resilience fundamental of the IG Framework ensures that socio-economic growth is delivered in a way which protects and cultivates natural resources. Ensuring that our local communities can help to develop and benefit from green spaces is key to achieving inclusive growth. The CEF will support outcomes around:

- Health and Wellbeing: reduction of health inequalities;
- Climate Resilience: the promotion of nature-based solutions to dealing with climate change; improving understanding, awareness and knowledge of environmental issues;
- Power and Participation: supporting the principle of powerful communities through providing support to deliver change and create better places; and,
- Equality: reducing the numbers of people living in deprivation (which includes lifting people out of 'green deprivation' and fuel poverty).

It is recommended that the Inclusive Growth Framework is considered throughout the assessment process to ensure continued alignment to inclusive growth outcomes.

## **9. Geographical Area of Report's Implications**

The CEF would cover all constituent WMCA local authorities.

## **10. Other Implications**

Procurement will explore suitable routes to market for the grant administrator, as this is a sub-threshold procurement, we feel invitation to tender to a minimum of three suppliers may be the most suitable route. As for the consultancy support, one quotation would be sufficient and compliant.

## **11. Schedule of Background Papers**

- Community Environment Fund Business Justification Case
- Community Environment Fund Risk and Investment Appraisal Report