

## Notice of a public meeting of

### Corporate Scrutiny Committee

- To:** Councillors Fenton (Chair), Ayre, Baxter (Vice-Chair), Coles, Merrett, Nelson, K Taylor, Watson and Widdowson
- Date:** Monday, 6 July 2026
- Time:** 5.30 pm
- Venue:** West Offices - Station Rise, York YO1 6GA

### AGENDA

**1. Apologies for Absence**

To receive and note apologies for absence.

**2. Declarations of Interest**

(Pages 5 - 6)

At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

[Please see the attached sheet for further guidance for Members.]

### **3. Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

**Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings.** The deadline for registering at this meeting is **5:00pm on Thursday, 2 July 2026.**

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of this agenda.

### **Webcasting of Public Meetings**

Please note that, subject to available resources, this meeting will be webcast including any registered public speakers who have given their permission. The meeting can be viewed live and on demand at [www.york.gov.uk/webcasts](http://www.york.gov.uk/webcasts).

### **4. Local Net Zero Accelerator (City Leap Accelerator) - Strategic Energy Partnership Options Appraisal** (Pages 7 - 186)

Members will consider a report outlining the options appraisal process and provide feedback.

### **5. City of York Council Boundary Commission – Phase 2 Ward Boundaries Council Submission** [Report to follow.]

### **6. Draft Scrutiny Annual Report** (Pages 187 - 190)

Members will consider the draft Annual Scrutiny Report, to be submitted to the July Council meeting for approval.

[Annex A: Draft Annual Scrutiny Report to follow.]

### **7. Work Plan**

To consider the Committee's work plan of the Scrutiny Overview work plan.

## **8. Urgent Business**

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Jane Meller

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For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
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- For receiving reports in other formats

Contact details are set out above.

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Ta informacja może być dostarczona w twoim własnym języku. (Polish)

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یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

### Declarations of Interest – guidance for Members

- (1) Members must consider their interests, and act according to the following:

Type of Interest	You must
Disclosable Pecuniary Interests	Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Directly Related) <b>OR</b> Non-Registrable Interests (Directly Related)	Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Affects) <b>OR</b> Non-Registrable Interests (Affects)	Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.

- (2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.
- (3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations,

and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.



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**Corporate Scrutiny Committee**

**6 July 2026**

Report of Chief Strategy Officer

**Local Net Zero Accelerator (City Leap Accelerator) – Strategic Energy Partnership Options Appraisal**

**Summary**

1. Rising energy costs are placing significant pressure on both households and businesses. The accelerating impacts of climate change, including record heatwaves, droughts, wildfires, and flooding, are already affecting lives, livelihoods, and the natural environment we value. Without bold and decisive action, these challenges will only intensify.
2. Local and regional authorities are at the forefront of tackling the climate emergency but face significant barriers in achieving ambitious emissions reduction targets. In response, the Department for Energy Security and Net Zero (DESNZ) established the Local Net Zero Accelerator Programme (LNZA), consisting of three place-based pilots in the West Midlands, Greater Manchester and York and North Yorkshire (YNY), to accelerate delivery of clean energy projects.
3. The York and North Yorkshire Local Net Zero Accelerator (LNZA) Project commenced in June 2024. With the aim to explore solutions to current barriers to achieving net zero by testing different delivery models that would accelerate the move towards energy independence and net zero at a regional level. It includes consideration of the benefits of delivering at pace at a regional level, with many of the barriers, and opportunities, shared across YNY.
4. By testing different delivery models, the project has developed an Outline Business Case (OBC) which has been approved by the York

and North Yorkshire Combined Authority (YNYCA). The project will conclude with the development of a Full Business Case (FBC).

5. LNZA is facilitated by YNYCA in collaboration with the City of York Council (CYC) and North Yorkshire Council (NYC). It is funded DESNZ, with governance oversight and challenge at the programme board provided by DESNZ and HM Treasury.
6. The project was planned to be completed by March 2026. However, a six-month extension has been granted by DESNZ to complete the project objectives by August 2026 within the existing budget of £2m. This includes £249,750 allocation to CYC.
7. This report provides an overview of the Options Appraisal process used to inform the Outline Business Case, including the process to explore and test different delivery models.
8. Following this process, the project board recommended that the OBC set out the benefits to establish a Strategic Energy Partnership structure across the three authorities in the region.
9. A Detailed Options Appraisal Report is included as **Annex 'A - LNZA SEP Detailed Options Appraisal Report.pdf'** and outlines the long-list to short-list option appraisal process that was completed in collaboration between CYC, NYC and YNYCA.
10. The resulting preferred option (a regional operating entity with phased transition) was subsequently taken forward to OBC, and was presented to the YNYCA Committee to consider on the 5 June 2026. As part of the decision-making process, views have been sought from senior management teams in YNY local authorities.
11. The FBC will detail the preferred option for a final decision in late 2026. The development of the FBC is fully funded by DESNZ. Any decision process at FBC will require approval from all three authorities.
12. Scrutiny is asked to consider the content of this report, provide comment and feedback on the appropriateness and effectiveness of the long-list to short-list options appraisal process that informed the OBC,

and to help ensure the FBC demonstrates a comprehensive and robust process for identifying a preferred delivery option.

## **Background**

13. The ambition for YNY to become a carbon negative region was an underpinning objective of the York and North Yorkshire Devolution Deal. York and North Yorkshire's Strategy for a Sustainable Future<sup>1</sup> provides a clear, co-owned plan to accelerate the transformation of YNY to carbon negative. It sets out a vision and strategic priorities for regional decarbonisation.
14. In 2022, a suite of Local Area Energy Plans (LAEPs)<sup>2</sup> were developed to set out a spatial plan for decarbonising YNYs energy system in line with future changes in energy demand, enabling the development of a prioritised pipeline of energy projects across the region.
15. YNYCA intends to build on the LAEPs through the Local Net Zero Accelerator (LNZA) pilot project to ensure a consistent, ambitious, and community-focused approach to accelerating the transition to carbon negative.
16. The LNZA is a pilot programme across three Combined Authority regions, Greater Manchester Combined Authority (GMCA), West Midlands Combined Authority (WMCA), and York and North Yorkshire Combined Authority (YNYCA). These pilots set out to develop comprehensive pipelines of clean energy projects, testing innovative financing models, and attracting commercial investment to drive local economic growth and sustainability.
17. The initial primary objectives of the YNYCA LNZA pilot project were:
  - a. To identify and agree the key outcomes and success criteria for a Bristol City Leap (BCL) model replicator in YNY
  - b. To identify the key requirements to replicate the BCL model and test whether the model is the most appropriate strategic energy partnership model for YNY.
  - c. To adapt the BCL model to a YNY context, or if the model is not suitable, co-design an alternative partnership delivery model that

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<sup>1</sup> [20251128 - Appendix 1 - Draft Strategic Framework for York and North Yorkshires Strategy for a Sust.pdf](#)

<sup>2</sup> <https://yorknorthyorks-ca.gov.uk/what-we-do/strategy-and-policy/local-area-energy-plans/>

can drive investment and increase pace of delivery of net zero in the region and;

- d. Develop an Action Plan to identify key activities, resources and costs to replicate the BCL model at an accelerated pace in YNY, or for an alternative preferred energy partnership model for YNY.

### **Bristol City Leap model**

18. In January 2023, Bristol Council entered into a 20-year strategic partnership with Ameresco and Vattenfall Heat UK, establishing a Joint Venture (JV) incorporated company named Bristol City Leap. Bristol City Leap is intended to increase investment into Bristol to help reduce carbon emissions and fight climate change.

A 20-year Concession Agreement underpins the BCL JV:

- The Council and Ameresco have equal representation on the board of the JV company in relation to strategic matters;
- The Strategic Partner is granted exclusivity to develop low carbon projects on the council's land and estate;
- The Strategic Partner has first-right-of-refusal of projects; subject to protections on value for money and compliance with council policies and development plans;
- The Strategic Partner has exclusivity to bid for and deliver grant funding; and
- The Council has Transfer of Undertakings (TUPE) staff to the City Leap team and transferred the Heat Network to the JV.

The relationship with Ameresco and Vattenfall is managed by the council's internal City Leap Client team. The team also manages the council's energy usage as an organisation.

19. The LZNA project objectives were focused on evaluating the BCL model for deployment across a different physical and political geography. During the early stages of the LNZA programme and options appraisal, it became evident that alternative models should also be considered alongside the BCL model to ensure a comprehensive scope of analysis. This approach mitigated the risk of excluding models that may be more suitable for the region due to misalignment with the project's formal objectives.
20. Bristol City Council and BCL teams have been engaged throughout the project to share their lived experience of establishing the delivery

model, establishing dedicated teams, and delivering projects. Valuable insights and corporate learnings have helped inform the long-list to short-list process.

### **Long-List to Short-List Options Appraisal: Timeline Overview**

21. The process followed was aligned with the UK Treasury Green Book<sup>3</sup> approach to define a strategic case, identify a long-list of options and assess against the strategic case to short-list options down to a preferred model.
22. The Options Appraisal process for a regional Strategic Energy Partnership model saw a significant evolution over a 12-month period as risks were explored and mitigated. This included identifying the breadth of options that may form all, or part, of a model and later exploring the intricacies of the short-listed model options, how they could be deployed across the three authorities, and how they align with the regional and local partnership priorities.
23. At a high level the steps included:
  - 1) Initial “**Options Assessment**” workshops exploring four fundamentally different delivery models. These models were assessed for suitability against several themes and an early round of engagement workshops, comprised of the three authorities, were completed to assess any early perspectives and consideration across the authorities.
  - 2) Clarifying and formalising the Aims, Objectives and Outcomes to form basis of an “**Objectives Appraisal**” model scoring methodology. These core principles were agreed across the authorities and aligned with the LNZA programme objectives.
  - 3) It was acknowledged that the options appraisal work to this point had considered, but not sufficiently formalised, the different perspectives and ambitions from the three authorities. An “**Appetite Appraisal**” methodology was developed to identify how different models, or model combinations, aligned with the different delivery structures, risk appetite, and acceptance of differing levels of private sector involvement, asset ownership and autonomy across the authorities.

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<sup>3</sup> [https://assets.publishing.service.gov.uk/media/698dbcd17da91680ad7f4308/The\\_Green\\_Book\\_2026.pdf](https://assets.publishing.service.gov.uk/media/698dbcd17da91680ad7f4308/The_Green_Book_2026.pdf)

- 4) A review of the options appraisal process confirmed the breadth and depth of analysis undertaken, as well as the value of work to support the OBC. This work provided a strong foundation for the options appraisal. However, to better support the development of both the OBC and FBC, the existing Objectives Appraisal methodology was refined into a “**Dimensional Appraisal**” approach. This enhanced methodology aligned more closely with HM Treasury’s Green Book guidance and expanded the assessment framework through additional scoring criteria, including Strategic Objectives and Critical Success Factors.
  - 5) The Short-List Options were formally identified using the Dimensional Appraisal methodology, which was informed and shaped by previously completed data and engagement led scoring methodologies.
24. Throughout the programme, discussions with LNZA Financial Support Services and engagement with other local and combined authorities identified additional options, which were subsequently included in the Objectives & Appetite Appraisal process. This enabled a data-led assessment of each option, scoring models against their alignment with the agreed partnership objectives, and highlighting differences in appetite and alignment across the three authorities.

### **Phase 1 “Initial Options Assessment”**

25. Four distinct delivery options were assessed:
- a. 50/50 Joint Venture Partnership
  - b. Strategic Partner-Led Joint Venture
  - c. Authority-led Framework
  - d. Enhanced In-house Delivery
26. These were assessed against six “Themes” to identify strengths and weaknesses of each, within the YNY context. The output was a structured written assessment of considerations for each theme, across the 4 options. See Annex ‘B - Options Assessment Themes.pdf’
27. This process was successful in drawing out new questions for each model assessed, providing the catalyst for a broader analysis of the intricacies of each model, and identifying variations of each model being explored or deployed by other local and combined authorities.

## **Phase 2 “Objectives Appraisal”**

28. Building on this work, a strategic framework was created and approved by the project board which sets out the foundational building blocks necessary to create a strategic energy programme in YNY, capable of accelerating the region’s delivery to net zero. More detail on the Strategic Framework can be found in Annex ‘C - Strategic Objectives & Appraisal.pdf’.
29. The themes identified in the strategic framework were considered alongside each model option as part of the Objectives Appraisal and scored individually, with each measure split into multiple scoring criteria. The scoring was completed by representatives across the three authorities with project board members having oversight and review of the scoring methodology and results. The National Wealth Fund were also consulted as a “Critical Friend” to the programme to assess the appropriateness and effectiveness of the methodology and investment readiness of the approach.
30. The Strategic Objectives Appraisal scoring for each assessed model can be found in Annex ‘C - Strategic Objectives & Appraisal.pdf’. Four models score notably higher than the remaining six options. However, it was acknowledged that lower scoring models still provided valuable elements that were not effectively demonstrated within the Objectives Analysis.

## **Phase 3 “Appetite Appraisal”**

31. Throughout the Options Appraisal process, the project board were consulted. The feedback on the process identified that although the assessment of different delivery models against the potential to deliver on the agreed objectives was valuable, it didn’t clearly present any underlying differences between the authorities.
32. An Appetite Appraisal was developed by the project team to assess the difference in perspectives between the three authorities, acknowledging that there are unique characteristics of each authority’s scale, expertise, and current delivery towards net zero across different sectors. The Appetite Appraisal was structured to assess each model based on each authority’s appetite across the same themes assessed in Phase 1.
33. An overall regional appetite for each model was scored with the purpose of presenting alignment and difference across the authorities and enable focus of which models best aligned with the appetite of all

three authorities. The Appetite Appraisal scoring document can be found in Annex 'D - Appetite Appraisal Scoring.xlsx'

#### **Phase 4 “Dimensional Appraisal”**

34. Aims, Objectives and Outcomes, were restructured into five Strategic Objectives (SO's) for the programme and Business Case. These Strategic Objectives were defined with comprehensive specific, measurable, achievable, relevant and time-bound (SMART) goals. They are structured to enable more consistent scoring and ensure suitable compliance with Green Book options appraisal guidance:

<b>SO1</b>	To accelerate the delivery of regional energy independence that promotes economic transformation and drives healthy and thriving communities – ensuring York and North Yorkshire leads the way to become England's first carbon negative region, in line with current regional and local authority strategies and commitments.
<b>SO2</b>	To develop a strategically driven pipeline of projects that enables funding and investment while bundling less commercially viable yet strategically aligned initiatives alongside high-return opportunities, ensuring a balanced portfolio that delivers regional net zero objectives and wider social value.
<b>SO3</b>	To secure and optimise public funding and commercial investment, harnessing innovative approaches to maximise regional outcomes and long-term programme sustainability
<b>SO4</b>	To reduce carbon emissions in line with regional strategies and statutory commitments.
<b>SO5</b>	To enable tangible social and economic opportunities and benefits, to be felt within local communities such as driving job creation, supporting local supply chains and skills development.

35. The programme also defined five Critical Success Factors (CSF's) that each model was evaluated against:

Ref	Critical Success Factor	Critical Success Factor Goal
CSF1	Strategic fit and business needs	To develop a robust governance route that enables strategically-driven programme delivery at pace and scale.
		The solution will provide strategic alignment across the three authorities
		The solution aligns with and supports delivery of the CA & LAs current strategies
		The solution provides the required flexibility to manage differing requirements and risk appetites across the LA partners
CSF2	Potential value for money	To enable access to the required grant funding to support leveraging private finance and scale up delivery
		To optimise financial returns from commercially viable projects to cross subsidise delivery of high impact social value projects
CSF3	Supplier capacity and capability	To enable project delivery at pace and scale, harnessing the use of local supply chains.
		The solution will be attractive to the supply chain and investors
CSF4	Potential affordability	The solution will be affordable for the authorities and remain within their spending limits
		Delivery of the solution will not place undue pressure on LA budgets or delivery of day-to-day services
CSF5	Potential achievability	To develop regional capacity and capabilities at the required quality to support programme delivery at pace and scale.
		The solution will optimise benefits and risks to ensure a long-term, viable programme

36. A refined approach to finalising the long-list to short-list process was formalised to ensure compliance with the latest HM Treasury Green Book 2026 version. The dimensional appraisal scoring, using the options framework can be found in Annex 'E - Dimensional Appraisal Scoring.pdf'.
37. The options appraisal was undertaken recognising differing starting positions, capacity and appetite across the participating authorities for alternative delivery and commercial models. These differences influenced the treatment of options, particularly those relying on fixed approaches such as wholly in-house or fully private sector-led delivery, which were discounted where they did not accommodate variation in local authority appetite or deliverability.
38. The preferred options were identified on the basis that they provide sufficient flexibility to align authorities around a shared programme

framework, while allowing for variation in delivery routes, phasing and local implementation. This ensures collective alignment is achieved without constraining participation or undermining programme-level value for money.

### **Phase 5 “Short-listed Options” – Phased Delivery**

39. A short-list was identified that best met the Strategic Objectives and Critical Success Factors as a “Do minimum” and “Do maximum” approach that were also most aligned with the three authorities’ appetite for a regional partnership model to accelerate delivery towards net zero targets.
  - a. Do Minimum: Enhanced In-House Model
    - i. This model would strengthen internal capabilities by expanding existing energy programmes and climate change teams to establish a dedicated internal shared service. A combined authority-led framework would procure private expertise on a project-by-project basis. Funding would be addressed through the creation of a Limited Partner Fund, supported by cornerstone investment from YNY.
  - b. Do Maximum: Regional Delivery mechanism
    - i. This is a coordinated model that enables the three authorities to plan, fund and deliver the region’s energy transition collectively. It integrates strategic planning, project development, delivery and investment through a Regional Operating Entity (ROE), supported by a Regional Infrastructure Company (RIC) and Regional Investment Fund (RIF). This allows projects to be bundled, financed at scale and delivered efficiently.
    - ii. The model retains public sector control while attracting public and private capital, enabling commercially viable projects to support less viable but strategically important schemes – achieving outcomes beyond individual authorities. Control is maintained through a jointly owned ROE aligned to shared strategic objectives.
    - iii. The ROE operates through a dual structure: a Teckal-compliant entity for direct delivery on behalf of the authorities, and a non-Teckal entity for wider market engagement. This ensures value, transparency and control

where exemptions apply, while retaining flexibility to competitively engage the private sector. Overall, the model combines strong public oversight with the commercial capability needed to attract investment and deliver at scale.

40. The outcomes of the options appraisal process have defined a short-list of options that support accelerated delivery towards net zero targets. The short-listed options both support the regional objectives and critical success factors but also considers regional priorities, existing capability, a desire to pursue self-delivery where viable, and enables opportunities for private sector engagement for specialist project delivery where desired.

### **Consultation**

41. There has been engagement across the three authorities at different levels, including differing technical, specialist and functional capabilities, and strategic scope and role responsibilities. The below outlines specific CYC consultation but processes were replicated across NYC and YNYCA:
  - a. Engagement across council teams to establish current net zero delivery activities, successes, challenges, opportunities, funding streams, procurement processes, fundamental restrictions, and identify any contractual arrangements that could conflict with a strategic partnership. The purpose of this work was to establish a BAU baseline for model assessments. Teams that were consulted include:
    - i. Climate Change
    - ii. Highways
    - iii. Transport (Electric Vehicles & Fleet)
    - iv. Corporate Asset Management
    - v. Communities Asset Management
    - vi. Domestic Social Housing & Retrofit
    - vii. Domestic New Build
    - viii. Schools
42. CYC Chief Officers have been consulted throughout the project through various project governance procedures.
  - a. Programme Board – including stakeholders across several organisations:
    - i. YNYCA (Including Police and Fire)

- ii. CYC
  - iii. NYC
  - iv. DESNZ
  - v. Greater Southeast Net Zero Hub (GSENZH)
  - vi. HM Treasury
- b. Project Board (YNYCA/CYC/NYC) to provide regular project steering and guidance.
- i. Chief Strategy Officer
  - ii. Head of Climate Change
- c. Director Meetings (YNYCA/CYC/NYC). Focussed on major programme decisions and direction.
- i. Director of City Development)
- d. Stakeholder Workshops (YNYCA/CYC/NYC). Tailored workshops to get input and feedback on model options to feed into options appraisal and support the shaping of the OBC/FBC.
- i. Finance
  - ii. Legal
  - iii. Procurement
  - iv. Governance
  - v. HR
43. An external consultation and engagement strategy was delivered as part of the Strategic Energy Partnership options identification and appraisal process. Subject experts from public and private sector bodies have been engaged in different ways, and at different levels to build a picture of the opportunities and gain an understanding of the challenge and complexity of delivering a strategic energy partnership within YNY.

<b>Organisation</b>	<b>Project Role</b>	<b>Consultation type/content</b>
York and North Yorkshire Combined Authority	Lead Authority	<ul style="list-style-type: none"> <li>• Project Governance / Management.</li> <li>• Senior Leadership Engagement.</li> <li>• Police &amp; Fire Consultation.</li> <li>• Options Appraisal primary.</li> </ul>
City of York Council	Support Authority	<ul style="list-style-type: none"> <li>• Project Management.</li> <li>• Service Area Consultation.</li> <li>• Senior Leadership Engagement.</li> <li>• Options Appraisal support &amp; scoring.</li> </ul>
North Yorkshire Council	Support Authority	<ul style="list-style-type: none"> <li>• Project Management.</li> <li>• Service Area Consultation.</li> <li>• Senior Leadership Engagement.</li> <li>• Options Appraisal support &amp; scoring.</li> </ul>
Local Net Zero Accelerator –	Support Organisation – contracted SLA as part	<ul style="list-style-type: none"> <li>• Private partnership financing &amp; investor advice.</li> </ul>

Financial Support Service	of LNZA pilot programme	<ul style="list-style-type: none"> <li>Partnership model detailed analysis and advice.</li> <li>Techno-Economic Modelling support across multiple sectors and LA asset classes.</li> </ul>
National Wealth Fund	Support Organisation – “Critical Friend” – no contract / SLA	<ul style="list-style-type: none"> <li>Support with evaluating proposed delivery and funding models. Critical evaluation of governance and fund structures.</li> <li>Project delivery prioritisation including focus on regional assets/projects pipeline informing model selection.</li> <li>Advice on delivering market engagement for an SEP.</li> </ul>
Bristol City Council	Support Organisation – Specific SLA with individuals from Bristol City Leap team	<ul style="list-style-type: none"> <li>Support and advice relating to the evaluation of a Concessional JV model within YNY.</li> <li>Support and guidance with considerations, challenges, contractual terms, options appraisal.</li> <li>Advice relating to developing an asset prospectus and delivering market engagement for an SEP.</li> </ul>
Greater Manchester Combined Authority	Support Organisation – No SLA – Also a LNZA pilot with similar objectives	<ul style="list-style-type: none"> <li>Regular communication for shared learnings across the LNZA pilots. Focus on Investment structures for enabling delivery of bundled projects with blended finance.</li> <li>Information from Oldham City Council through the GMCA relating to their Oldham Green New Deal Partnership structure.</li> </ul>
West Midlands Combined Authority	Support Organisation – No SLA – Also a LNZA pilot with similar objectives	<ul style="list-style-type: none"> <li>Regular communication for shared learnings across the LNZA pilots. Focus on project pipeline development, specifically building energy generation project pipelines across their region.</li> </ul>
Coventry City Council	Support Organisation – No SLA	<ul style="list-style-type: none"> <li>Regular communications with the partnership team that worked on developing their contractual JV partnership with EON.</li> <li>Support and advice on contractual terms, asset inclusion and setting expectations.</li> </ul>
Ernst & Young (EY)	Consultancy Contract (August 24 – March 25)	<ul style="list-style-type: none"> <li>Contracted during the inception of the programme whilst internal teams were being established.</li> <li>Supported with early thinking and consideration for the long-list options appraisal.</li> <li>Supported with senior stakeholder engagement to get an initial appetite assessment across the authorities.</li> </ul>
Living Places	Consultancy Contract (November 25 – September 26)	<ul style="list-style-type: none"> <li>Consortium of organisations with expertise in establishing energy partnerships within local government structures.</li> </ul>

		<ul style="list-style-type: none"> <li>Support with refining partnership options, project pipeline definition, legal, financial, and procurement support to realise partnership.</li> </ul>
Various (via market engagement webinar and questionnaire)	Market Engagement – August 2025	<ul style="list-style-type: none"> <li>Questionnaire feedback from various sectors including potential investors, partners and enablers.</li> <li>Input around preferred model options, scope limitations, and contract terms supported with the evaluation of the options against the market feedback.</li> </ul>
Community Energy Organisations	Stakeholder Organisation – no SLA. Various organisations	<ul style="list-style-type: none"> <li>Engagement with several community energy and community benefit organisations in the region to support the social value and community benefit assessment of the model options.</li> </ul>
Other – Police & Fire, National Parks etc – Mostly YNYCA	Stakeholder Organisation – no SLA.	<ul style="list-style-type: none"> <li>Engagement at project pipeline level to gauge interest and alignment with different models.</li> </ul>
North East and Yorkshire Net Zero Hub	Regional knowledge base	<ul style="list-style-type: none"> <li>Support with linking organisations and providing insight into model structures and relevant project development/delivery challenges.</li> </ul>
Leicestershire CAN - Leicestershire County Council	Public sector body with SEP experience	<ul style="list-style-type: none"> <li>Engagement to share learnings and feedback of journey through identifying and selecting a suitable partnership model.</li> </ul>
North York Moors National Park Authority Yorkshire Dales National Park Authority York and Scarborough Teaching Hospital NHS Trust Forestry England Howardian Hills National Landscape Nidderdale National Landscape University of York	Stakeholder Organisation – no SLA. Various organisations	<ul style="list-style-type: none"> <li>Various engagements for information gathering to support pipeline development, gauge interest in the programme and understand any potential implications with various partnership models for each organisation.</li> </ul>

## Options

44. Scrutiny is invited to review the below options and consider their preference:

- a. Option A – Accept the process that has been followed to determine a short-list of options and enable CYC to continue to contribute to the LNZA Strategic Energy Partnership FBC.

This option would allow continued efforts and progress on further defining the phased approach outlined in the LNZA OBC and maximise the potential outcomes of the LNZA programme within the funding timeframe of August 2026.

- b. Option B – Reject the process that has been followed to date, giving critical feedback to rework the process to members' satisfaction.

CYC would provide critical feedback to YNYCA and the wider LNZA project team to revisit and revise work where possible, within the funding timeframe.

## **Analysis**

### 45. Option A:

#### a. Advantages

- i. Work is underway to assess the detailed considerations about the impact and implications to CYC at the next stage, FBC.
- ii. The LNZA programme is nearing the end of this phase of funding (August 2026). Through the Warm Homes Fund Call for Evidence, YNYCA have submitted a proposal that has the potential to provide additional and increased investment to support the progression of the LNZA programme and establishment of a regional structure to deliver the warm homes ambitions at pace. Should the Options Appraisal and model short-list methodology be supported, then it would contribute to the evidence base for regional alignment in the proposed structure.
- iii. The LNZA FBC could continue to explore how to deliver maximum benefit to the three authorities focussed on the defined short-listed models.

- b. Disadvantages – None identified at this stage, which is to verify the process undertaken to inform the OBC only. The programme is fully funded to August 2026.

### 46. Option B:

#### a. Advantages

- i. If there is strong appetite from Scrutiny to not proceed with the current short-list options and explore other options (due to identified weakness or gaps in the refined options

appraisal or consultation process) then there may be limited (timebound) opportunity to re-investigate and pursue alternative delivery models within the funding provided by DSNEZ.

b. Disadvantages

- i. Funder (DESNZ) and HM Treasury are content with the process taken and, as such, changes to this process would require further negotiation with funder and governance oversight. At this stage, it is difficult to determine whether there will be an appetite for changing the process.
- ii. Limited funded time remaining on the programme means any benefits of re-evaluating the process will likely not be at such depth as the existing process.
- iii. Currently, the process has been collaborative with all three authorities working together to explore options. A new option to explore would require negotiation about impact and implications with YNYCA and NYC, potentially adding delay, with no funding in place from August 2026.

## **Implications**

### **Financial**

- The cost of producing the OBC and developing the FBC has been coordinated by the York and North Yorkshire Combined Authority funded from government grants. As part of developing the business cases, funding has been provided to CYC to ensure staffing resource is available to support the work. There have therefore been no council funds utilised in undertaking this work.
- The proposed outcome of the work is to deliver additional carbon reduction schemes across private and public sector housing as well as council land and buildings. There will be financial implications that arise from that ambition and they will need to be considered when making future decisions. This will also need to take into account resourcing levels across delivery departments and support services required.

### **Human Resources (HR)**

- No implications associated with the options appraisal process, but depending on the outcome of the FBC, there is the potential for current CYC staff to be reallocated to support on a regional scale

delivery structure. HR are engaged and advice is being sought throughout FBC process.

### **Equalities**

- A Human Rights and Equality Assessment will be required as part of the decision-making process. The HREA should be included as part of, or sit alongside, the Full Business Case. The HREA will consider any positive or negative impacts on protected characteristics of the selected model prior to it being taken forward.

### **Legal**

- Any ongoing work in relation to the LNZA FBC, including further definition of the phased approach set out in the LNZA OBC and, subject to any later Executive decisions, any future work to establish a shared service (including but not limited to drafting and negotiating any agreements and documents required to set up a delivery vehicle, and any necessary governance arrangements, contracts, licences, leases, and funding arrangements), will require further advice and input from officers in CYC Legal Services to ensure compliance with the relevant law.
- Given the scale and complexity of the project, however, and the limited capacity within CYC Legal Services, additional legal support will be required. Consideration will need to be given to whether any additional resource can be provided in-house or by procuring and appointing external legal advisers to support the work described above.

### **Crime and Disorder**

- No known implications identified.

### **Information Technology (IT)**

- No known implications identified.

### **Property**

- Potential for increase in building decarbonisation project activity (development & delivery) across council domestic and corporate estate. Will require broad input from various asset management and Mechanical & Electrical teams.

- There is no commitment to incorporate CYC assets into the partnership at this stage.

## Risk Management

<b>Risk Category</b>	<b>Description of Risk</b>
Strategic / Decision-Making Risk	The options assessed have different strengths and multiple delivery models could support the core objectives to some degree. By defining a model deemed most suitable across the three authorities, there is a risk that different delivery models could be more beneficial for CYC if they were assessed in isolation.
Delivery Risk	The short-listed delivery models may be difficult to implement due to complexity, capacity constraints, or governance challenges. There is also a risk that prioritising pace to meet deadlines reduces the robustness of the final solution. This will be further explored at FBC stage.
Financial Risk	Follow-on funding (e.g. Warm Homes Fund) is uncertain, which may affect delivery viability. There is also a risk that costs are underestimated or returns overestimated if assumptions/modelling are not fully considered. This will be further explored at FBC stage.
Stakeholder / Alignment Risk	Differences in appetite between authorities (e.g. risk, control, investment levels) may re-emerge later, potentially affecting alignment and long-term commitment. Reduced stakeholder buy-in may result if stakeholder engagement is perceived as insufficient. This will be further explored at FBC stage.
Governance and Legal Risk	Complex partnership structures (e.g. ROE, RIC, RIF) may introduce legal, governance, and compliance challenges that were not identified within the programme. There is also a risk of procurement or legal challenge if the process is later deemed insufficiently robust. This will be further explored at FBC stage.
Programme / Timeline Risk	There is limited time for FBC development may reduce the quality and completeness of the final business case.

	It is likely that additional work will be required, such as a detailed delivery plan.
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## Recommendations

47. Recommendation: Scrutiny Committee is invited to consider the content of this report and provide comment and feedback for the Executive Member and YNYCA on the effectiveness and completeness of the outlined Options Appraisal process.

Reason: To inform the FBC prior to combined authority approval.

Reason: To ensure appropriate local authority oversight of the process set out in the LNZA programme.

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### **Background Papers:**

***All relevant background papers must be listed here.***

- [York and North Yorkshire Strategy for a Sustainable Future](#)
- [York and North Yorkshire OBC Approval to Proceed – CA26-12](#)
- [CYC LNZA Funding acceptance decision](#)

### **Annexes**

Annex A - LNZA SEP Detailed Options Appraisal Report.pdf

Annex B - Options Assessment Themes.pdf

Annex C - Strategic Objectives & Appraisal.pdf

Annex D - Appetite Appraisal Scoring.xlsx

Annex E - Dimensional Appraisal Scoring.pdf

### **Abbreviations**

<b>Abbreviation</b>	<b>Full Term</b>
BAU	Business As Usual
BCL	Bristol City Leap
CSF	Critical Success Factor
CYC	City of York Council
DESNZ	Department of Energy Security and Net Zero

EV	Electric Vehicle
FBC	Full Business Case
GMCA	Greater Manchester Combined Authority
JV	Joint Venture
LAEP	Local Area Energy Plan
LNZA	Local Net Zero Accelerator
M&E	Mechanical and Electrical
NYC	North Yorkshire Council
OBC	Outline Business Case
RIC	Regional Infrastructure Company
RIF	Regional Investment Fund
ROE	Regional Operating Entity
SEP	Strategic Energy Partnership
SLA	Service Level Agreement
SMART	Specific Measurable Achievable Relevant Time-bound
SO	Strategic Objective
TUPE	Transfer of Undertakings (Protection of Employment)
VfM	Value for Money
WMCA	West Midlands Combined Authority
YNY	York and North Yorkshire
YNYCA	York and North Yorkshire Combined Authority

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# Strategic Energy Pilot

## Detailed Options Appraisal

# Contents

## 1. Options Appraisal Process

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Strategic Aim, Objectives, & Outcomes

Strategic Objectives Analysis

Organisational Appetite Appraisal

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Risk / Reward Analysis

Qualitative SWOT Analysis

## 4. Strategic Partner-Led Contractual Joint Venture

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Model Summary

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## 5. Strategic Partner-Led Corporate Joint Venture

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## 6. Regional Company (Do Maximum)

Justification of Inclusion

Model Summary

Typical Project Route

Other Notable Considerations

Strategic Objectives Analysis

Organisational Appetite Analysis

Risk / Reward Analysis

Qualitative SWOT Analysis

## 7. Summary

Strategic Objectives Analysis Overview

Organisation Appetite Analysis Ranking

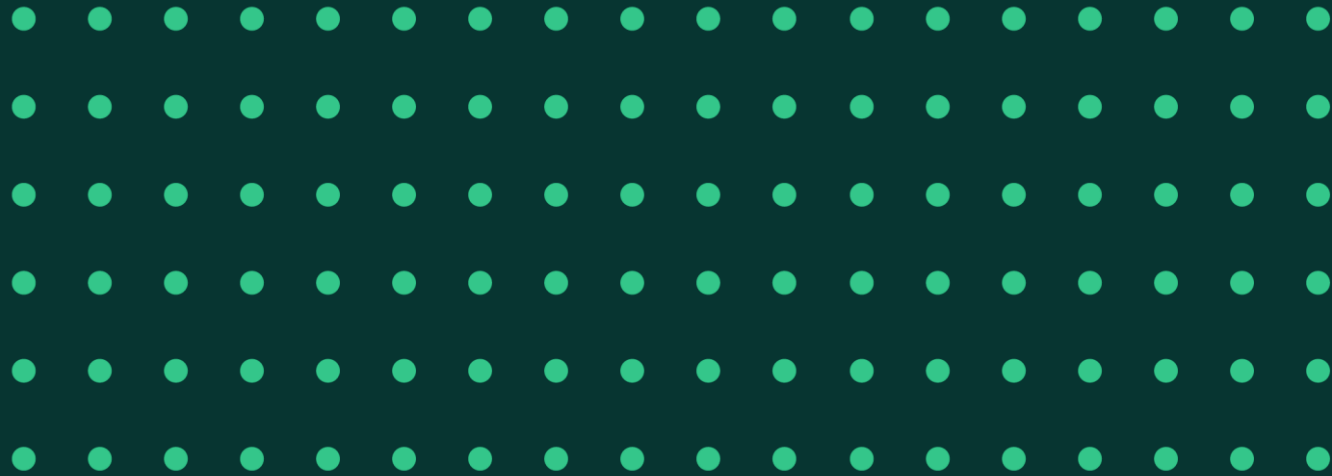
Risk / Reward Analysis Summary

Recommendations

## 8. Appendix

Longlist Options Appraisal Content

Community Energy & Community Benefit Analysis Summary



# Options Appraisal Process

# Summary & Longlist identification

Identification of Strategic Energy Pilot Longlist

Definition of Strategic Aim, Objectives, & Outcomes

Strategic Objectives Analysis

Organisational Appetite Analysis

Context Building (Resource Implications & Expected Outcomes)

An initial options appraisal report was completed by consultants EY in February 2025. The process involved initial engagement of key stakeholders within the CA, CYC, and NYC and consulting Bristol City Leap to identify lessons learnt and practical insights. The report identified several potential delivery models to accelerate the pace of decarbonisation development and delivery, providing a high-level evaluation of each model. Crucially, the report highlighted a series of key considerations and next steps.

The project team utilised this report to develop this work package forward, undertaking further exploratory research, multiple key stakeholder workshops and further analysis according to defined criteria, aim, objectives and intended outcomes of the programme.

The first outcome of this process identified multiple potential model options in addition to those of EY's initial report to analyse. It was also recognised that the combination or variation within models resulted in the multiplicity of options demonstrated in the following list. (Note: not all were considered in the longlist due to initial filtering of requirements)

- 50/50 Joint Venture
- Strategic Partner-Led Contractual Joint Venture\*
- Strategic Partner-Led Corporate Joint Venture\*
- Authority-Led Framework Model\*
- Investment Readiness Facility\*
- Limited Partner Fund\*
- Enhanced In-House Delivery Model
  - Individual Authority-Led
  - Centralised Team\*
  - Scaled Up APS\*
- Combined In-House Model\*
- Regional Company\*
- ESCO

\*included in SEP options appraisal longlist

# Strategic Aim, Objectives, & Outcomes

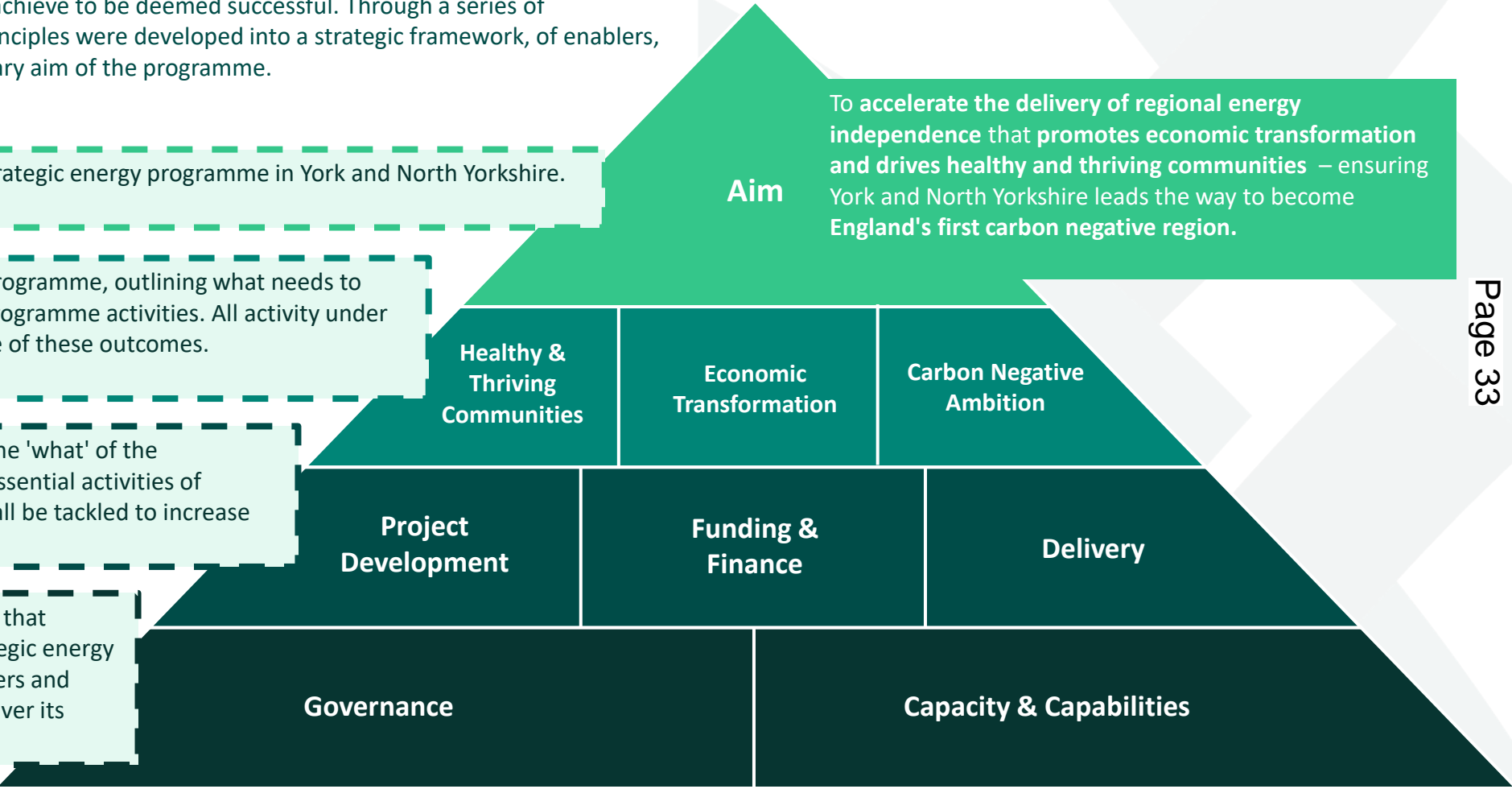
A fundamental aspect of this options appraisal is to develop a common set of requirements, objectives and design principles the model should achieve to be deemed successful. Through a series of workshops, the following criteria and principles were developed into a strategic framework, of enablers, objectives, outcomes, and overall visionary aim of the programme.

**Aim:** This is the long-term vision for a strategic energy programme in York and North Yorkshire.

**Outcomes:** These are the 'why' of the programme, outlining what needs to happen as a result of strategic energy programme activities. All activity under this vehicle will aim to meet at least one of these outcomes.

**Key Objectives:** The key objectives are the 'what' of the programme, these outline the key and essential activities of the strategic energy vehicle. They must all be tackled to increase the pace and scale of decarbonisation.

**Enablers:** These are the enabling factors that facilitate the desired activity of the strategic energy programme. These factors remove barriers and make it easier for the programme to deliver its objectives.



# Strategic Objectives Analysis

The first stage of this options appraisal is to identify the extent to which the proposed model option can fulfil the programmes intended strategic objectives. The following pages (6-9) outline the objective of each pyramid segment in more detail including the requirements of that criteria to be fully realised. Below is the scale in which each model was assessed according to each strategic objective criteria.

Does not meet the objective at all	Meets the objective very poorly; major gaps or misalignment	Meets the objective somewhat, but with significant issues	Adequately meets the objective; some minor issues present	Mostly meets the objective; only minor improvements needed	Fully meets or exceeds the objective; no improvements needed
0	1	2	3	4	5

## Aim:

To accelerate the delivery of regional energy independence that promotes economic transformation and drives healthy and thriving communities – ensuring York and North Yorkshire leads the way to become England's first carbon negative region.

Maximising regional benefits through a strategic place-based approach to decarbonisation. Setting clear, coordinated pathways to create healthy and thriving communities: empowering local voices, strengthening local supply chains and reducing energy bills to produce transformative action at pace and scale.



# Strategic Objectives Analysis

## Enablers:

### Governance

To develop a robust governance route that enables strategically-driven programme delivery at pace and scale.

Requires:

- Flexibility to political uncertainty
- Variation dependent on project factors (ownership, profit sharing)
- Considers longevity of activities beyond model/partnership term (e.g. golden share)

### Capacity & Capabilities

To develop regional capacity and capabilities at the required quality to support programme delivery at pace and scale.

Requires:

- Sufficient technical expertise to action at the required pace and scale of commitments (operational & regional).
- Considers longevity of capacity and capability beyond model/partnership term (e.g. retained expertise)

# Strategic Objectives Analysis

## Key Objectives:

### Project Development

To develop a strategically-driven pipeline of projects that enables funding & investment.

Requires:

- Ability to raise project development funding (public & private).
- Sufficient technical expertise (feasibility and business case).
- Consideration of social value and community wealth building (co-design principles).

### Funding & Finance

To secure and optimise public funding and commercial investment, harnessing innovative approaches to maximise regional outcomes.

Requires:

- Ability to aggregate and bundle projects.
- Access to commercial investment.
- Ability to blend public funding with private finance to maximise opportunities.

### Delivery

To enable project delivery at pace and scale, harnessing the use of local supply chains.

Requires:

- Growth in demand of local supply chains.
- High standards / quality of delivery.
- Sufficient maintenance and operational abilities.

# Strategic Objectives Analysis

## Outcomes:

### Healthy & Thriving Communities

To enable wider social benefits to be felt within local communities.

Requires:

- Improve comfort in buildings, creating warmer homes with lower energy bills (tackling fuel poverty)
- Increasing associated health benefits (e.g. warm, comfortable homes, lessened pressure on NHS in climate-relevant issues)
- Increasing ownership of local energy projects

### Economic Opportunity

To enable regional economic growth of the green economy to be felt within local businesses and communities.

Requires:

- Increasing quality job creation and development in relevant sectors.
- Stimulate growth in local supply chains and local businesses
- Increase training / education opportunities

### Carbon Negative Ambition

To reduce carbon emissions in line with regional strategies and commitments.

Requires:

- Action at the required pace and scale according to commitments (operational & regional)
- Decrease t/CO2 emitted, greenhouse gas emissions.
- Support the health of natural landscapes and climate resilience alongside associated project delivery.

# Organisational Appetite Appraisal

The second stage of the options appraisal was to understand the individual authority appetite to undertaking each model option. A series of workshops were undertaken with key stakeholders from City of York Council, North Yorkshire Council and the Office for Police, Fire and Crime to discuss desired roles and understand red lines that would inform this analysis.

The analysis of individual authority appetite to each model scenario was completed according to the criteria outlined on this page (right), with reference to the scoring scale (below).

Score	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not preferred, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

Theme	Criteria
Strategic Fit	Alignment with the Strategic Energy Partnership <b>objectives and principles</b> .
	The ability to align with and consider <b>existing arrangements, policies, strategies</b> .
Control	Ability for Authority to exert <b>strategic control</b> over the delivery model through defined governance structures.
	Ability for Authority to exert <b>operational control</b> over the delivery model through defined governance structures.
Influence	Ability for Authority to have strategic influence to <b>shape the route to net zero</b> .
	Ability for Authority to have strategic influence to <b>drive wider social value and economic benefits</b> .
Risk	The degree to which the Authority is <b>exposed to the overarching delivery risk</b> , which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.
Reward	Ability to <b>benefit from the rewards</b> that arise at a delivery model level (project returns).
Time	Time required to design, develop and <b>procure/implement the strategic delivery model</b> (up to contract signing).
	Ability to design, develop, and deliver pipeline at <b>required pace and scale</b> .
Resource	<b>Resource required</b> from the Authority for the procurement process and the day-to-day running of the delivery model.
	The <b>degree of asset handover required</b> by the Authority to the private partner (e.g. ownership, lease model).

# Stakeholder Engagement

## Initial Stakeholder Workshops

- Assess authority ambition and capacity to undertake its desired role and to understand its red lines

## Service Area Engagement

- e.g. EV, Fleet, Housing, Schools and Commercial Assets, provided introduction to understand red lines and opportunities

## Scoring assurance

- Authority review of organisational appetite analysis

## Project Board Decision Point

- Refined from long-list to initial short-list using authority preferences

## Model “deep-dive” sessions

- Insights gained from LAs, FSS, BCL etc. to inform refinement of short-list models.

The diagram (left) demonstrates stakeholder engagement activity to date regarding the options appraisal process. Key areas of this process are detailed below.

- 1. Initial Stakeholder Workshops:** Head of Service Area (Climate Change, Sustainability, & Environment) for both NYC and CYC, as well as CYC’s Chief of Strategy were in attendance to assess initial understanding of the acceptability of differing delivery vehicles. The Office for Police, Fire & Crime were similarly engaged in a separate session. The output of this session allowed the project team to undertake the organisational appetite analysis.
- 2. Scoring Assurance:** The organisational appetite analysis undertook an assurance exercise separately between all authorities. The output of this confirmed the scoring of each long-list delivery model and provided a combined and separate list for delivery mode priority.
- 3. Long-list to Short-list:** Informed by this assurance activity, a decision to refine the long-list to an initial short-list was approved by the Project Board with recognition that further research could change this list with appropriate justification.
- 4. Deep-Dive Sessions:** As part of this further exploration, the model options were explored in greater depth from desk-based research, knowledge sharing and further engagement with the local authorities. In some cases, resulting in adjustments to the short-list.
- 5. Senior Stakeholder Engagement:** Thus far, a brief socialisation of the short-listed models has occurred in CYC and the CA. However, a formal senior engagement plan is yet to be undertaken.

# Synergies & Shortlist Identification

## Synergies

Synergies with other programme work packages provide opportunity to building out the context for each model and the options appraisal process in general. Please see these documents separately for the associated information. These include (but are not limited to):

- Asset Base Review
- Techno-economic Modelling
- Delivery Mode Commercial Assessment Tool (DMCAT) – in progress
- Market Engagement Analysis
- Community Energy Report

## Shortlist Identification

From this methodology, the Combined Authority, City of York Council and North Yorkshire Council are interested in collaboratively moving forward and exploring further the following short-list of model options for the regional strategic energy pilot:

- Business As Usual (Do Nothing)
- Combined In-House Model
- Strategic Partner-led Contractual Joint Venture
- Strategic Partner-led Corporate Joint Venture
- Regional Company (Do Maximum)

The following report will provide a detailed analysis of each short-listed model according to the methodology within this section.

## How does the information in this document apply to the Outline Business Case?

### Strategic Case:

- Stakeholder workshops outlining barriers and challenges that this model option seeks to address
- Strategic framework outlining the proposed objectives and aims this model should fulfil.

### Economic Case:

- Overall process of the detailed options appraisal will outline detail of the shortlisted models, their justification for involvement, and the considered, structured to evaluation.

### Commercial Case:

- Delivery mechanism details (informs risk and reward profiles and procurement requirements).

### Financial Case:

- Estimations of resource implications dependent on each model.

### Management Case:

- Model structures and proposed ways of working considerations.

# Next Steps

Building on this detailed options appraisal process thus far, it is recognised that the following elements are required to advance the development of each shortlist model. These elements, in some cases model agnostic, will help inform the preferred model decision.

## Pipeline Development (Financial & Commercial Considerations)



A definition of the core offering of partners is initially required to understand the core scoping, as well as less advanced projects for further financial modelling. This could be achieved through assessing against the following criteria:

- Project Maturity
- Asset Class
- Location
- Potential delivery mechanism
- Other scoring criteria

An assessment of core prioritised projects as well as a wider pipeline analysis is required to define a balanced portfolio and use to assess current and future bundles of projects. Consideration of the current known project pipeline and ambition to scale through the preferred model will impact model option preference.

- These bundles will be assessed against commercial and social value criteria within a shortlist of delivery model options.
- Agreed projects and bundles will be put through robust financial modelling as required to understand whether they are investor-ready and produce a balanced portfolio.
- The pipeline development framework tool will use these inputs to compare core projects against LAEP and net zero strategic targets and project locations to identify alignment gaps and opportunities in the overall project pipeline. This is to be a regionally agreed governance gateway.

Overall, these considerations will assess the affordability, fundability, and financial returns, apply cost-benefit analysis and sensitivity testing via bespoke modelling to feed into the OBC Financial Case.

## Legal/Governance Considerations

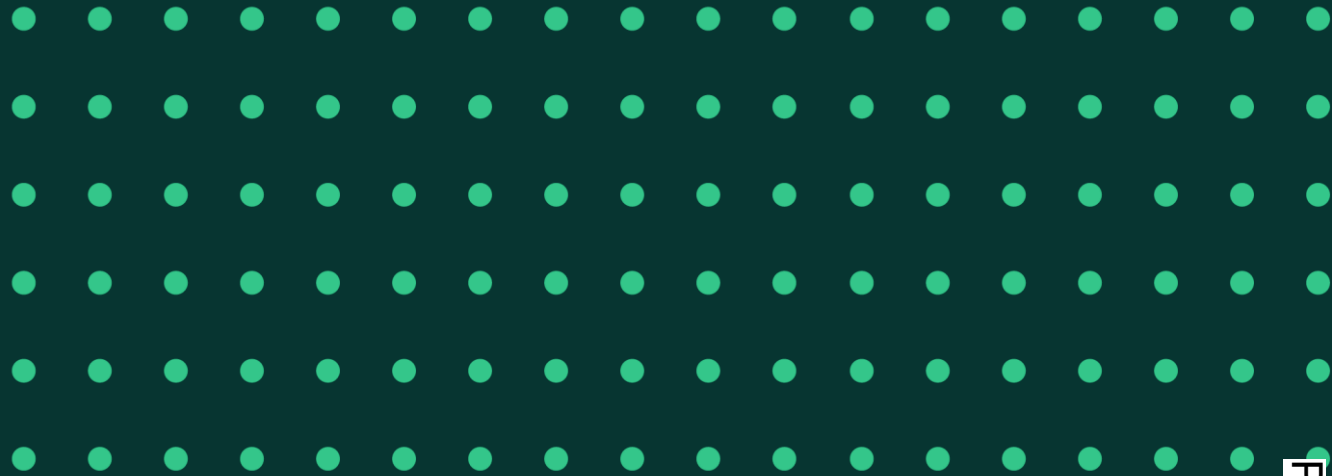


- A co-designed governance structure and agreement for joint decision making across YNYCA, CYC and NYC is required to ensure the efficiency of internal processes, ensuring fit with existing processes and stakeholder roles.
- Dependent on the delivery vehicle (e.g. SPV or joint board) a separate governance structure (and corporate/contractual structures) will be required to ensure partnership decision-making is robust and streamlined.
- Within these considerations, the importance of control mechanisms will be considered (model dependent) for the proposed partnership as well as internally between YNY parties.
- These considerations will be integrated into the management case of the OBC and FBC.

## Financial Considerations



- Agreement on YNY expectations of each parties financial landscape and front runner projects (core scope) will be required to feed into the OBC and preferred decision.
- Dependent on appetite, shortlisted model, and project, advice on the structuring of risk (and reward) allocation between public and private partners is required to understand the potential maximisation of reward (financial or non-financial).
- A consideration of profit-sharing agreements between YNYCA, CYC and NYC if appropriate is required to understand the separation of reward on a portfolio or project basis.
- Exploration of the feasibility and quantum of available public capital and ranges of blended finance models and routes to market required.



# Business As Usual (Do Nothing)

## Business As Usual (Do Nothing)

# Justification of Inclusion & Drivers/Considerations

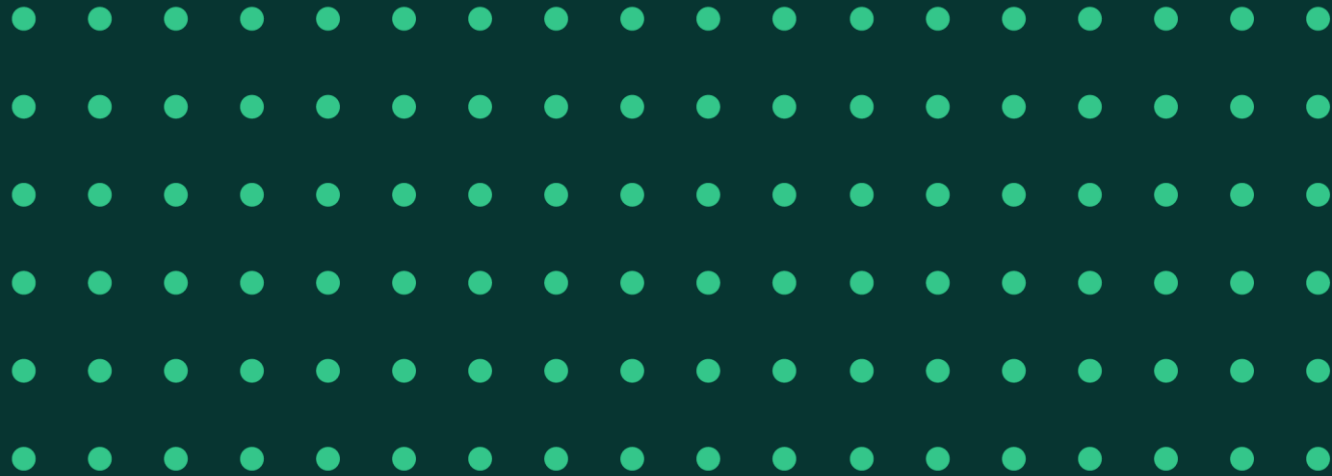
According to the HM Treasury Green Book, Business As Usual should be included in the appraisal to provide a benchmark for comparing proposal options for intervention, a baseline for measuring improvement and Value for Money.

YNY has a proven track record of securing public funding for net zero initiatives and possesses a strong strategic understanding of the complexities and diversity of the region and potential energy systems and solutions required to achieve net zero whilst retaining benefits for communities and businesses. Despite this, it is evident that several specific challenges and barriers persist to achieving the regions goals at pace and scale.

	Lack of capacity and capability, particularly in project development	Piecemeal public funding and lack of private investment	Lack of regional governance and delivery routes for net zero
Local Government Considerations	<ul style="list-style-type: none"> <li>Local government currently lack the required capacity and expertise to support the development of net zero projects at the pace and scale needed.</li> <li>This is coupled with the wider issue of lack of green skills within the economy that is holding back the delivery of net zero projects, particularly for housing retrofit programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Availability and certainty of public funding for net zero projects is typically limited in time and quantum (3-4 years), and can be disconnected across different sectors, which prevents long-term strategic planning for projects</li> <li>There is currently low levels of private sector investment in net zero. There is a missed opportunity to leverage public and private funding for projects.</li> </ul>	<ul style="list-style-type: none"> <li>Without a regional governance structure to prioritise net zero projects and have oversight of the LAEP delivery, project development is ad-hoc and uncoordinated, which is likely to create inefficiencies in the system and lead to higher costs for delivering net zero in the long-term.</li> </ul>
YNY considerations	<ul style="list-style-type: none"> <li>The CA, CYC and NYC recognise that there are constraints on resources (both finance and depth of internal capability) to deliver net zero projects at the pace and scale required to reach their targets and ambitions</li> </ul>	<ul style="list-style-type: none"> <li>Relying solely on current and future grant funding will not be enough to achieve organisational and regional net zero targets.</li> <li>There is a need for the CA, CYC and NYC to not only secure future government grant funding, but to go further and seek alternative green finance to ensure delivery of net zero at the lowest cost.</li> </ul>	<ul style="list-style-type: none"> <li>The CA is a new Combined Authority, and this presents a unique opportunity to deliver a coordinated, strategic approach to delivering net zero across the region and bringing together CYC and NYC with a strong focus on regional decarbonisation.</li> </ul>

# Strategic Objectives Analysis

Theme	Summary	BAU	Score
<b>Governance</b>	Current governance routes are slow, are project-by-project and have no strategic capability. No governance approach currently set up across 3 authorities to decarbonise and deliver LAEPs.	n/a	1
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Capacity and capabilities are insufficient across project development, delivery, and community engagement and integration to meet demand of pace and scale of commitments.	n/a	1
<b>Project Development</b>	CA (1 FTE embedded from Net Zero Hub to support project development). CYC, NYC (little FTE dedication to project development). Low capacity across 3 authorities, with no easy to access funding apart from ad-hoc national funding and mayoral investment (CNCF, NZF). Expertise is high but doesn't have required technical expertise required for full feasibility.	n/a	1
<b>Funding &amp; Finance</b>	Business cases made internally for funding with no expertise to understand how to get commercial investment. Good track record and ability to access and secure grant funding but struggle to blend with commercial investment.	n/a	1
<b>Delivery</b>	Procurement lengthy process, typically done on project-by-project basis, leading to slow pace of delivery. NYC (Teckal strength to deliver but not across wider net zero portfolio).	n/a	1
<b>Community Benefit</b>	Difficult to engage and benefit local communities because of ad-hoc projects. Capabilities and capacity is not sufficient to engage with communities widely, progress is slow.	n/a	1
<b>Economic Opportunity</b>	Similar to Community Benefit. Ability for positive result but is currently very slow because of pace of project development and delivery.	n/a	1
<b>Carbon Reduction</b>	Current pace of action will not meet decarbonisation targets.	n/a	1



# Combined In-House Model

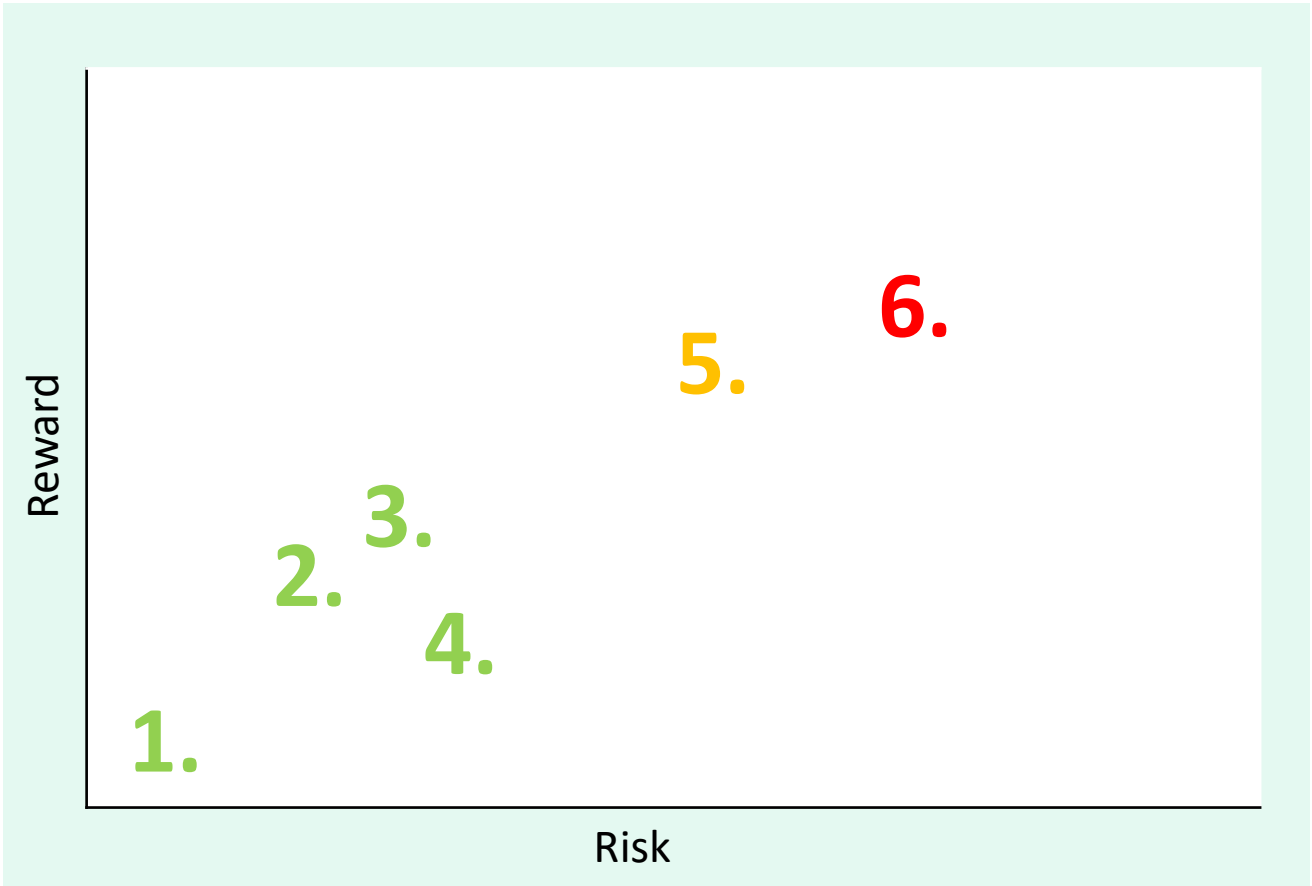
# Justification of Inclusion

The preferred mix of in-house vs private sector capacity and capability varies among NYC, CYC and the CA. This option recognises the regions desire and pride in its self-delivery whilst allowing the authorities to tap into private sector expertise on an ‘as needs’ basis and may facilitate the adoption of innovative solutions and best practises from various private sector partners and financial vehicles. The model can be scaled to accommodate a wide range of projects, from small initiatives to large-scale developments, which is key given the diverse asset base.

Throughout the process, the project team have considered multiple in-house models as well as elements of delivery and/or financial models. As seen below, when assessed individually against the projects major market failures and objectives, the elements/model typically do not score well individually. Therefore, **the shortlisted model proposed in this section is a combination of all the below elements to test an “ideal” in-house option.** (The strategic objective analysis for the below models can be found in the appendix, with brief descriptions and typical project routes).

Barriers/ Market Failures Seeking to Address:	Pipeline Development	Funding & Finance	Delivery	Notes / Justification
Option 2. Authority-Led Framework	Red	Red	Yellow	BAU project development functionality, BAU funding access as function of framework is delivery.
Option 3. Centralised	Yellow	Red	Red	Joint capacity rationalisation and efficiency savings but capacity is BAU, no increase pace and scale of delivery and finance.
Option 4. Scaled-up APS	Yellow	Red	Red	APS have no desire to originate but access to feasibility capacity, reduced scope of APS, BAU ability to raise private investment.
Option 5. Investment Readiness Facility	Yellow	Yellow	Red	Dedicated regional development fund, project readiness established but no route to market, BAU delivery function.
Option 6. LP Fund	Red	Yellow	Yellow	Fund would not provide project development funding, would provide blended public / private capital, includes PM costs but BAU delivery.

# Justification of Inclusion



BAU	1.	Scaled-up APS	4.
Authority-Led Framework	2.	Investment Readiness Facility	5.
Centralised	3.	LP Fund	6.

This page demonstrates how each individual in-house model elements varies according to its risk and reward values with justification.

Most in-house models do not combat the need to decarbonise at pace and scale, thereby resulting in less reward. Therefore, a justification to combine these elements was decided to improve these aspects of the shortlisted in-house model.

## Notes / Justification

2.	Low complexity & risk to set up due to familiarity of this function, would provide more streamlined routes to delivery. To consider capacity to maintain framework and project-by-project functionality.
3.	Medium complexity to set up and risk associated is dependent on individual authority appetite. Rationalisation of staff resulting in efficiency savings. Benefit of regional approach and joined-up activities.
4.	Low/medium complexity to set up, risk associated with potential pressure on existing functionality. Aggregation of assets lead to effective delivery but reduced scope questions whether formally scaling-up APS is necessary.
5.	Committed, innovative approach to retain project development funding and integrate social value but little consideration of securing commercial investment and aggregation. BAU delivery function.
6.	Higher complexity to set up, likely requiring significant cornerstone investment from the Authority(s) (buy-in and risk associated). Does not provide project development funding but can aggregate opportunities.

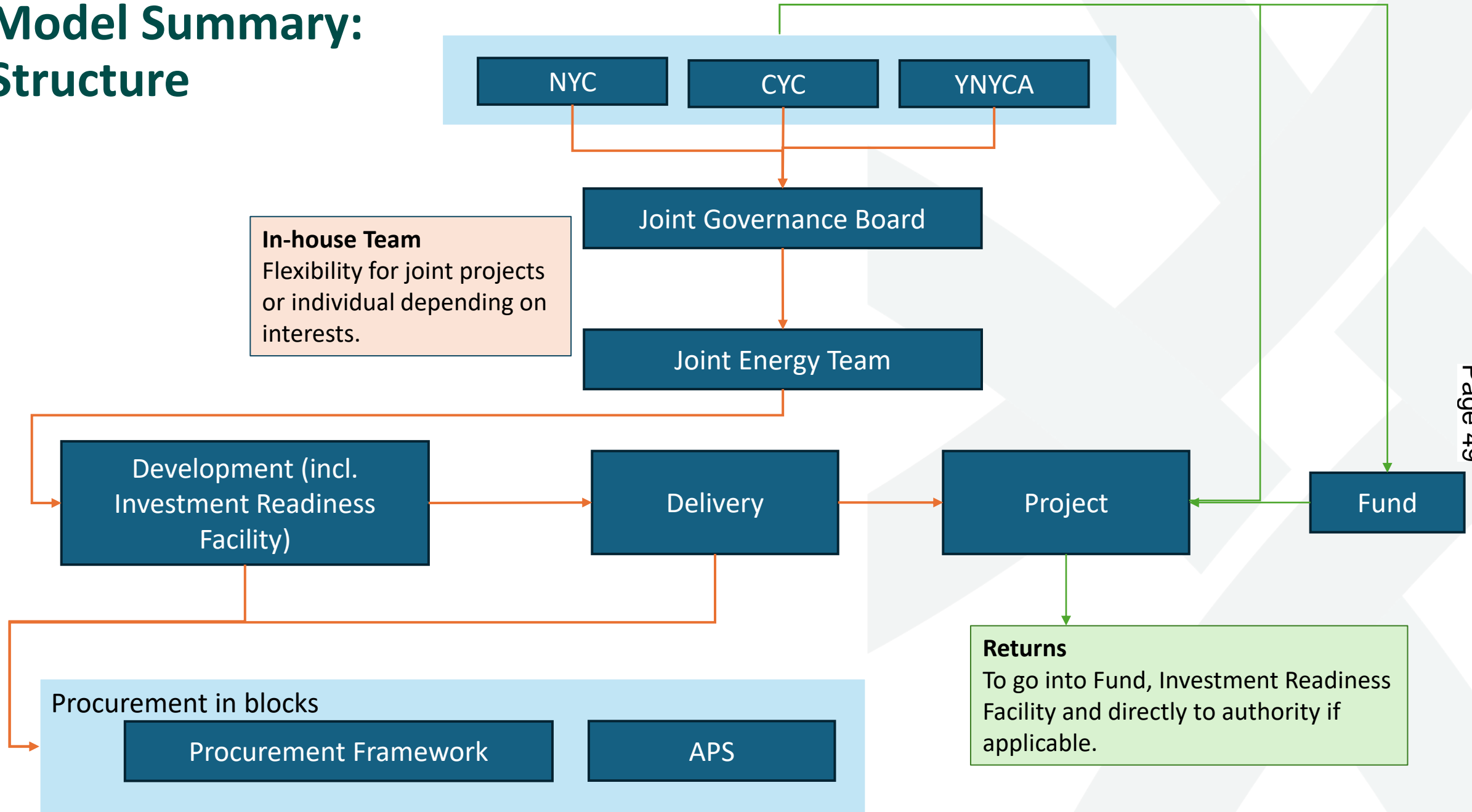
# Model Summary

A joint governance board acts as a unified body to set strategic direction, and oversee a centralised, co-located team. Resources are pooled and allocated by the board based on regional priorities. The model would utilise scaling-up existing energy programmes and existing climate change teams to create an internal team. This team responsibilities would range from managing an investment readiness facility and project development, to contract managing delivery with APS and private expertise provided by a separate procurement framework. The private sector is engaged on a project-by-project basis for specialised services that require expertise and resource, this resource would potentially be procured in blocks to ensure effective management of funding. Finance will be addressed through the creation of a limited partner fund with cornerstone investment from YNY to attract private investment and fund commercially investable projects within the YNY region that the internal team will develop through procured private support.

The centralised structure and governance will provide an opportunity to upskill and capacity on in-house teams and deliver at increased pace and scale regionally. The model also facilitates the scaling up of APS, offering another effective delivery route as demand increases.

Structure	Resource
<p>Premise to combine the following in-house elements:</p> <ul style="list-style-type: none"> <li>Enhanced In-House Centralised</li> <li>Authority-Led Framework</li> <li>Investment Readiness Facility</li> <li>Scaled-up APS (informally)</li> <li>LP Fund (or alternative financial mechanism)</li> </ul> <p>Resulting in...</p> <p><b>Joint Governance Board:</b> Equal representation from YNYCA, CYC, NYC</p> <p><b>Joint Energy Team:</b> Pooled resources into one operational team (Development, Finance, Delivery)</p> <p><b>Fund:</b> Limited Partner Fund, criteria set by YNY, but funds managed by dedicated fund manager</p>	<p><b>Joint Energy Team:</b></p> <ul style="list-style-type: none"> <li>Built from existing individual budgets.</li> <li>Variation considered in page 23</li> <li>FTE Resource will likely require increase to meet pace of action and demand,</li> </ul> <p><b>Fund:</b> Requires significant Cornerstone Investment and employed fund manager</p> <p><b>Investment Readiness Facility:</b> Will require investment from Authority(s) to kick-start.</p> <p><b>Procurement Framework:</b> Will require investment and high procurement capacity to set-up.</p> <p><b>Align Property Services:</b> Will only require resource when/if demand on services increases, do not pre-emptively create third-arm?</p>

# Model Summary: Structure

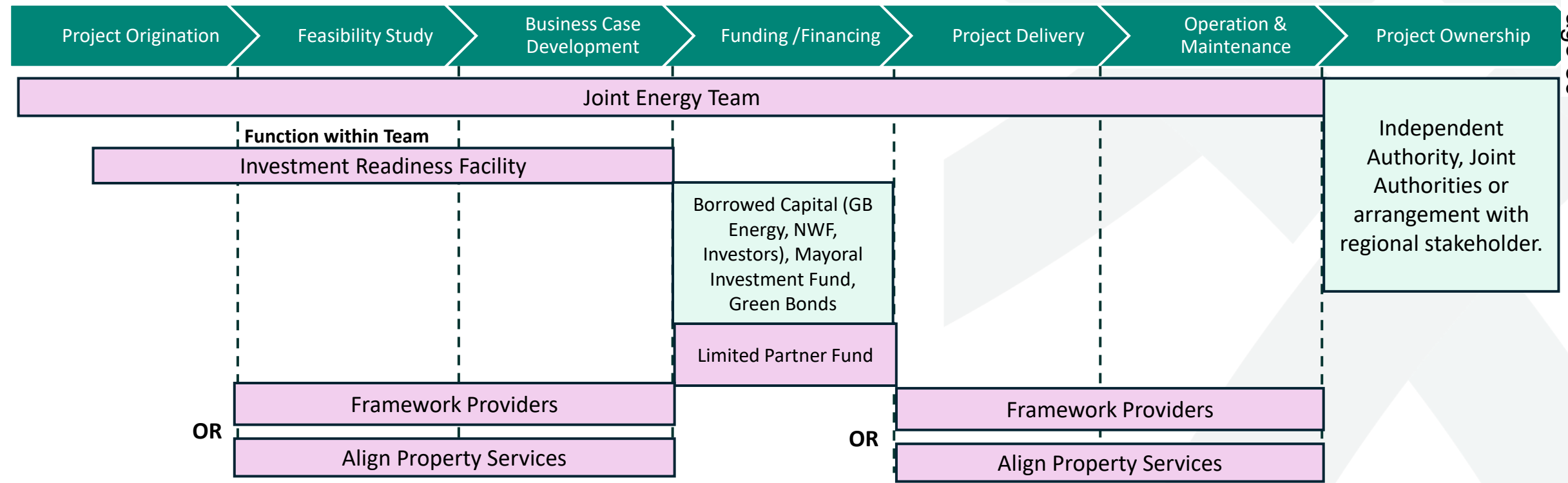


# Typical Project Route

Key	BAU
	Model Specific
	Other

## Project Route

1. Project originated: individual authority, joint team, or wider regional stakeholder.
2. Advise on project development route: Investment Readiness Facility and LP Fund criteria in mind.
3. External expertise procured in blocks where necessary (project development: APS, framework).
4. Project taken to business case and subsequent governance routes.
5. Assessment through fund to allocate finance.
6. Once funding received, external expertise/delivery procured in blocks where appropriate (framework, APS).
7. Returns to LP Fund, IRF and independent investment as appropriate.



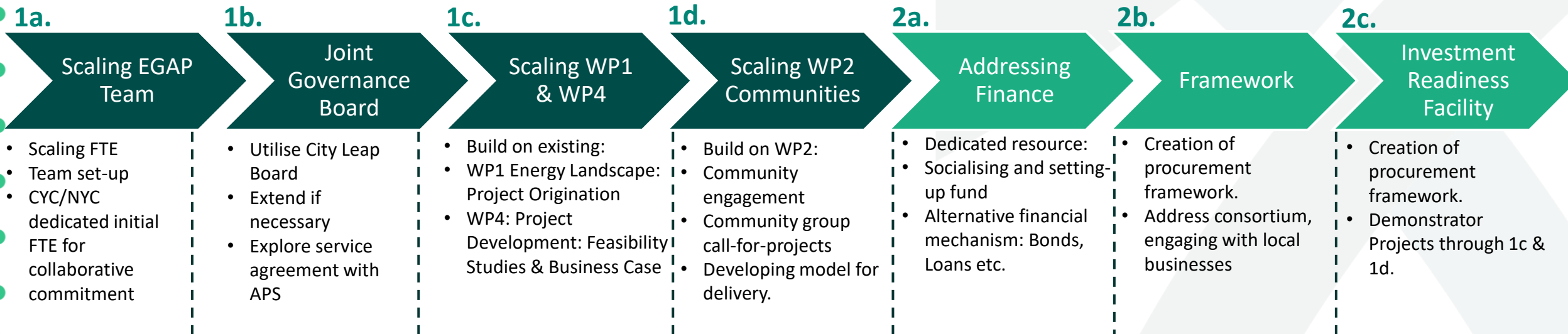
# Other Notable Considerations

## Resource Considerations cont.

How will the Joint Energy Team be set up?

1. Likened to LINC and City Leap structure, (Collaborative Project, joint budget) communication and operational routes are defined.
2. TUPE'd staff into CA to create larger dedicated team. Team vision, culture and aim created by all 3 authorities and lead by steer from Governance Board.
3. Legally distinct team, to allow for combination of budgets and FTE.
4. Other?

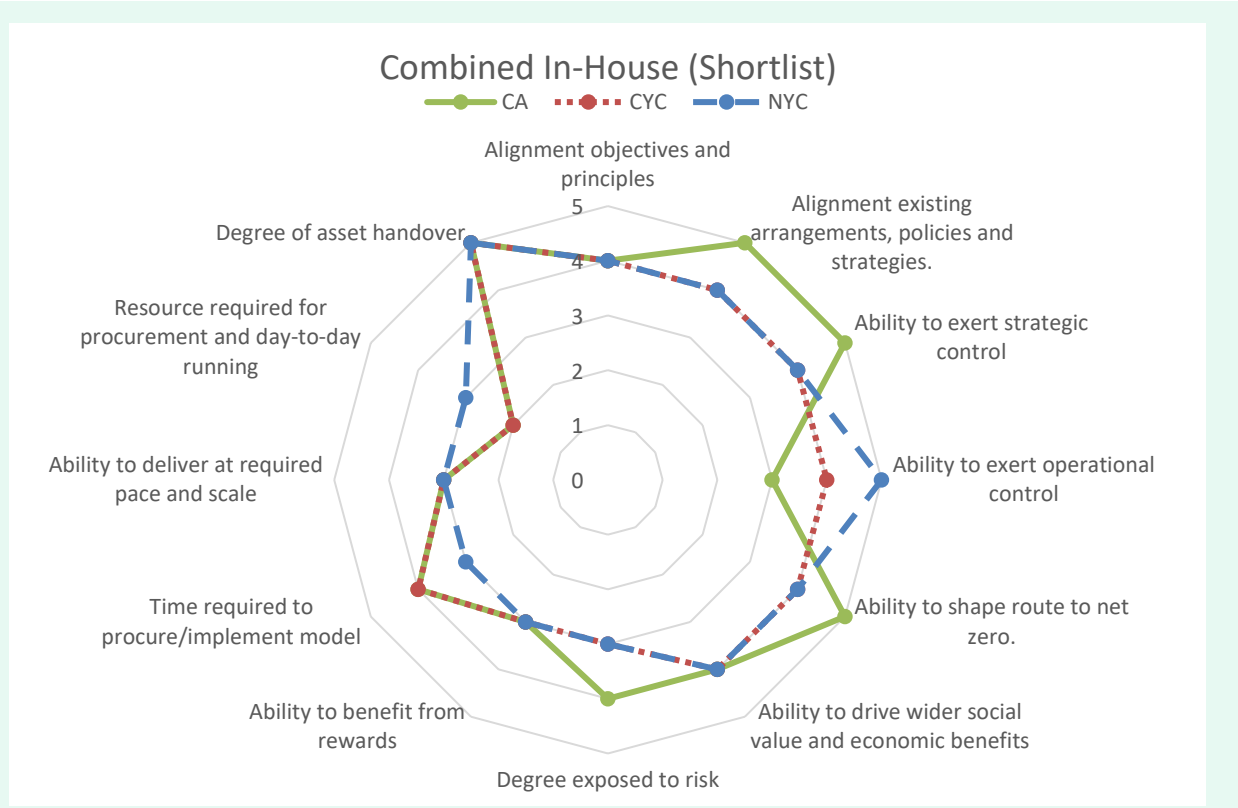
## Potential Phased Approach



# Strategic Objectives Analysis

Theme	Summary	BAU	Score
<b>Governance</b>	Route for projects is clear from development to delivery with strategic criteria set within and crucial decision making at stages of financial importance. Joint facilitation of this process for individual authorities likely still leads to project-by-project movement through governance.	1	3
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Initial scaling of EGAP would respond to key areas of development, delivery and communities. But would be operating like BAU on project-by-project basis.	1	3
	Framework, Fund and IRF would increase pace of delivery and finance, but procurement would still stagger in blocks. Expertise retention would increase due to learning of IRF and Fund.		
<b>Project Development</b>	Revolving investment facility results in longevity of funding. Likely development responsibilities will lie with individual project owner if included in IRF, development team to provide funding and advice. Procured technical expertise in blocks using framework and APS. Setting gateway criteria at development allows consideration of social value throughout, process controlled by YNY entirely.	1	3
<b>Funding &amp; Finance</b>	Optimising funding through revolving fund. Capacity and capability of fund manager to blend public and private (private expertise). IRF and LP Fund bridging gap of commercial investment. Portfolio bundling of projects likely but dependent on investor-type and requirement for commercial return.	1	4
<b>Delivery</b>	Procurement process would likely be shorter than BAU due to SLAs and Framework, procured in blocks ideal but likely some will be on project-by-project basis. Encouragement of consortium approaches with local supply chain possible. Quality of delivery controlled through framework checks.	1	3
<b>Community Benefit</b>	Scaling EGAP WP2 would provide capacity to integrate community engagement, call-for-projects and dedicated model for delivery to be integrated. Gateway criteria at development, funding and delivery stages allow consistent social value benefits to be integrated. IRF to provide possible opportunity to accelerate CE.	1	4
<b>Economic Opportunity</b>	Procurement framework with requirement for consortium/dedication to local supply chain would benefit local businesses and increase demand. Build on Align training opportunities. But limited capacity to support these businesses could result in slow engagement and delivery.	1	3
<b>Carbon Reduction</b>	Not reliant on piecemeal public funding, carbon reduction as KPI in gateway checks. In-house capacity and possible project-by-project decision making will dictate pace.	1	3

# Organisational Appetite Analysis



## Notes / Justification

### CA

**Pros:** Utilises existing programmes like EGAP and provides a centralised structure to produce regional change at required scale for YNY.  
**Cons:** Lack of utilising private sector for finance and delivery at economies of scale.

### CYC

**Pros:** Provides more control strategically and operationally for the council, with ability to potentially retain reward for core services.  
**Cons:** Would prefer model that increases pace of delivery in short term, more open to private sector involvement.

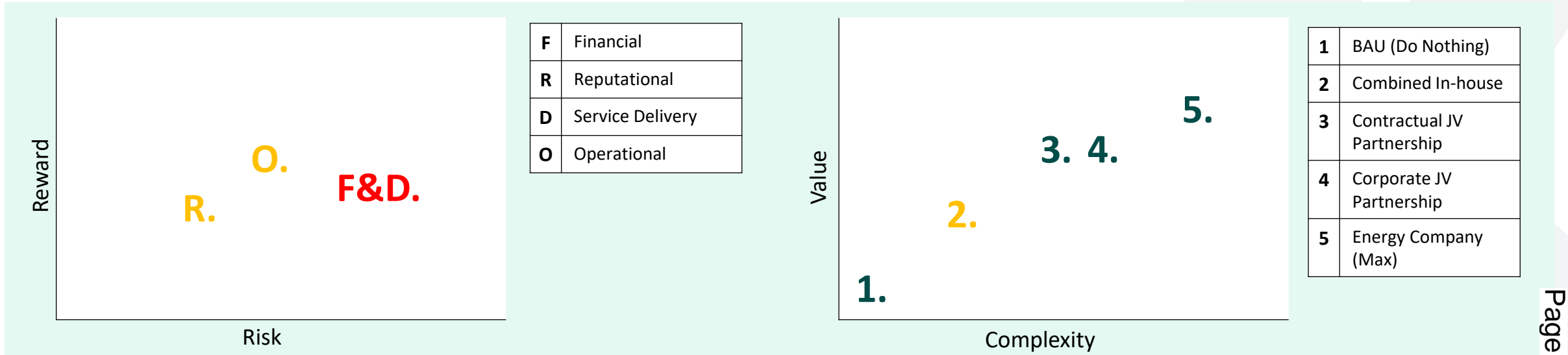
### NYC

**Pros:** Level of control closely aligns with NYC preferences and expectations and use of align and private sector on expertise basis.  
**Cons:** Could face political and officer tension regarding initial requirements, NYC structured very differently and recent organisational changes.

Order	Model	CA	CYC	NYC	Total
1	SP-Led Contractual	54	50	44	148
2	Combined In-House	47	44	46	137
3	Regional Company	48	39	44	132
4	SP-Led Corporate	47	44	35	126

FOR ALL: Note the scores could be adjusted based on commercial and technical context provided to the model, especially regarding resource uncertainties associated with the Limited Partner Fund and whether this is the right fit financial vehicle for this model.

# Risk / Reward Analysis

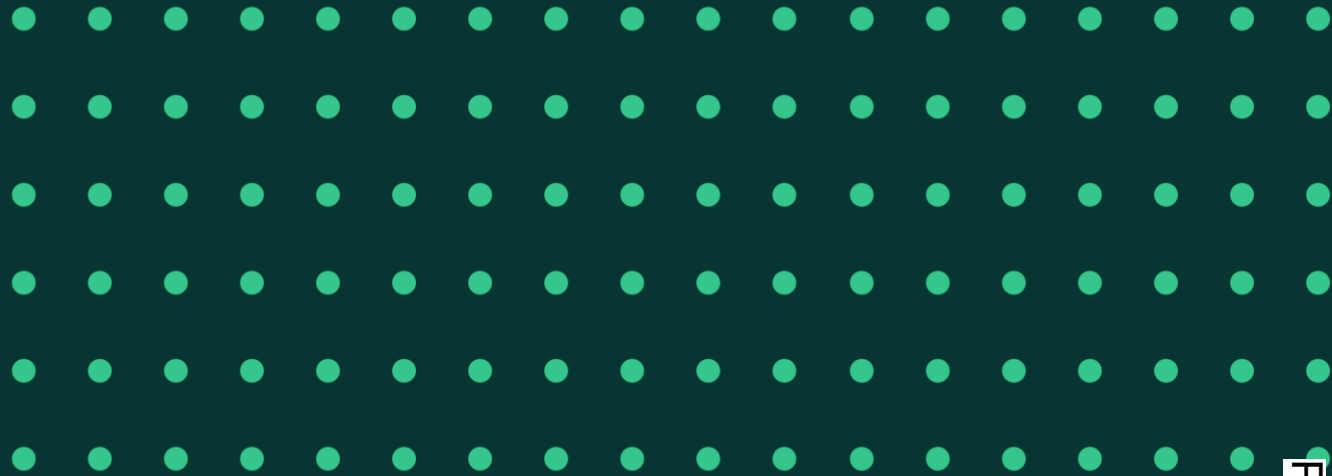


Theme	Detail	Risk	Reward
Financial	A fund provides less financial risk on a project basis as funds are diversified and responsibility is given to an external manager. However, the fund and IRF require cornerstone investment from YNY with associated risk. It is likely that YNY would be last receive profit from the fund, but the IRF could be revolving.	High	Moderate
Reputational	Reputational risk lies with YNY.	Moderate	Moderate
Service Delivery	YNY is fully exposed to delivery risk, on a project level some delivery risk may be passed to the private sector, but contract management will remain in-house.	High	Moderate
Operational	Keeping operations in-house would expose the model to a risk of derailment if three authorities disagree or could be highly influenced by politics.	Moderate	High

Complexity vs. Value	Mitigation & Dependencies
<ul style="list-style-type: none"> <li>Structure could vary but commitment of funding to team set-up and process set up would be significant.</li> <li>Fund and Framework would be long term complex mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>A robust governance route and/or restructuring of this dedicated team would be required to ensure committed, clear, aligned vision and purpose.</li> </ul>

# Qualitative SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• <b>High level of Control:</b> The authorities retain full control and influence over project origination, delivery, and advancement towards net zero.</li><li>• <b>Flexibility:</b> The model is highly compatible with utilising different origination, funding, delivery and ownership mechanisms. Adapting to different project requirements.</li><li>• <b>Regional Approach:</b> Facilitates a region-wide approach whilst supporting existing arrangements, ability to scale up existing programmes is a great advantage at upskilling and resource efficiency.</li></ul>	<ul style="list-style-type: none"><li>• <b>Pace and Scale:</b> Maximising economies of scale is less likely to be achieved due to project-by-project approach, and pace at which delivery occurs is dependent on how much resource YNY can input into the model.</li><li>• <b>Risk:</b> Authorities bear the full risk of project delivery, which could impact their ability to achieve net zero goals.</li><li>• <b>Lack of market interest:</b> Some key strengths and opportunities associated with this model may be compromised if there is insufficient market interest or appetite.</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• <b>Scaling APS:</b> This model could facilitate the scaling up of APS, offering an effective delivery route whilst using the procurement framework for external private expertise.</li><li>• <b>Financial Opportunity:</b> The Investment Readiness Facility if successful could provide a revolving mechanism that could support the longevity of the model.</li><li>• <b>Government Support:</b> Current initiatives from GBE, DESNZ and NWF show an increased appetite to fund and support sustainable energy projects, potential opportunity to access easily using this model as evidence of delivery.</li></ul>	<ul style="list-style-type: none"><li>• <b>Resource Intensive:</b> Concerns about YNY ability to allocate the necessary resources to manage and execute projects effectively especially to the required pace and scale required to reach net zero.</li><li>• <b>Potential for inconsistency:</b> Procurement framework approach would need monitoring on a project-by-project basis to ensure quality of delivery is consistent,</li></ul>



# Strategic Partner-Led Contractual Joint Venture

# Justification of Inclusion & Model Summary

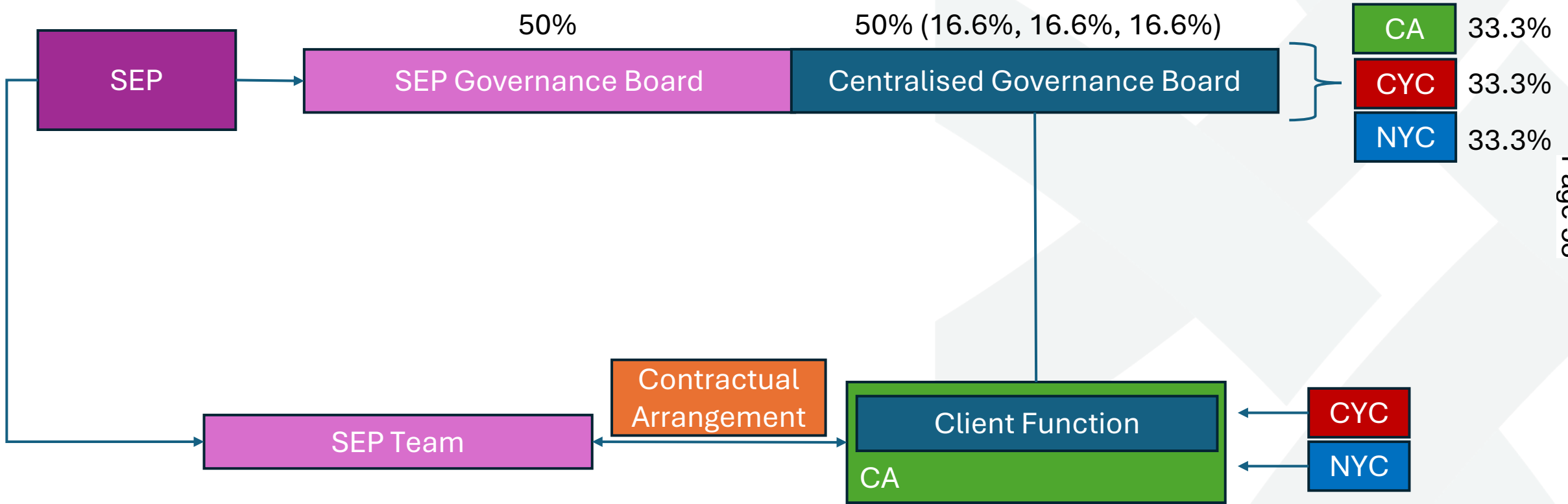
A contractual joint venture is a collaborative arrangement where partners agree on terms of their cooperation through a contract, without creating a separate entity. The partnership is a more flexible, collaborative process in which responsibilities across the project pipeline could vary on a project-by-project basis. However, it is expected that to attract this strategic partner, some anchor (or STAR) projects are expected to be handed over from local authority control (e.g. heat network). The authorities are expected to contribute (financially or non-financially) but not necessarily in the same proportion as the Strategic Partner.

An operational team is exclusively made up of resource from the Strategic Partner, supported by a YNY Client Function that will ensure activities are occurring within the premise of the contract agreement. This team will also develop and follow a set Gateway Process and Project Acceptance Criteria that the strategic partner can submit projects to.

This model was included in the options appraisal through identifying the significant difference between a contractual joint venture model and corporate joint venture model, included due to the projects focus on Bristol City Leap. The differences felt significantly different to justify making this a separate option, also supported by FSS's development of the dual track contractual model.

Structure	Resource
<p>A Partnership Board would be created between YNY and the Strategic Partner to become the decision-making body, responsible for approvals of:</p> <ul style="list-style-type: none"><li>- Business Plans</li><li>- Final Investment Decisions</li><li>- Project Proposals related to YNY assets</li></ul> <p>The Governance route taken will differ depending on project life (e.g. grant funded, commercial opportunity, community)</p> <p>The Client Function team would be based within the CA with supporting officers from NYC and CYC.</p>	<p><b>Client Function Team</b></p> <p>Using the example of Coventry (Contractual JV between EoN and Coventry City Council), an in-house delivery team was constructed to assist the strategic partner, initially CCC committed 2.5 FTEs with EoN providing 8 FTEs.</p> <p>FTE will need to scale up according to scale of region.</p> <p><b>Align Property Services</b></p> <p>Market engagement analysis suggests most strategic partners are open to working with APS but require</p> <ul style="list-style-type: none"><li>- Clarity over scope</li><li>- Aligning governance and approvals</li><li>- Assurance on APS capabilities and resource</li><li>- Recognise legal challenges</li></ul>

# Model Summary: Structure

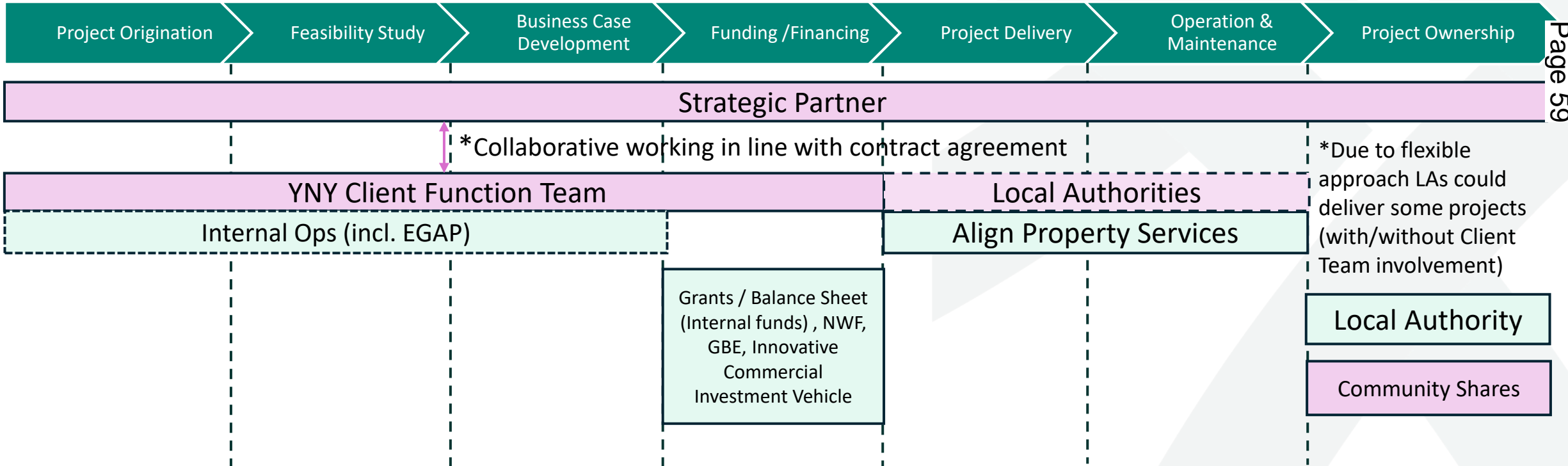


# Typical Project Route

Key	BAU
	Model Specific
	Other

## Project Route

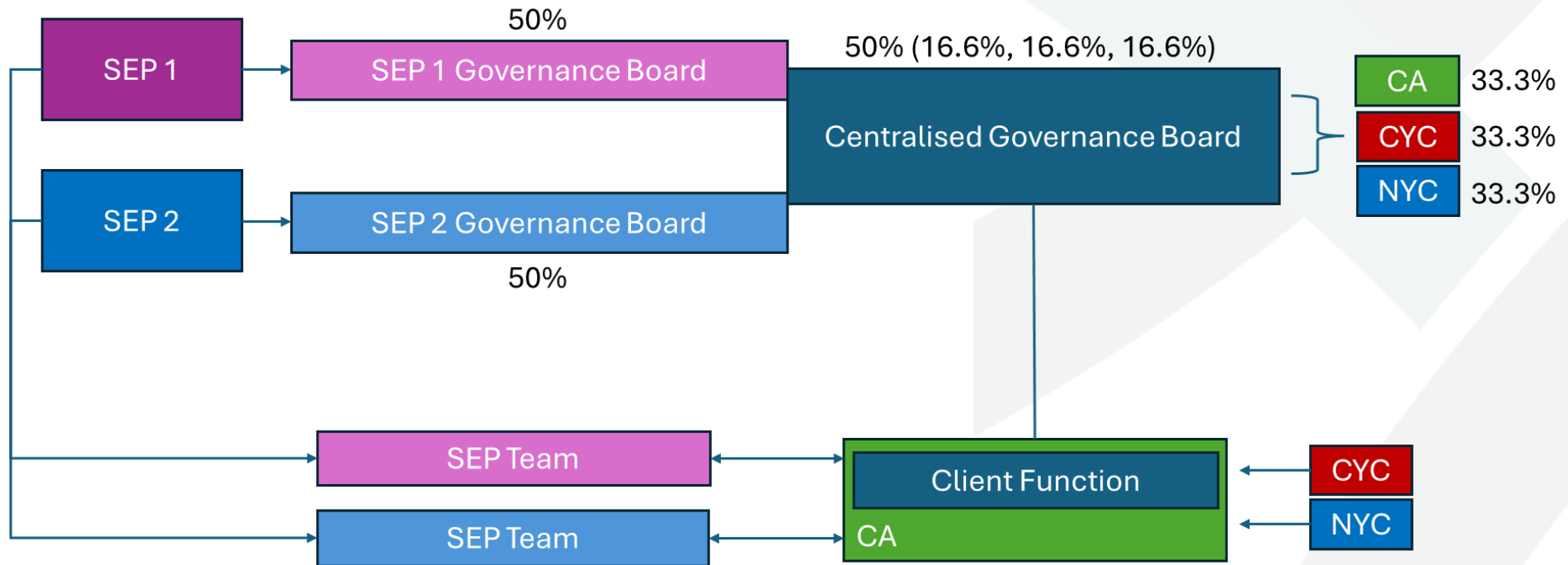
1. Strategic Partner and/or individual authority originate a project (in collaboration potentially)
2. Client Function Team assess whether the project fits the contract and gateway criteria.
3. Strategic Partner develops the project to business case level.
4. Project is taken to Joint Governance Board for approval
5. Align Property Services or Strategic Partner delivery according to agreement/appropriateness (if approved)
6. Client Function contract manage to ensure KPIs are being achieved.



# Other Notable Considerations

Strategic Partner-led Contractual Joint Venture Model should be considered as an umbrella term for the consideration of procuring two or more strategic partners through contractual unincorporated joint venture. Therefore, this consideration page will outline the Dual Track Coventry model to demonstrate the structure for procuring multiple partners and the opportunity this could pose for YNY. It is important to note the strategic objective analysis and organisational appetite analysis, scores similarly and slightly higher, respectively.

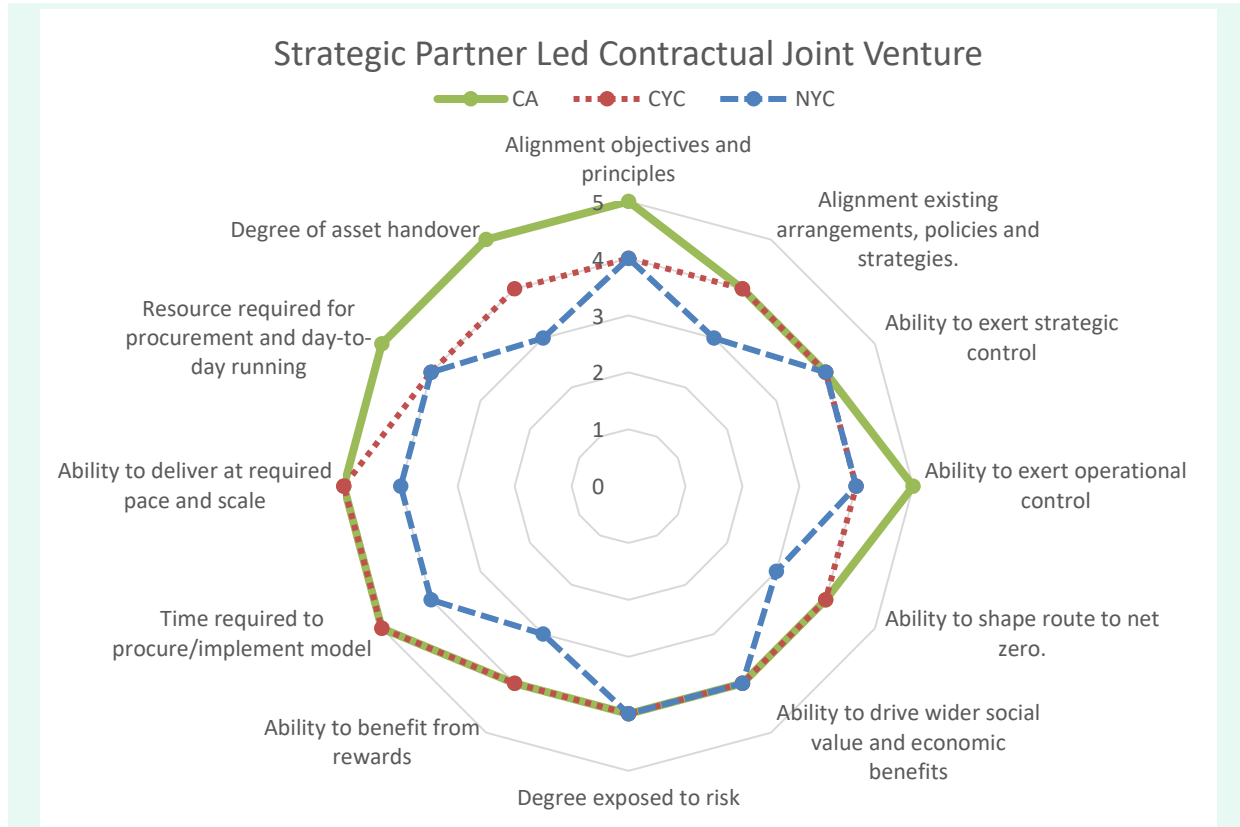
Model Summary: YNY establishes two Strategic Energy Partnerships (Contractual) with joint governance structures, both serving separate needs whether that be urban/rural or technology based.



# Strategic Objectives Analysis

Theme	Summary	BAU	Score
<b>Governance</b>	Joint Strategic Board established between YNY and SP (strategic), but decisions come down to contractual arrangement guidelines (robust?). Different governance routes possible. Longevity not considered. Would certain projects still need to go through the extent of individual authority governance? Pace?	1	3
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Initial influx of private expertise to bolster internal capacity. Quick win, internal capacity will need to take on different responsibility of client function.	1	4
<b>Project Development</b>	Working collaboratively to inform project pipeline and delivery, contractual structure could lead to more knowledge building. Pace of delivery over partnership term would increase over time.	1	4
<b>Funding &amp; Finance</b>	Collaborative, long-term project origination. SP-led projects will be financed by SP; individual authority can originate with grant or potentially blended funding. Bolstered capacity and capabilities from private sector. Contract arrangement need to establish objectives to ensure social value in origination.	1	3
<b>Delivery</b>	Single procurement to secure commercial investment in SP. Likely innovative approaches to blending will be dependent on Client Function Team capacity and capabilities. Increased flexibility to aggregate (contract/ appetite depending),	1	4
<b>Community Benefit</b>	Single procurement for delivery route in SP (drastically shortened). Quality of delivery assured in procurement process (less flexibility to exit). Capacity/ capability to contract manage will come through Client Function. Surge of investment will increase local supply chain growth?	1	3
<b>Economic Opportunity</b>	Contract-reliant and project development reliant. Engagement likely integrated but brunt of responsibility expected to fall on YNY. Contract commitment possible to increase community energy.	1	3
<b>Carbon Reduction</b>	Fostering investment in regional projects drives demand for local businesses and training. KPIs to foster and support these opportunities for businesses, Client Function team responsibility?	1	3
<b>Carbon Reduction</b>	Pace of delivery expected to be much higher than BAU especially in short term.	1	3

# Organisational Appetite Analysis



Order	Model	CA	CYC	NYC	Total
1	SP-Led Contractual	54	50*	44	148
2	Combined In-House	47	44	46*	137
3	Regional Company	48	39	44	132
4	SP-Led Corporate	47	44	35	126

\*Highlights the model that is informally favoured by each organisation.

## Notes / Justification

### CA

**Pros:** Political robustness of this model considered potentially more resilient than an in-house approach (JV partnership).  
**Cons:** Contract required to be very robust to retain control on assets of police & fire, as well as social value requirements that can be enforced.

### CYC

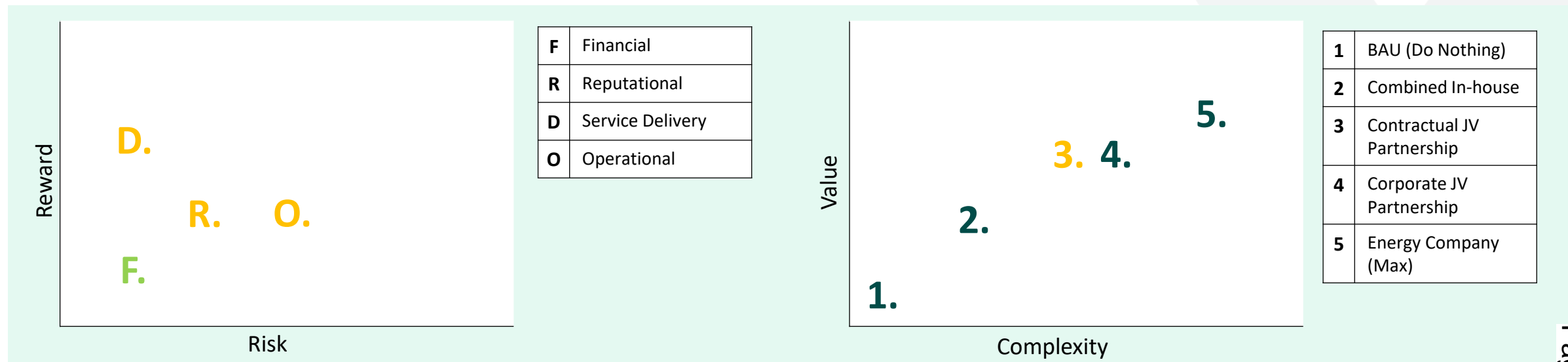
**Pros:** Flexibility in contractual agreement is attractive, increased control of assets with benefit of handing off some projects.  
**Cons:** Robust contract required to ensure just and fairness of delivery, enforcing social value, or lack thereof of social value mechanism if this is not successful.

### NYC

**Pros:** NYC recognise that some technologies, they cannot sufficiently deliver by themselves, gap for a partner to fill would be attractive.  
**Cons:** Handing any control over to strategic partner where reward is not retained by NYC is a challenge point.

The Dual Track Contractual Model scored slightly higher in organisational appetite. The reason for this is reflected by a proposed increased capacity and separation of expertise created by procuring two partners. However, the concerns for a contractual model still apply and it is important to note that a longer procurement time may exist to create sufficient structures for an estimated 5 parties involved.

# Risk / Reward Analysis



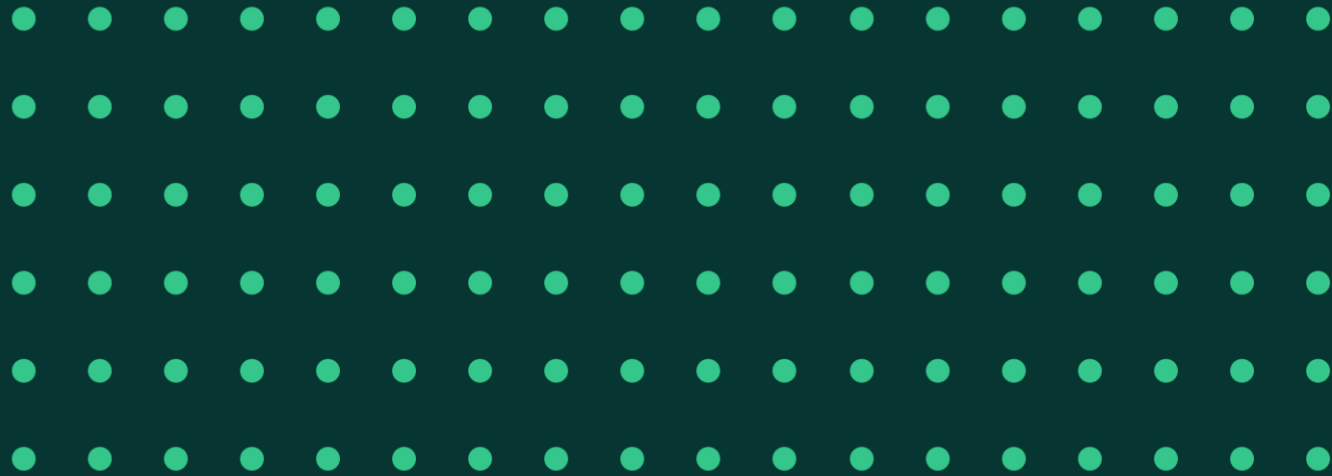
Theme	Detail	Risk	Reward
Financial	Likely that to enter the contractual agreement, the SP would require sufficient financial reward, from the transfer of project ownership, especially if they originated the project. Wider negotiations on project-by-project basis.	Low	Low
Reputational	Holding the SP accountable comes entirely from the contractual agreement, both parties will share reputational risk in a flexible contract.	Moderate	Moderate
Service Delivery	Abortion of projects at any stage will likely be due to the acceptance criteria not being met. SP bears greater project development risk, but the pace of capacity allows for greater pace of action and thereby delivery.	Low	High
Operational	The flexibility of the contractual JV allows for each party to retain more control over its own operations and assets. Smooth operation relies on robust trust building between partners and contract arrangements.	Moderate	Moderate

Complexity vs. Value	Mitigation & Dependencies
<ul style="list-style-type: none"> <li>A complex governance framework between all three YNY authorities and the SP would be required.</li> <li>One single procurement to obtain a or multiple SP(s).</li> </ul>	<ul style="list-style-type: none"> <li>To mitigate some risks a robust contractual arrangement is required that holds the SP accountable and does not allow them to cherry-pick or underperform.</li> <li>Robust gateway processes and risk/reward negotiation frameworks required to ensure efficient and successful project delivery.</li> </ul>

# Qualitative SWOT Analysis

Both Joint Venture Model Options will have similar advantages and limitations, of the following points those highlighted in **ORANGE** demonstrate the SWOT elements that are specific to the Strategic Partner-Led Contractual Joint Venture Model.

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• <b>Reduced Financial Exposure:</b> The strategic partner will take the lead in funding and managing risk associated with originating and commercialising projects, reducing contribution and exposure for the authorities.</li><li>• <b>Strategic Control:</b> Each party retains more control over its own operations and assets, appropriate structuring of contract mechanisms will allow for differing control and oversight as well as incentivise the right behaviours.</li><li>• <b>Combined Expertise:</b> The partnership will present opportunities to leverage combined experience and resources of both the public and private sector. Especially with private sector taking a lead on project development.</li></ul>	<ul style="list-style-type: none"><li>• <b>Mutual Commitment:</b> Entering a robust contractual arrangement requires robust trust building and shared goals to ensure mutually beneficial results are achieved. The contractual nature of this model makes this element weaker than a corporate structure.</li><li>• <b>Incentives &amp; Accountability:</b> Weaker contract arrangements and misaligned incentives may result in a suboptimal performance and outcomes for the partnership in particular, social value outcomes.</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• <b>Flexibility:</b> The model is easier to set up and dissolve; as well as this closer collaboration and contract arrangements can allow for increased flexibility on a case-by-case basis.</li><li>• <b>Access to Innovation:</b> The partnership will benefit from private sector innovation and efficiency, potentially leading to more effective solutions.</li><li>• <b>Pace and Scale:</b> An initial influx of private expertise to bolster internal capacity and overall increased capabilities, would increase the pace and scale of delivery, considering the ability to act on economies of scale.</li></ul>	<ul style="list-style-type: none"><li>• <b>Strategic misalignment:</b> Differences in priorities and objectives between the Strategic Partner and YNY may lead to conflicting strategies, undermining the effectiveness of the partnership.</li><li>• <b>Legal and Procurement Challenges:</b> Navigating complex legal frameworks and procurement processes whilst considering APS may increase costs and time required for the procurement.</li></ul>



# Strategic Partner-Led Corporate Joint Venture

# Justification of Inclusion & Model Summary

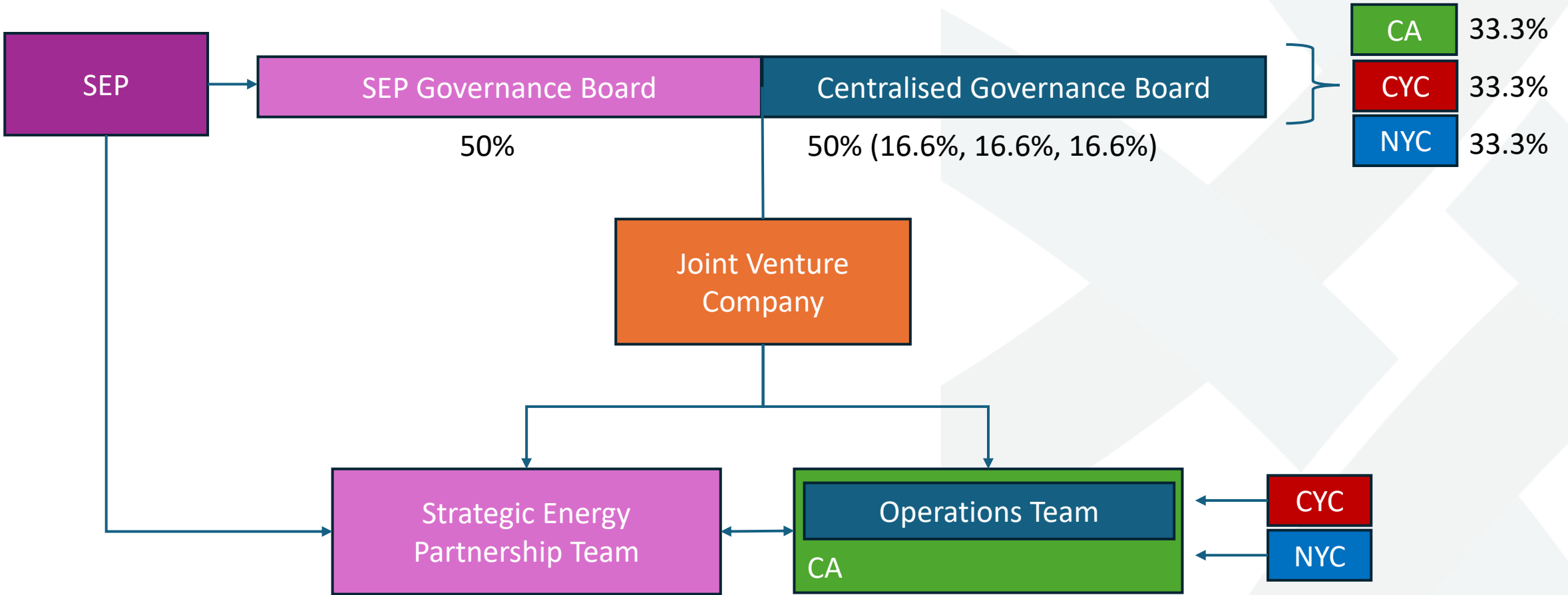
A corporate joint venture involves establishing a new jointly owned company (a separate legal entity) in which the YNY authorities and a strategic partner enter into a concession agreement in which some degree of right to operate on public assets or services is passed to the strategic partner for a specified period. For example, Bristol City Council entered into an agreement which granted their strategic partner first right of refusal over all council decarbonisation projects for a 15-year period, thereby creating the joint venture Bristol City Leap. The strategic partner will take a leading role in originating and developing projects and will be responsible for funding and managing the risks associated with commercialising these projects. The YNY authorities will contribute on a case-by-case basis (either financially or non-financially).

An operational team is exclusively made up from resource from the Strategic Partner, supported by a YNY Client Function that will ensure activities are occurring within the premise of the concession agreement. This team will also develop and follow a set Gateway Process and Project Acceptance Criteria that the strategic partner can submit projects to.

This model has been included within this options appraisal due to the initial objectives of this pilot to assess whether Bristol City Leap, a strategic partner-led corporate JV public-private partnership model, is replicable for this region.

Structure	Resource
<p>A Partnership Board would be created between YNY and the Strategic Partner to become the decision-making body, responsible for approvals of:</p> <ul style="list-style-type: none"><li>• Business Plans</li><li>• Final Investment Decisions</li><li>• Project Proposals related to YNY assets</li></ul> <p>The Governance route taken will differ depending on project life (e.g. grant funded, commercial opportunity, community)</p> <p>The Client Function team would be based within the CA with supporting officers from NYC and CYC.</p>	<p><b>Client Function Team (new entity)</b></p> <ul style="list-style-type: none"><li>• SLAs will be required for back-office services provided by the Council</li><li>• After a few years of activity Bristol City Leap currently have 23 employees, typically requires more resource than a contractual JV depending on scope. FTE and financial implications should be scaled accordingly.</li></ul> <p><b>Align Property Services</b></p> <p>Market engagement analysis suggests most strategic partners are open to working with APS but require</p> <ul style="list-style-type: none"><li>• Clarity over scope</li><li>• Aligning governance and approvals</li><li>• Assurance on APS capabilities and resource</li></ul>

# Model Summary: Structure

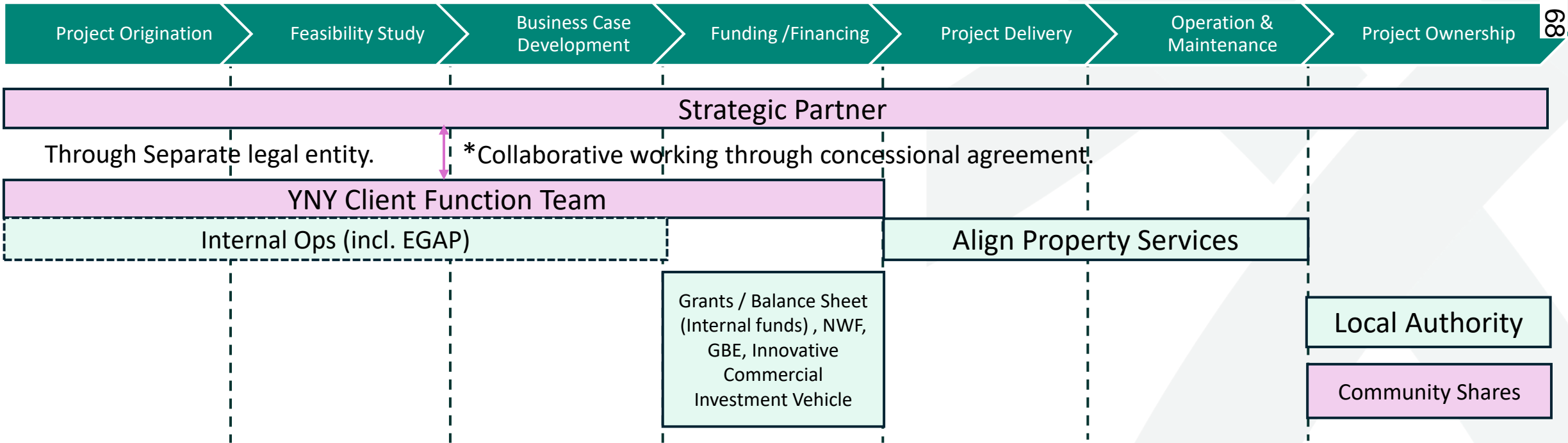


# Typical Project Route

Key	BAU
	Model Specific
	Other

## Project Route

1. Project Originated most likely by Strategic Energy Partner, but also could come from Local Authority or Client Function Team
2. Client Function Team assess project according to approval and gateway process, agreeing details at a project level with Strategic Energy Partner.
3. If approved, the business case is developed by the Strategic Partner.
4. The business case is taken to the Joint Governance Board for approval.
5. If approved, the project is delivered by the Strategic Partner with overview from the Client Function Team.



# Other Notable Considerations

## Bristol City Leap Learnings

As part of YNY’s Local Net Zero Programme Pilot, Bristol City Leap have provided advisory services through a Service Level Agreement. This page summarises key points of learnings taken from Bristol City Councils journey to set up Bristol City Leap and their partnership with Ameresco and Vattenfall. Most crucially, Bristol City Leap highlighted the importance of creating a sufficient mobilisation phase to create capacity to handover projects, a robust process is needed to complete this to ensure the process is efficient and risk-reward distribution between parties are correct. As well as this, Bristol City Leap highlighted the importance of the contract and negotiation phase of partnership to leverage as much as possible before the contract is signed. Some elements of this contract include:

- Right of first refusal
- Project approval process
- Subcontracting and benchmarking
- Obligations on parties for partnership working and consents
- KPIs
- Annual processes – business plan, VfM audit, authority share payment calculation
- Reporting and Information

## Community Engagement & Delivering Social Value

- Being clear about the tole of social value and community engagement in objectives and desired outcomes gave the project team a strong position going into procurement negotiations to push bidders hard on social value KPIs. (There is a financial consequence if these are not met) and to include additional protections around fair and transparent pricing.
- When designing evaluation questions, it is important to consider not just the monetary value of social value KPIs, but also the substantive benefit. For example, while one off engagements may tick a “number of volunteer hours” contributed box, the same number of hours spent as part of a long term well thought through programme to bring young people into green jobs is far more impactful.

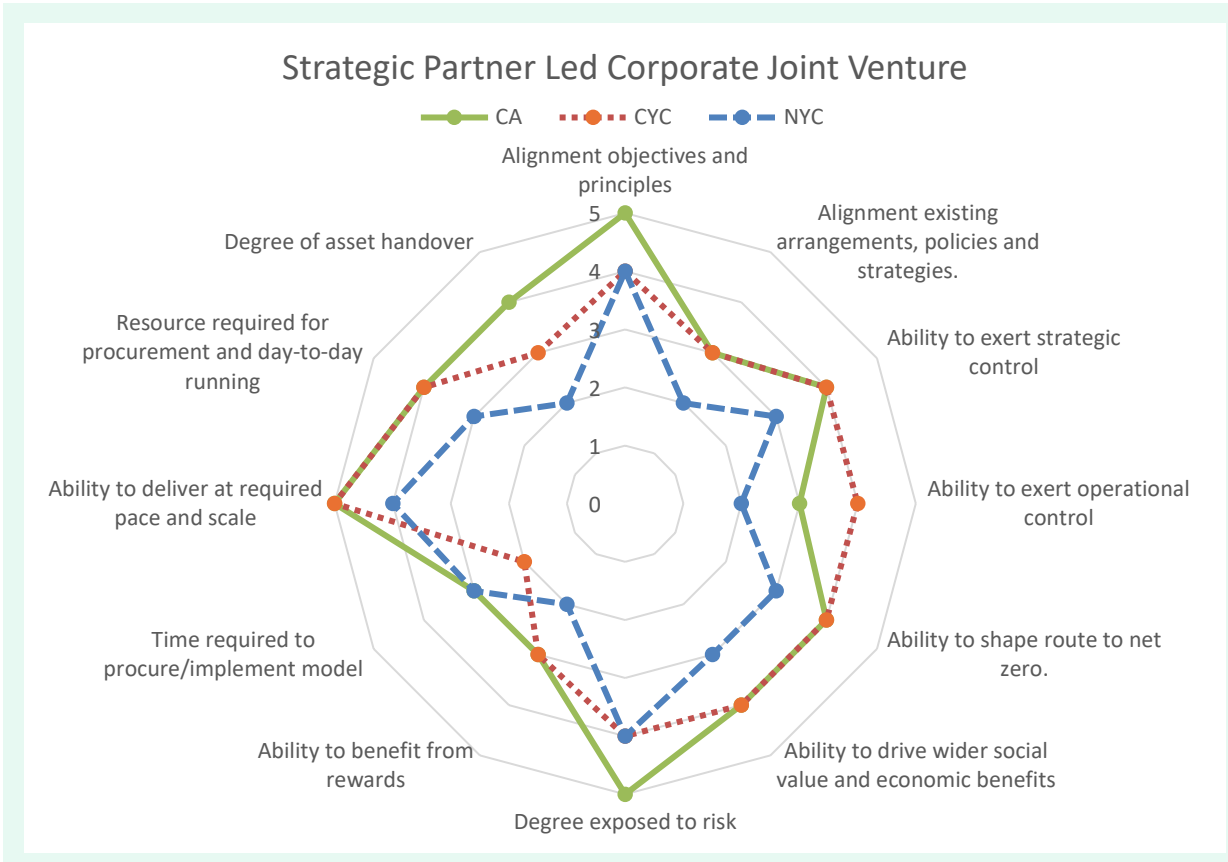
## Establishing Bristol City Leap

- A multi-stage procurement enabled Bristol City Council to refine its approach as more detail was known, and to test with bidders what would be commercially acceptable to the market.
- Procuring a strategic partner under the Concession Contract Regulations gave the council a greater degree of flexibility over the procurement process itself than other regulated procurement routes.
- The mobilisation period was extremely short, and insufficient resource was applied to that period to enable a smooth transition to stand up. For example, ideally the team would have worked through a practice project to ensure the proposed governance routes worked in practice. This didn’t happen and consequently some early projects took longer than expected to move into contract.

# Strategic Objectives Analysis

Theme	Summary	BAU	Score	
<b>Governance</b>	Legal entity has inherently robust governance routes, joint strategic board. Ability for variation. Shareholder rights considers potential longevity beyond model term. Would certain projects still need to go through individual governance?	1	4	
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Initial influx of private expertise to bolster internal capacity. Quick win, internal capacity will need to take on different responsibility of client function.	Potential separation of responsibilities between SP and YNY would reduce longevity of knowledge share, but pace of delivery over partnership term would increase over time.	1	4
<b>Project Development</b>	Collaborative, long-term project origination. SP-led projects will be financed by SP; individual authority can originate with grant or potentially blended funding. Bolstered capacity and capabilities from private sector. Concession agreement need to establish objectives to ensure social value in origination.	1	4	
<b>Funding &amp; Finance</b>	Increased ability to aggregate and bundle over longer-term partnership. Committed resources to bundle will likely need to be committed from the beginning. SP onboard has access to commercial investment. Capacity and capability to blend funding will be dependent on Client Function Team ability.	1	3	
<b>Delivery</b>	Long-term commitment to SP-lead on delivery, assured quality through procurement. Capacity to contract manage comes from Client Function. Procurement length drastically shortened. Surge of investment will increase local supply chain growth?	1	4	
<b>Community Benefit</b>	Formal process for recording KPIs, risk of SP cherry-picking type of social value. Engagement likely integrated but brunt of responsibility expected to fall on YNY. Commitment from SP can result in larger community energy result.	1	3	
<b>Economic Opportunity</b>	Fostering investment in regional projects drives demand for local businesses and training. KPIs to foster and support these opportunities for businesses, Client Function team responsibility?	1	3	
<b>Carbon Reduction</b>	Long-term strategic delivery, private sector expertise, pace faster than BAU.	1	3	

# Organisational Appetite Analysis



## Notes / Justification

### CA

**Pros:** CA comfortable with strategic partner taking on associated risk and delivery responsibilities associated with a first right of refusal as long as Fire & Police requirements are understood.

**Cons:** Possible political pressure to implement model sooner and demonstrate progress/delivery quicker. CA want to retain robust strategic control.

### CYC

**Pros:** More flexible to different asset arrangements, to accelerate project funding and delivery.

**Cons:** A 2.5+ year procurement and mobilisation phase would leave less than 2 years before CYC's 2030 net zero target. Want greater influence over delivery and the integration of social value.

### NYC

**Pros:** A strategic partner would promote focused development of NYC project pipeline. Increased pace of project origination and development.

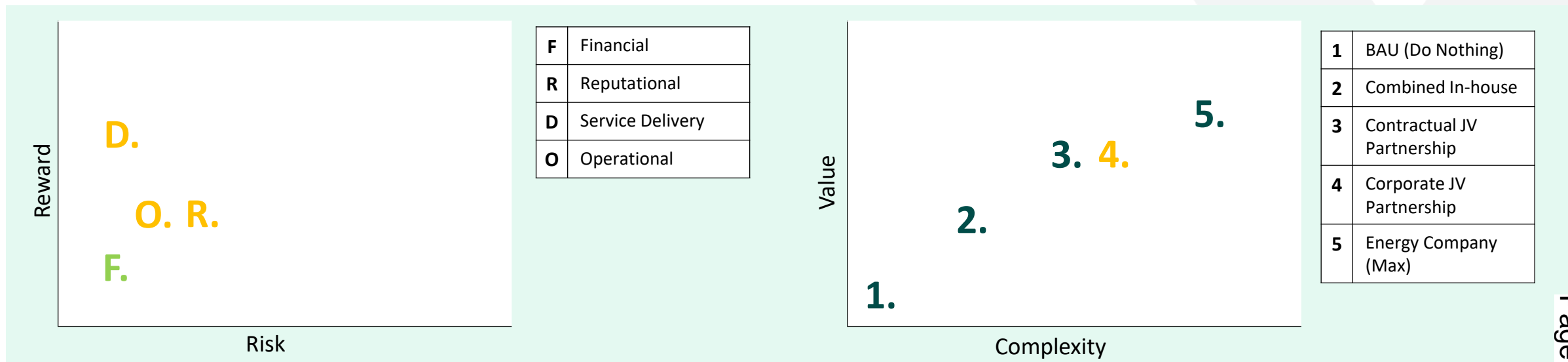
**Cons:** A first right of refusal agreement is not preferred; there is a hesitation around granting exclusivity rights regarding retaining reward and the inclusion of teckal Align Property Services.

Order	Model	CA	CYC	NYC	Total
1	SP-Led Contractual	54	50*	44	148
2	Combined In-House	47	44	46*	137
3	Regional Company	48	39	44	132
4	SP-Led Corporate	47	44	35	126

This model best demonstrates how stakeholder opinions vary between the local authorities, regarding a desire for self-delivery versus the desire for increased pace and delivery.

\*Highlights the model that is informally favoured by each organisation.

# Risk / Reward Analysis



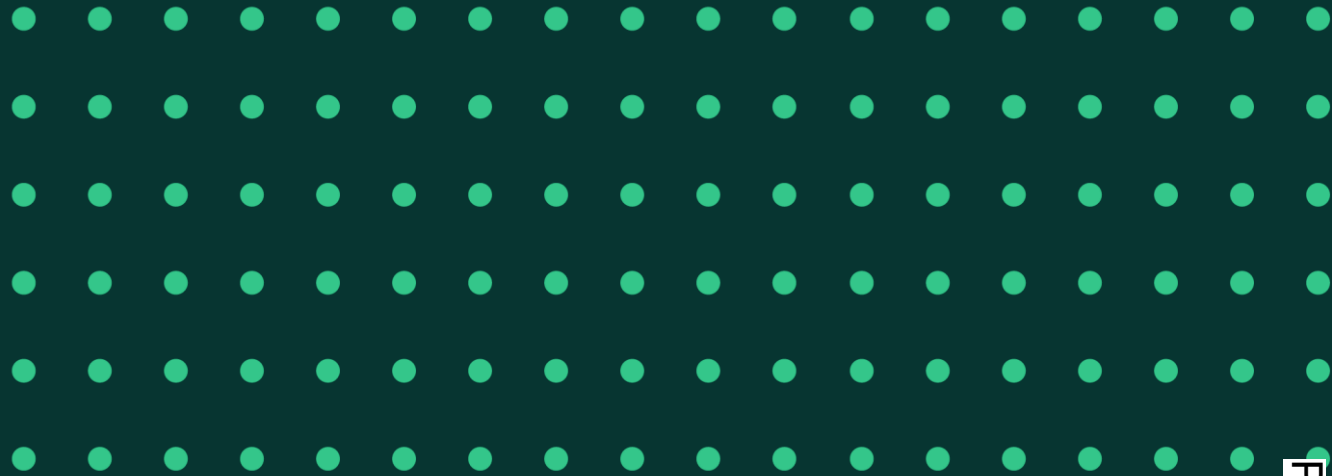
Theme	Detail	Risk	Reward
Financial	Through transfer of project risk, levels of financial reward for successful project is also transferred. Specific projects may be open for risk/reward negotiations. As part of a concession – possible to ensure concession payment to YNY but will depend on quality of offer by YNY to SP.	Low	Low
Reputational	Holding the SP accountable comes entirely from the agreement, both parties will share reputational risk in a flexible contract. Branding may be unique but will have authorities and SP behind it.	Moderate	Moderate
Service Delivery	SP leads origination, development and delivery, YNY holds SP accountable through KPIs in contract and gateway process, pace of delivery is considerably faster.	Low	High
Operational	YNY will have less control over day-to-day operations, with considerably more over strategic decisions.	Low	Moderate

Complexity vs. Value	Mitigation & Dependencies
<ul style="list-style-type: none"> <li>Likely a complex long-term process due to negotiation and long-term commitment from both parties.</li> <li>Single procurement very likely.</li> </ul>	<ul style="list-style-type: none"> <li>To mitigate some risks a robust contract is required that holds the SP accountable and does not allow them to cherry-pick or underperform.</li> <li>Robust gateway processes and risk/reward negotiation frameworks required to ensure efficient and successful project delivery.</li> </ul>

# Qualitative SWOT Analysis

Both Joint Venture Model Options will have similar advantages and limitations, of the following points those highlighted in **ORANGE** demonstrate the SWOT elements that are specific to the Strategic Partner-Led Corporate Joint Venture Model.

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• <b>Reduced Financial Exposure:</b> The strategic partner will take the lead in funding and managing risk associated with originating and commercialising projects, reducing contribution and exposure for the authorities.</li><li>• <b>Strategic Control:</b> Each party retains more control over its own operations and assets, appropriate structuring of contract mechanisms will allow for differing control and oversight as well as incentivise the right behaviours.</li><li>• <b>Combined Expertise:</b> The partnership will present opportunities to leverage combined experience and resources of both the public and private sector. Especially with private sector taking a lead on project development.</li></ul>	<ul style="list-style-type: none"><li>• <b>Incentives &amp; Accountability:</b> Weaker contract arrangements and misaligned incentives may result in a suboptimal performance and outcomes for the partnership in particular, social value outcomes.</li><li>• <b>Dependence:</b> The authorities would depend heavily on the partner’s performance since it only has limited control over daily operations which may result in misalignment of goals.</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• <b>Access to Innovation:</b> The partnership will benefit from private sector innovation and efficiency, potentially leading to more effective solutions.</li><li>• <b>Pace and Scale:</b> An initial influx of private expertise to bolster internal capacity and overall increased capabilities, would increase the pace and scale of delivery, considering the ability to act on economies of scale.</li><li>• <b>Contract Considerations:</b> The set-up of this model is very complex and requires the consideration of multiple dependent factors that will ultimately impact the success of SEP delivery, most importantly accountability and KPIs.</li></ul>	<ul style="list-style-type: none"><li>• <b>Strategic misalignment:</b> Differences in priorities and objectives between the Strategic Partner and YNY may lead to conflicting strategies, undermining the effectiveness of the partnership.</li><li>• <b>Legal and Procurement Challenges:</b> Navigating complex legal frameworks and procurement processes whilst considering APS may increase costs and time required for the procurement.</li><li>• <b>Reduced Flexibility:</b> Harder to exit or restructure without legal and financial implications</li></ul>



# Regional Company (Do Maximum)

## Regional Company (Do Maximum)

# Justification of Inclusion & Model Summary

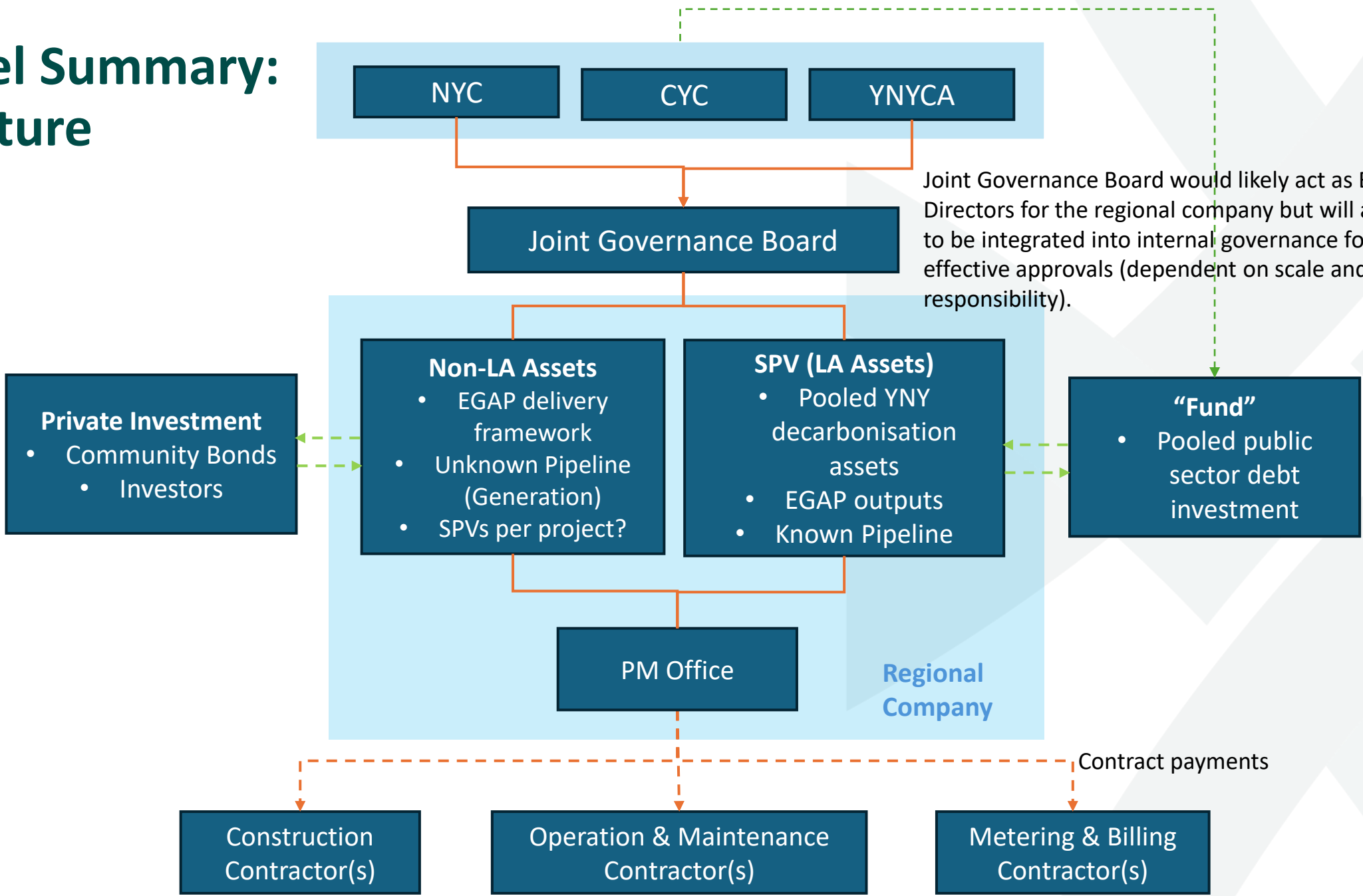
A distinct company, likened to an in-house model ringfenced legally, would be dedicated to activities from origination to contract management and community engagement. At the forefront of company decisions would be an owner-operator investment-minded priority. The goal being to utilise commercially viable projects to generate revenue and use this to subsidise non-viable projects via a revolving fund whilst simultaneously providing direct benefits for authority core services.

The model requires significant investment, exploring arising opportunities from GB Energy, NWF and other private investment, to support the actions of a series of legally distinct SPV investment into commercially viable energy generation.

This model was included after iterative reflection into the shortlist, answering a need for a model that could fulfil all criteria to the fullest they could possibly be whilst considering the regions desire and track-record for self-delivery. This model termed the 'maximum ambition model' was created to demonstrate how mayoral and regional priorities could be undertaken in-house to retain all benefits possible.

Structure	Resource
<p>Separate entities combined into model:</p> <p><b>Regional Company:</b> in-house model ring-fenced legally, provides services to support energy project development and delivery. Dedicated PM office to manage contracts.</p> <p><b>Fund:</b> LA assets likely to only be funded through a publicly raised "fund". Whereas non-LA assets or those with commercial viability are the ones likely to funded through private investment. LP development according to pipeline development.</p> <p><b>SPVs:</b> Where applicable legally distinct SPVs raised to allow wider investment / financing options (isolating financial risk).</p> <p><b>Joint Governance Board:</b> Created from NYC/CYC/CA membership. Blend at fund level rather than delivery.</p>	<p><b>Company:</b> £800k - £1mil per year for functions: project development, management of energy assets/contracts, raising of capital etc. Large dedicated team.</p> <p><b>Funding:</b> Requires significant Cornerstone Investment</p> <p><b>Project Pipeline:</b> Successful pipeline requires knowledge of pipeline to understand what the Company will likely deliver first, leading into setting fund criteria.</p>

# Model Summary: Structure



Joint Governance Board would likely act as Board of Directors for the regional company but will also need to be integrated into internal governance for effective approvals (dependent on scale and responsibility).

# Regional Company (Do Maximum)

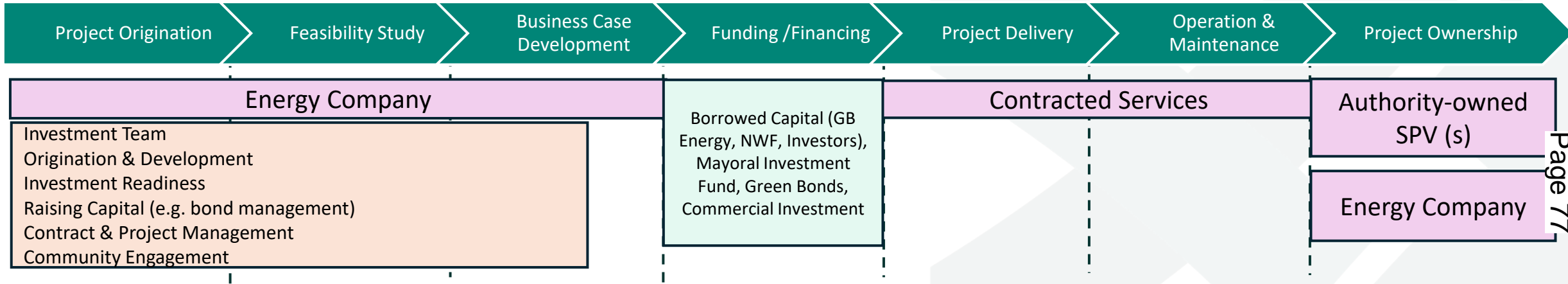
## Typical Project Route

Key	BAU
	Model Specific
	Other

### Project Route

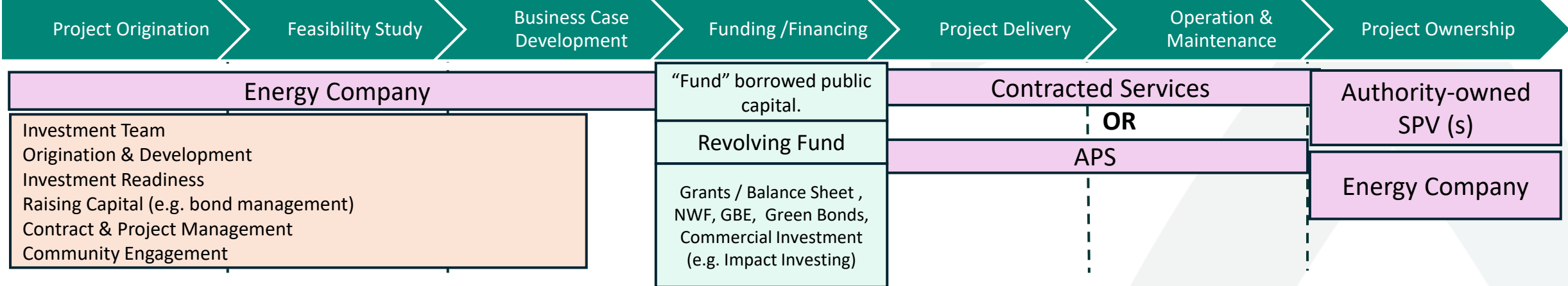
1. Project originated and worked up to business case by the internal team dependent on requirements (specialisms contracted appropriately).
2. Route of delivery taken to Joint Governance Board, to confirm investment and delivery pathway.
3. Company contract manages directly or indirectly through SPV if appropriate to raise.

### Commercially viable opportunities:



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### Not commercially viable opportunities:



# Other Notable Considerations

The following feedback and questions remain regarding this model and ultimately whether this is the most efficient way ‘maximum ambition’ could be achieved for York and North Yorkshire.

Question/Feedback	Detail/Discussion
One SPV rather than multiple (SPV per project)	<p>If consideration is existing pipeline (authority assets) initially, no project is big enough or has a significant commercial case worth raising an individual SPV over. One SPV for all projects would more likely be used to pool assets to raise debt investment for all.</p> <p><i>This changes if we own and operate large commercial projects, however you wouldn't recommend this why?</i></p>
Equity Investor rather than Owner/Operator	<p>Investment into energy generation ownership stakes/shares to retain future company profits. The volatile and uncertain market as well as rising interest rates, higher borrowing costs and lack of capacity in the grid to accept new renewables generators. Evidence from Warrington Borough Council, owner/operator of three solar farms. They have £87 million of loans invested in its solar farms but due to its investment decisions and conditions are £1.8 billion in debt.</p> <p><i>Question: Does this limit the larger scale profit expected from retaining self-delivery? Require more detail on how this would work? From borrowed capital?</i></p>
SPV may not be eligible for LP Fund investment.	<p>An SPV containing authority assets (existing pipeline) to pool resources are difficult to finance. An LP Fund that chooses to invest in an SPV is possible. It will depend on the investment policy that meets the needs of the local authority but also the private capital. <i>What in particular about private requirements?</i> It may be difficult to align those criteria with additional risks of LP funds needing oversight and verification of Suppliers/PM delivery. LP Fund could invest in SPV but very unlikely that they would, due to being blind to the investment. <i>Could you expand on blind to the investment</i></p>
Why a “fund” rather than LP Fund?	<p>It is more likely due to the pooled assets (most of which are not commercially viable), that the financial vehicle for this model would be an accumulation of public capital. This “Fund” is a pool of public sector money used to deliver projects.</p>
What are the implications of a “fund” (e.g. GLA/NWF) and why is it not a fund?	<p>Limited Partner funds are legal structures to pool capital from multiple investors to be professionally managed by its general partner to generate returns for investors. Whereas this “fund” is a consolidation of various public sector loans into a single entity, most likely from NWF. Both must deliver a positive financial return, but the “fund” is over a longer term with a lower IRR.</p>

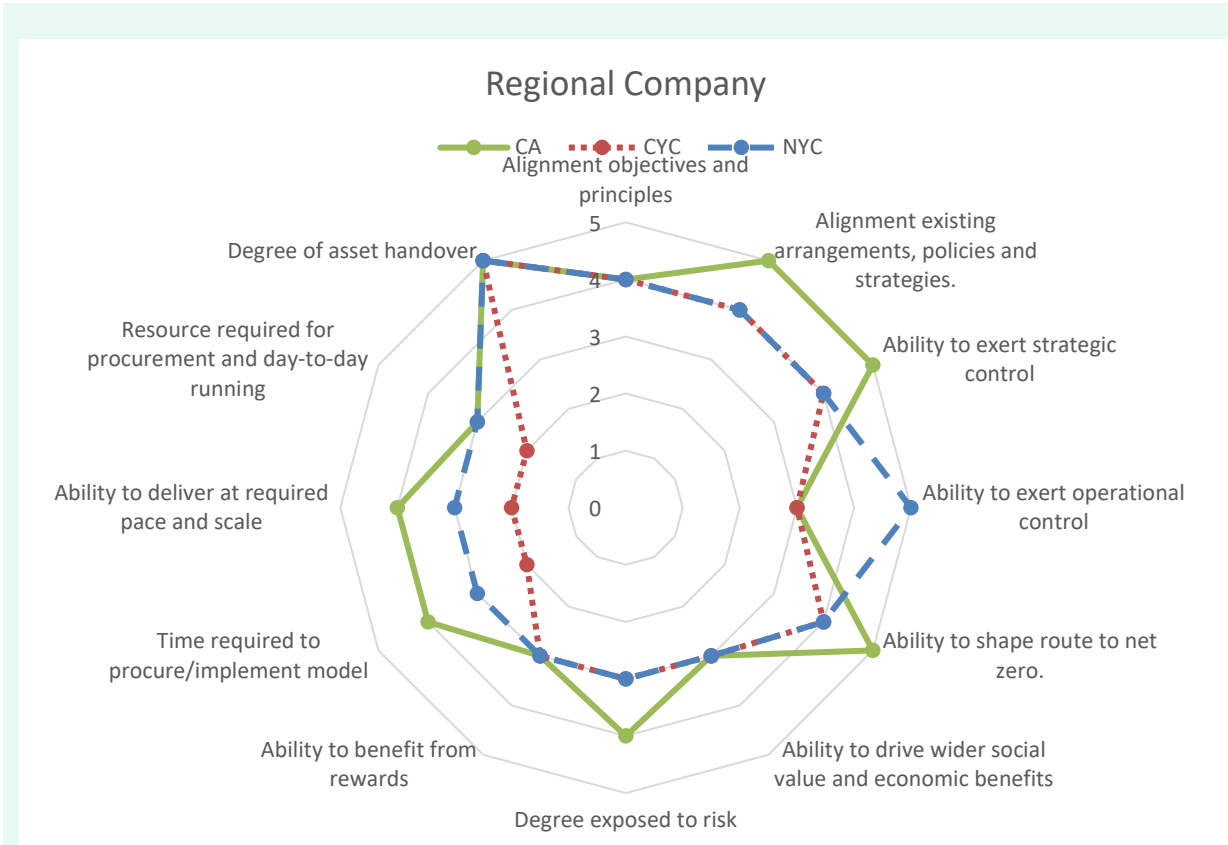
# Strategic Objectives Analysis

Total (out of 35)

31

Theme	Summary	BAU	Score
<b>Governance</b>	Is a legally distinct entity, public authority can still maintain a degree of control as a shareholder. Can also form initial governance framework to shape strategic direction of SPV going forward. Flexibility from political uncertainty, as less likely to be viewed as financially or legally risky operation.	1	5
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Requires extensive set-up, initial capacity would be to scale existing programmes like EGAP. Operating on project-by-project basis and may take longer to fulfil investment opportunity in large-scale project.	1	3
<b>Project Development</b>	Will require capacity to be built over time into a profitable venture. Start-up phase may see a reliance on commercially viable 'quick wins' to build up portfolio and generate revenue. Revolving fund of revenue will provide long-term project development function. Wholly-owned provides strategic advisory role to be realised.	1	4
<b>Funding &amp; Finance</b>	Isolation of financial risk through SPV. Access to commercial investment and securitised debt financing. Ability to tackle larger development (high risk, high reward). Need to repay shareholders may create more profit driven business model and limit funding/appetite for commercially unviable projects.	1	4
<b>Delivery</b>	Legal distinction from public sector, can prioritise working with local business (not constrained by procurement regs?). Can invest in projects across the UK to support commercially unviable projects in YNY (as done by Warrington BC).	1	3
<b>Community Benefit</b>	Larger scale developments by the SPV will likely require community benefit funds to generate local support. Creation of CIC works more directly with community on less commercially viable projects, has ability to attract own investment and through funds.	1	4
<b>Economic Opportunity</b>	Requirement with contractor to use local suppliers. Legal distinction from public sector, can prioritise working with local business.	1	4
<b>Carbon Reduction</b>	Financial and legal freedoms to make large scale investments will increase pace and scale of delivery. Quick wins will result in limited asset class project delivery initially.	1	4

# Organisational Appetite Analysis



Order	Model	CA	CYC	NYC	Total
1	SP-Led Contractual	54	50	44	148
2	Combined In-House	47	44	46	137
3	Regional Company	48	39	44	132
4	SP-Led Corporate	47	44	35	126

## Notes / Justification

### CA

**Pros:** CA wants a robust joint up governance approach and strategic overview to regional delivery, secured through the legal set up of a new company.  
**Cons:** Likely difficult to demonstrate immediate increase in activity, and no dedicated social value mechanism.

### CYC

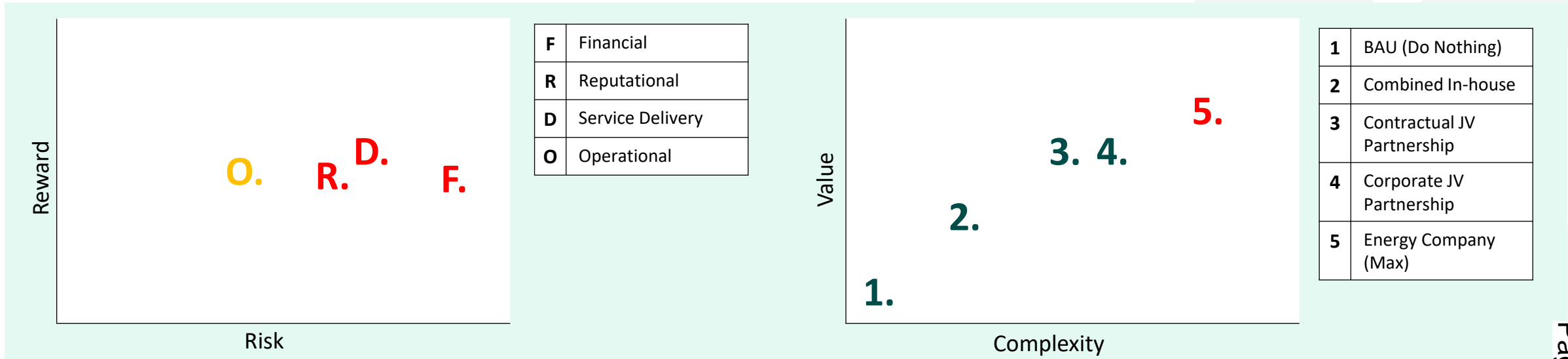
**Pros:** Flexibility and strategic control of this model are attractive.  
**Cons:** Pace of delivery increasingly important to CYC, benefits of this model do not likely balance with these associated limitations. Financial input from CYC is also likely to be limited.

### NYC

**Pros:** Self-delivery and ability to retain considerable reward and control is attractive to NYC.  
**Cons:** Too many unknowns on commitment and legal structure, unsure on effectiveness of this model compared to combined in-house.

Note: 3's likely indicate that there is not enough information to make an informed judgement on the authority's appetite.

# Risk / Reward Analysis

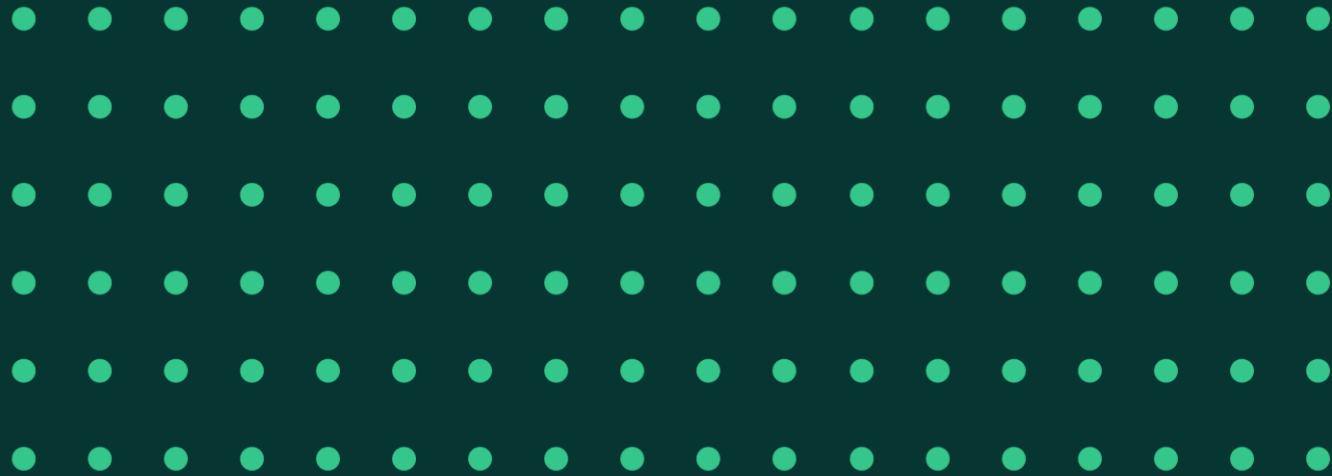


Theme	Detail	Risk	Reward
Financial	Model requires significant financial investment likely from public loans or providing assurance to investors through cornerstone investment. All profit is retained without private ownership, but financial commitments will require appropriate payback.	High	Moderate
Reputational	Creation of legally distinct entity will provide some reputation protection, but considerable risk still lies with the authorities and their use of public money.	High	Moderate
Service Delivery	YNY is fully exposed to delivery risk, on a project level some delivery risk may be passed to the private sector, but contract management will remain in-house.	High	Moderate
Operational	Keeping operations in-house would expose the model to a risk of derailment if three authorities disagree or could be highly influenced by politics.	Moderate	High

Complexity vs. Value	Mitigation & Dependencies
<ul style="list-style-type: none"> <li>Legal input to set up new company structure would likely be complex, new governance arrangement.</li> <li>Would likely require multiple large complex procurements.</li> </ul>	<ul style="list-style-type: none"> <li>Further exploration to understand if this is the most efficient structure for this models associated ambition.</li> </ul>

# Qualitative SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• <b>High level of Control:</b> The authorities retain full control and influence over project origination, delivery, and advancement towards net zero. Especially, regarding large scale energy generation, YNY will retain control and thereby impacts on communities.</li><li>• <b>Robust Regional Approach:</b> Facilitates a region-wide approach whilst supporting existing arrangements, ability to scale up existing programmes is a great advantage at upskilling and resource efficiency, especially if resource is combined into one delivery vehicle.</li></ul>	<ul style="list-style-type: none"><li>• <b>Pace and Scale:</b> This model would likely take a significant amount of time to reach its fullest potential regarding large scale investment. Maximising economies of scale is less likely as it is dependent on the resource YNY commit.</li><li>• <b>Lack of market interest:</b> Some key strengths and opportunities associated with this model may be compromised if there is insufficient market interest or appetite.</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• <b>Scaling APS:</b> This model could facilitate the scaling up of APS, offering an effective delivery route whilst using the procurement framework for external private expertise.</li><li>• <b>Government Support:</b> Current initiatives from GBE, DESNZ and NWF show an increased appetite to fund and support sustainable energy projects, potential opportunity to access easily using this model as evidence of delivery.</li><li>• <b>Dedicated PM Office:</b> This model facilitates a robust delivery/contract management facility that can be adaptable and flexible to different project needs. Also, could potentially provide assurance to external investors.</li></ul>	<ul style="list-style-type: none"><li>• <b>Resource Intensive:</b> Concerns about YNY ability to allocate the necessary resources to manage and execute projects effectively especially to the required pace and scale required to reach net zero.</li><li>• <b>Raising Finance:</b> More likely that significant finance will be raised through public loans facility.</li><li>• <b>Complexity:</b> The complexity of setting up this model is significant, could not be the most efficient way to achieve the same ambition.</li></ul>



# Concluding Summary

# Strategic Objectives Summary

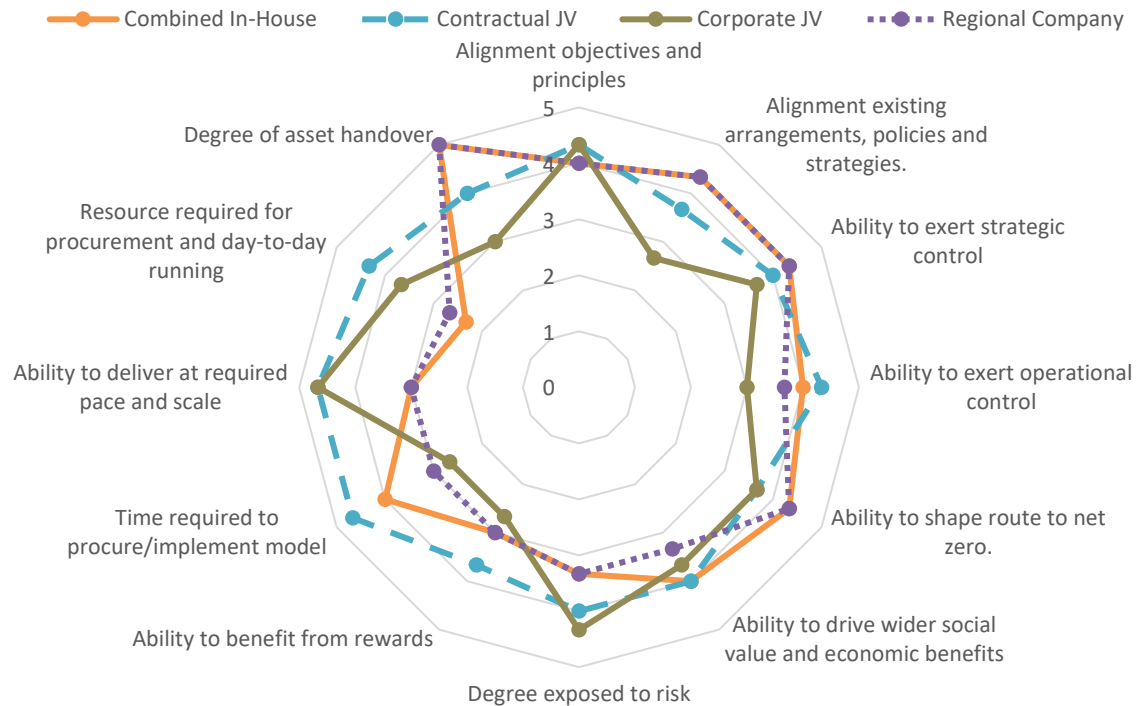
	Governance	Capacity & Capabilities	Project Development	Funding & Finance	Delivery	Community Benefit	Economic Opportunity	Carbon Reduction
Combined In-House	Yellow	Yellow	Yellow	Light Green	Yellow	Light Green	Yellow	Yellow
Contractual JV	Yellow	Light Green	Light Green	Yellow	Light Green	Yellow	Yellow	Yellow
Corporate JV	Light Green	Light Green	Light Green	Yellow	Light Green	Yellow	Yellow	Yellow
Regional Company	Green	Yellow	Light Green	Light Green	Yellow	Light Green	Light Green	Light Green

Note: This analysis demonstrates the potential of each model to achieve the strategic objectives, the ability of each model to achieve this potential or go further than this initial analysis will be dependent on the execution of each model. This regards quality of negotiation during procurement, robustness of contracts, robustness of governance arrangements, commitment of resource (financially, and non-financially), and effectiveness of mechanisms etc.

	Combined In-House	Contractual JV	Corporate JV	Regional Company
Advantages	<b>Flexibility:</b> The model is highly compatible with utilising different origination, funding, delivery and ownership mechanisms. Adapting to different project requirements.	<b>Flexibility:</b> The model is easier to set up and dissolve; as well as this closer collaboration and contract arrangements can allow for increased flexibility on a case-by-case basis.	<b>Reduced Financial Exposure:</b> The strategic partner will take the lead in funding and managing risk associated with originating and commercialising projects, reducing contribution and exposure for the authorities.	<b>Robust Regional Approach:</b> Facilitates a region-wide approach, ability to scale up existing programmes is a great advantage at upskilling and resource efficiency, especially if resource is combined into one delivery vehicle.
Limitations	<b>Potential for inconsistency:</b> Procurement framework approach would need monitoring on a project-by-project basis to ensure quality of delivery is consistent,	<b>Mutual Commitment:</b> Entering a robust contract requires robust trust building and shared goals to ensure mutually beneficial results are achieved. The contractual nature of this model makes this element weaker than a corporate structure.	<b>Dependence:</b> The authorities would depend heavily on the partner's performance since the model only has limited control over daily operations which may result in misalignment of goals.	<b>Complexity:</b> The complexity of setting up this model is significant, could not be the most efficient way to achieve the same ambition.

# Organisational Appetite Summary

YNY Averaged Appetite - Model Comparison



**Combined In-House:** This model is generally well accepted across YNY and poses an opportunity to expand our business-as-usual operations without a long-term contract with the private sector. Instead focusing on joint internal mechanisms that can maximise public resources and finance. However, a major concern of this model is that without contractual commitment this model remains on a BAU trajectory in the longer term.

**Contractual JV:** This model is the highest ranking across YNY, its balance between private and public operational control is increasingly attractive to YNY, especially the local authorities. However, a risk to the success of this model will be the negotiation phase between partner and YNY to ensure both parties are happy with this share of risk/responsibility.

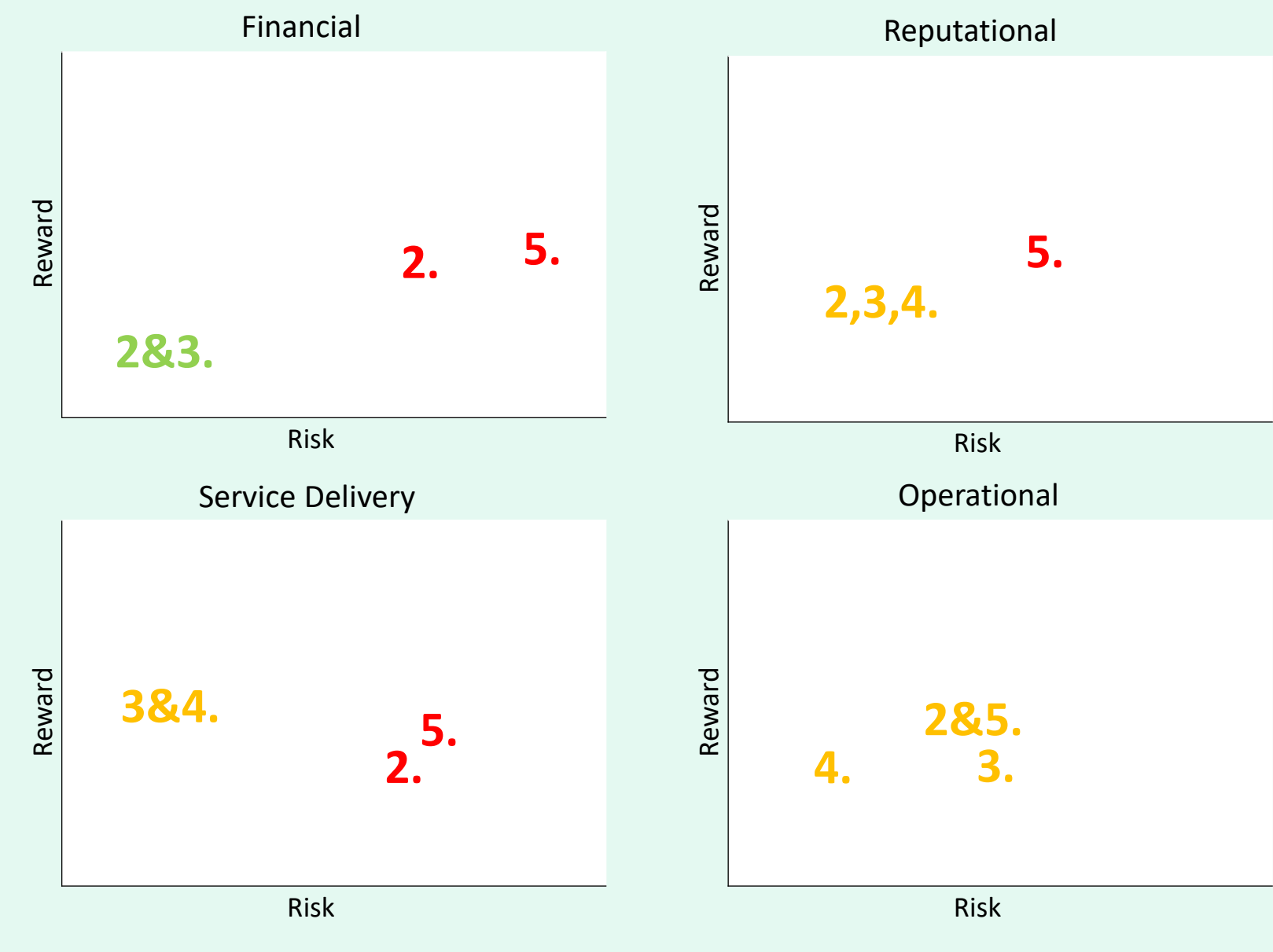
**Corporate JV:** This model ranks the lowest of the shortlist, the most likely reason for this is a lack of appetite towards a first right of refusal contract. CYC and the CA seem more open to this and recognise it may be required to obtain private sector expertise.

**Regional Company:** This appetite reflects YNY opinion to the highest risk model in terms of financial and legal commitment. CYC is most opposed to this model due to its need for pace and scale of delivery.

\*Highlights the model that is informally favoured by each organisation.

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1	SP-Led Contractual	54	50*	44	148
2	Combined In-House	47	44	46*	137
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4	SP-Led Corporate	47	44	35	126

# Risk/Reward Summary



1	BAU (Do Nothing)
2	Combined In-house
3	Contractual JV Partnership
4	Corporate JV Partnership
5	Energy Company (Max)

**Combined In-House:** Risk taken on by YNY entirely, with potential to retain reward. Approach is most variable.

**Contractual JV:** Balance of control with the private partner leads to increased delivery pace but less financial reward.

**Corporate JV:** Handing over most risk to the private partner results in considerable delivery pace compared to the other models.

**Regional Company:** Highest risk model due to the most financial and legal commitment, however, potentially could result in the most financial benefit that YNY have the most control over i.e. into core services.

# Recommendations

This page summarises recommendations from the Project Team for progressing the preferred model decision, and/or the programme in general.

1. It is likely all models will require common mechanisms that are applicable (with small changes) dependent on the preferred model choice. A recommendation would be to produce these common mechanisms to achieve LNZA objectives by March 2026, ensure these mechanisms inform a model choice and ensure these mechanisms have longevity. These include the following:

## Governance Processes

- How will YNY make regional decisions at pace and collaboratively?

## Gateway Approvals

- What project requirements exist to move a project from SOC -> OA -> OBC

## Ways of Working

- How will YNY authorities practically work together moving forward?

## Profit Sharing Agreements

- If applicable, how will profits be shared between YNY?

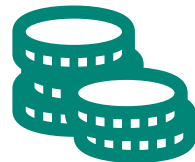
## Social Value Framework

- Integration of Community Energy & enforcement framework/KPIs for social value

2. Questions remain from YNY regarding the below themes to inform senior decision making on the preferred model. Senior stakeholders require quantitative, evidence-based assurance regarding the impact of each model on their business as usual and what outputs will be created as a result of this programme.



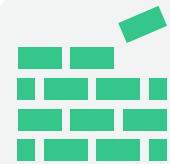
Strategic Alignment & Impact



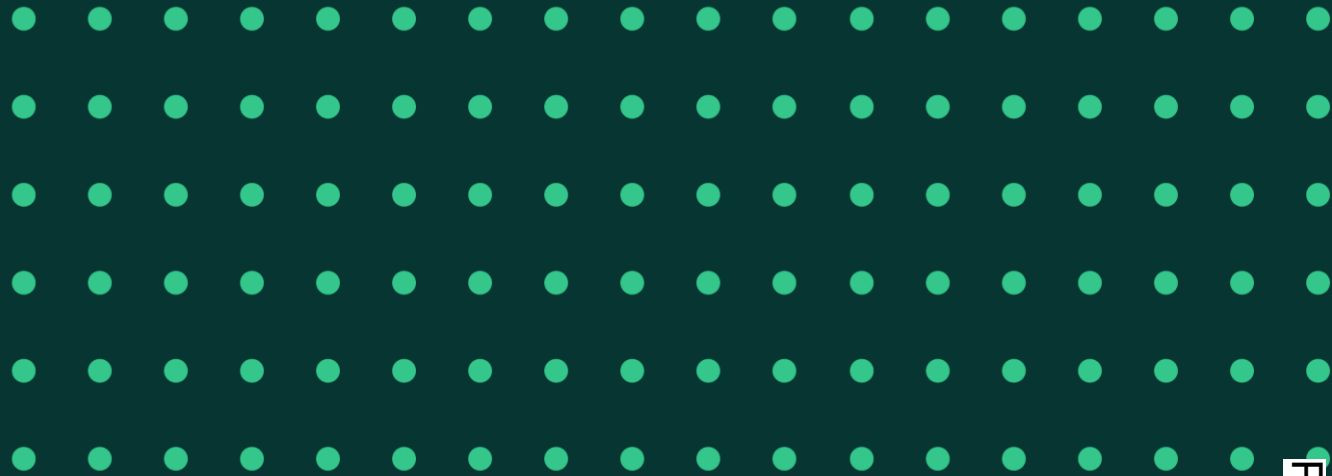
Financial and Operational Implications



Cross-working Considerations



Model Resilience



# Appendix

## Longlist Options Appraisal

# Overview – Heat Map

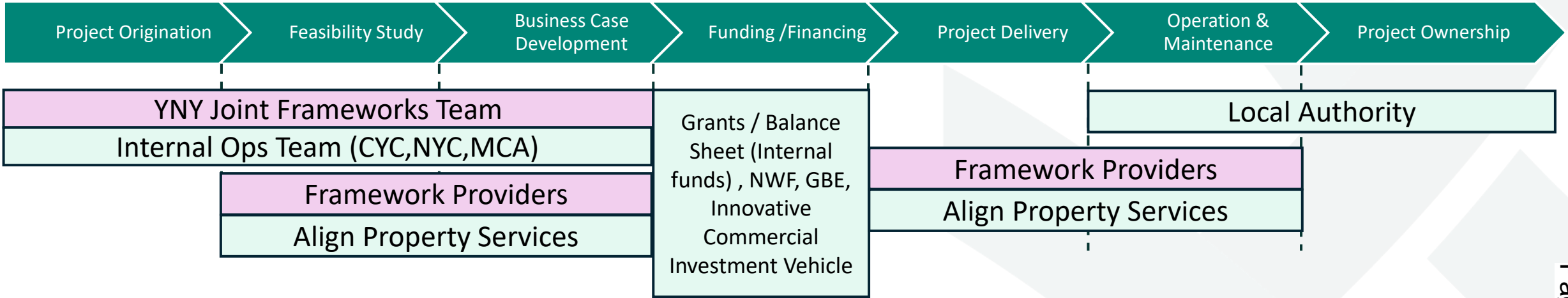
	Governance	Capacity & Capabilities	Project Development	Funding & Finance	Delivery	Community Benefit	Economic Opportunity	Carbon Reduction
Authority-Led Framework	Red	Yellow	Red	Red	Yellow	Red	Yellow	Yellow
In-House Centralised	Yellow	Yellow	Yellow	Red	Red	Yellow	Red	Yellow
In-House Scaled-Up APS	Yellow	Yellow	Yellow	Red	Red	Yellow	Yellow	Red
Investment Readiness Facility	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Yellow
Limited Partner Fund	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow
Dual Track Coventry	Yellow	Green	Green	Yellow	Green	Yellow	Yellow	Green

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Does not meet the objective at all	Meets the objective very poorly; major gaps or misalignment	Meets the objective somewhat, but with significant issues	Adequately meets the objective; some minor issues present	Mostly meets the objective; only minor improvements needed	Fully meets or exceeds the objective; no improvements needed
0	1	2	3	4	5

# Authority-Led Framework

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint establishment of the framework (deciding detail and criteria).</li> <li>Individual draw down and governance routes for net zero project delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Core Framework Team – committed full-time resource requires funding (e.g. Mayoral Investment Fund + LAs).                             <ul style="list-style-type: none"> <li>Procurement/Legal/ Finance/Manage</li> </ul> </li> <li>Contracted Framework Team – grant funded allocation per project.                             <ul style="list-style-type: none"> <li>Contract Management</li> </ul> </li> <li>[EY Report] States up to 30 FTE minimum (incl. contract management, legal, finance and procurement specialists)</li> </ul>	<ol style="list-style-type: none"> <li>Project Originated by Individual Authority/ supported by Joint Frameworks Team.</li> <li>Project assessed according to framework criteria.</li> <li>If approved, Individual Authority or Joint Frameworks Team takes to business case (utilises framework if applicable)</li> <li>Business case delivery drawn down by framework delivery.</li> <li>Joint Frameworks Team or resource from individual authority, contract manages.</li> </ol>

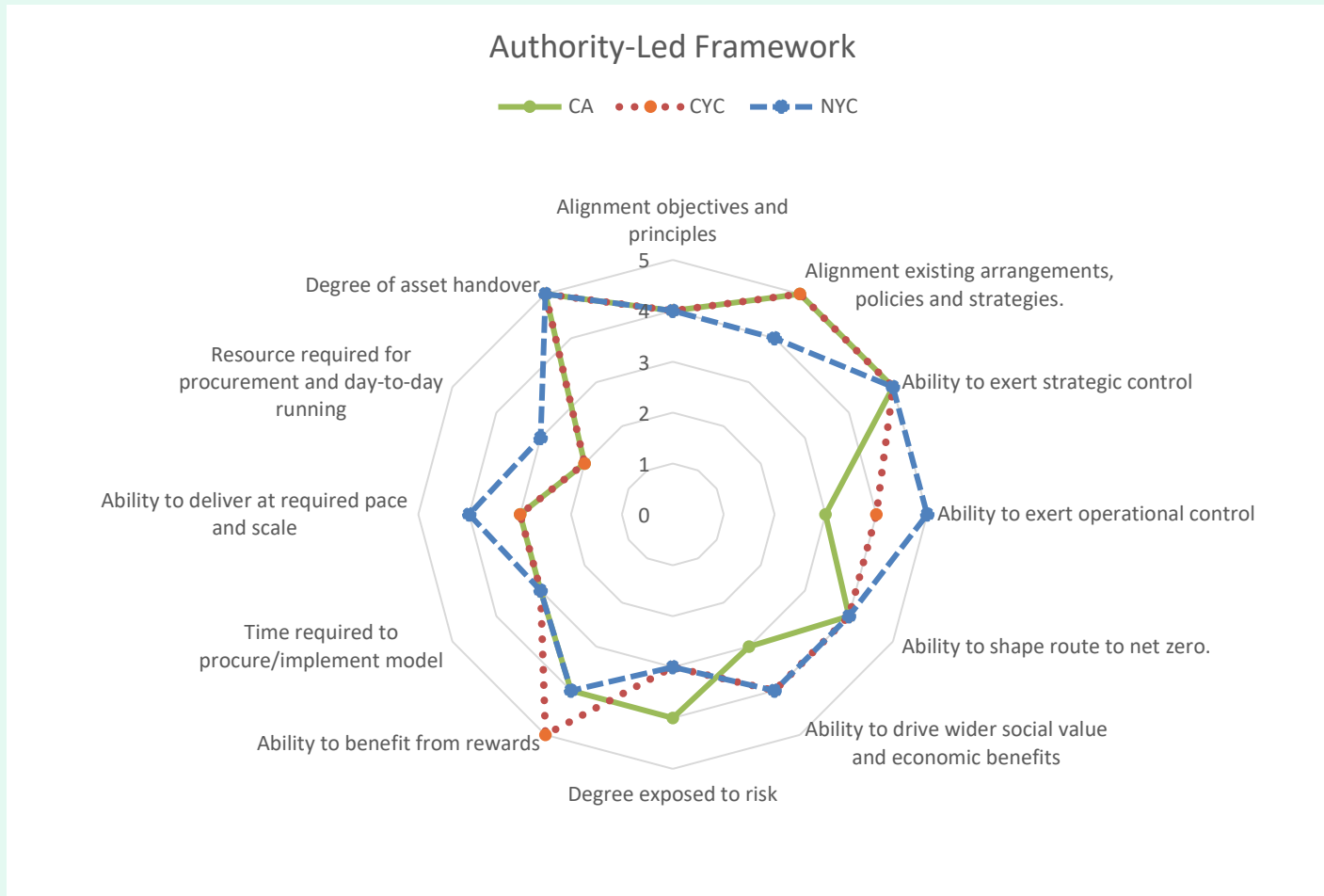
# Authority-Led Framework

Total (out of 35)

10

Theme	Summary	BAU	Score
<b>Governance</b>	Individual authorities draw down on framework as required, BAU. Criteria of framework established jointly [EY Report]	1	1
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Capacity required to set up the framework, will likely take ~1 year. BAU in meantime.	1	2
<b>Project Development</b>	Project-by-project call off, will not meet required pace and scale. Longevity of framework is beneficial for YNY BAU project development functionality.	1	1
<b>Funding &amp; Finance</b>	BAU as framework will likely only provide contracting for supply of services and/or works, point at which a project enters the framework will be business case (therefore likely grant funded continuation).	1	1
<b>Delivery</b>	Procurement process would be shorter than BAU but longer than partner arrangement and still on project-by-project basis, leading to mediocre pace of delivery. Encouragement of consortium approaches with local supply chain possible. Quality of delivery potentially would not be consistent. Capacity for contract management would depend on grant funding.	1	2
<b>Community Benefit</b>	BAU integration of community benefit into framework, low capacity not sufficient to engage communities widely.	1	1
<b>Economic Opportunity</b>	Procurement framework with requirement for consortium/dedication to local supply chain would benefit local businesses and increase demand. But limited capacity to support these businesses could result in slow engagement and therefore delivery.	1	2
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.	1	2

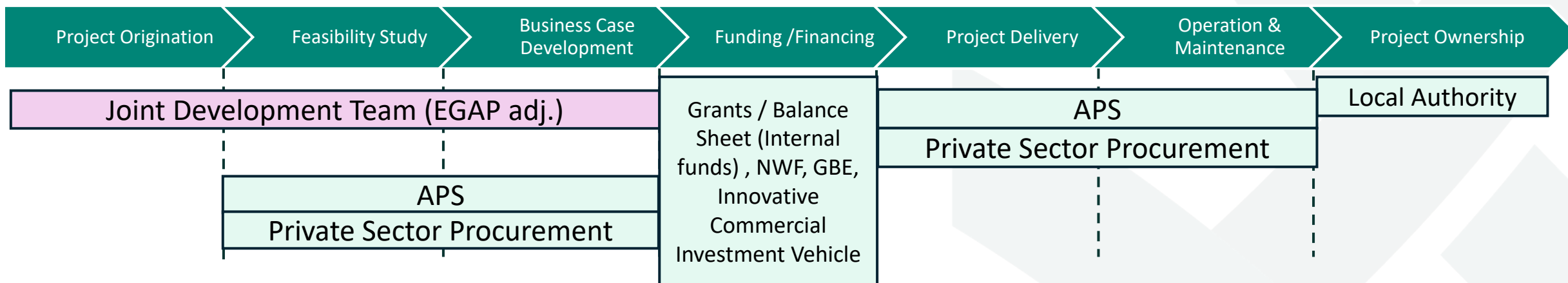
# Authority-Led Framework



Model	CA	CYC	NYC	Total
SP-Led Contractual	45	47	48	140

# Enhanced In-House Centralised

Key	BAU
	Model Specific
	Other



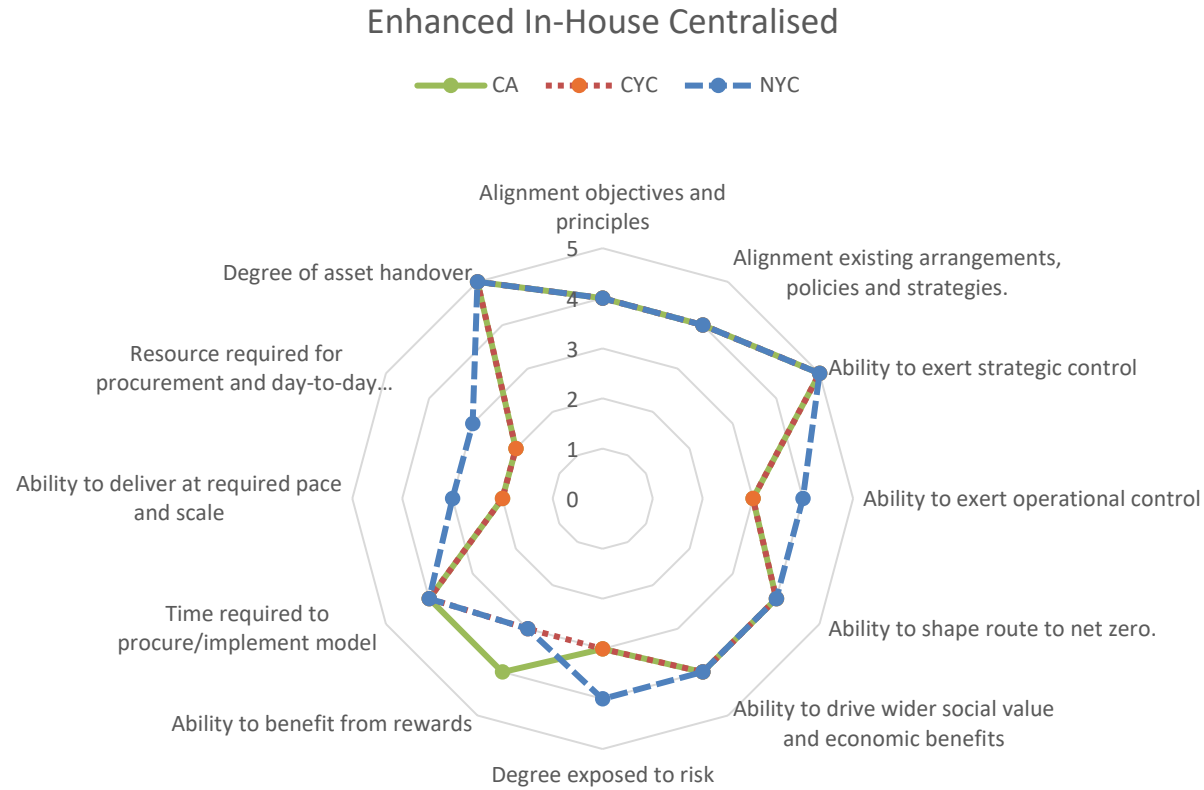
Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint governance board that leads Joint Development Team.</li> <li>Delivery would be via individual authorities due to grant funding allocation on individual basis. (i.e. no funding mechanism attached)</li> </ul>	<ul style="list-style-type: none"> <li>EGAP scaled-up would be the Joint Operations Team, requires funding (e.g. Mayoral Investment + LAs).                             <ul style="list-style-type: none"> <li>Project Origination &amp; Development</li> <li>Capacity: £1.5 million funding over 2 years will get 3 projects to FBC, and 2 to OBC*</li> </ul> </li> <li>Delivery contract management completed by individual authority (grant funding).</li> </ul>	<ol style="list-style-type: none"> <li>Joint Team originates project using EGAP-style programme.</li> <li>Project taken to joint board for approval according to regional strategy.</li> <li>If approved, joint team take to business case level (with private sector support likely).</li> <li>Project goes back to joint board for approval on delivery route.</li> <li>Project delivery procured and contract managed by individual authority.</li> </ol>

\* Variation applies accordingly to project complexity and type (focus on large scale generation)

# Enhanced In-House Centralised

Theme	Summary	BAU	Score
<b>Governance</b>	Utilises joint governance board, decisions are made collaboratively based on regional priorities and strategic goals. Decisions would still be made on project-by-project basis, and individual authority policies before this route may lead to inefficiencies.	1	2
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Scaling up EGAP initially would provide services for development, delivery and community engagement. Operating on project-by-project basis.	1	2
<b>Project Development</b>	Dedicated regional project development team through committed funding from YNY. In-house team can integrate social value better with increased capacity, but existing funding situation remains and reliance on project-by-project basis.	1	2
<b>Funding &amp; Finance</b>	Joint capacity to bid but little expertise to blend finance. BAU access to commercial investment, capacity and capabilities.	1	1
<b>Delivery</b>	Due to mainly grant funded, individual authority will likely delivery through BAU project-by-project basis. Overall capacity therefore is BAU, resulting in slow delivery.	1	1
<b>Community Benefit</b>	Joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery would likely result in marginal results.	1	2
<b>Economic Opportunity</b>	BAU, project-by-project procurement gives little opportunity to grow local supply chain.	1	1
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.	1	2

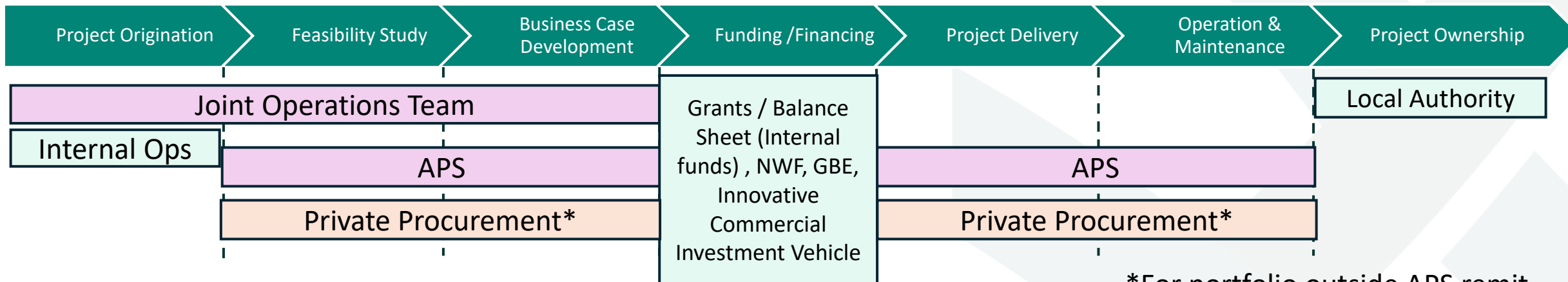
# Enhanced In-House Centralised



Model	CA	CYC	NYC	Total
Enhanced In-House Centralised	44	43	47	134

# Enhanced In-House Scaled-Up APS

Key	BAU
	Model Specific
	Other



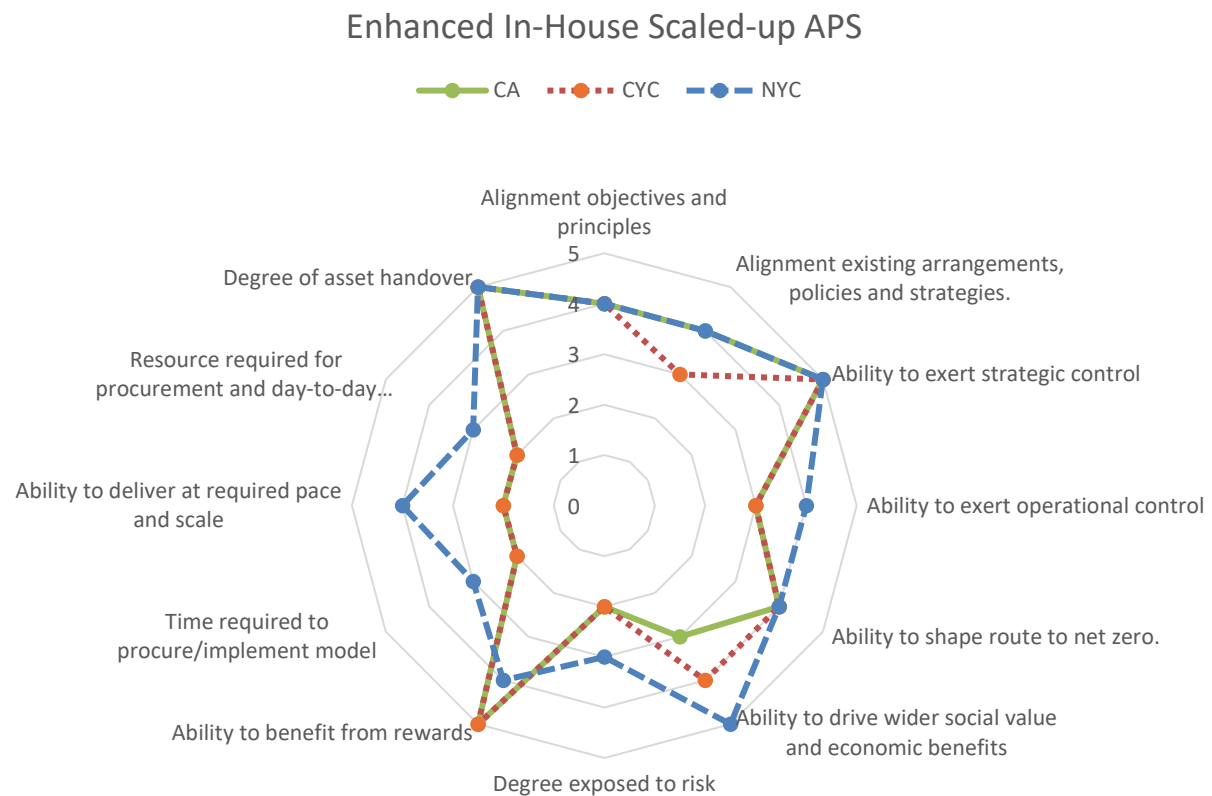
\*For portfolio outside APS remit

Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Align create third-arm (Teckal) with shareholders from CA, CYC, NYC.</li> <li>Case Study: Yorwaste (in appendix)</li> </ul>	<ul style="list-style-type: none"> <li>Joint Operations Team created as Client Function for APS. requires funding (e.g. Mayoral Investment + LAs).</li> <li>APS Third-arm would likely require balance sheet funding from CA and CYC to scale-up.</li> <li>Contract management FTE grant funded.</li> </ul>	<ol style="list-style-type: none"> <li>Project Originated by Individual Authority or Joint Operations Team.</li> <li>Joint Operations Team collaborate with APS to assess project relevance to third-arm shareholder set priorities.</li> <li>APS undertake feasibility and take to business case with Joint Operation Team.</li> <li>Individual Authority approval process.</li> <li>APS deliver project.</li> <li>If APS is unable to provide required support/expertise, alternative private sector support procured by joint operations team.</li> </ol>

# Enhanced In-House Scaled-Up APS

Theme	Summary	BAU	Score
<b>Governance</b>	Utilises joint governance board, decisions are made collaboratively based on regional priorities and strategic goals. [Align creates third arm with CA, NYC, CYC shareholder status]	1	3
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	<p>APS increase in demand would increase delivery and natural scale-up. Time taken to undertake governance could be ~1 year. No development capacity added.</p> <p>APS could scale up longer-term to increase their scope, but development team needed to support this pipeline. Longevity of action would be beneficial for YNY to retain knowledge.</p>	1	2
<b>Project Development</b>	Align have no desire to originate (therefore BAU) but have capacity and expertise to create technical feasibility studies (limited across net zero portfolio). BAU funding for project development (grant funding).	1	2
<b>Funding &amp; Finance</b>	BAU, reliant on public funding, no capacity blend with commercial investment, on project-by-project basis .	1	1
<b>Delivery</b>	Capacity and capability of delivery in Teckal but not on wider net zero portfolio. BAU procurement would exist for large scale renewables, heat networks, EV etc, resulting in slow pace of delivery. Aggregation of assets may lead to more effective delivery through APS.	1	1
<b>Community Benefit</b>	BAU, trusted brand, joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery results in marginal improvement.	1	2
<b>Economic Opportunity</b>	Can build on Align's existing supply chain framework for retrofit investing in local supply chain, apprenticeships, and job creation by scaling up longer-term. Does not reach wider scale of local businesses (especially across net zero portfolio).	1	2
<b>Carbon Reduction</b>	BAU, Align already used by both authorities, pressure on Teckal could even stagnate carbon reduction progress.	1	1

# Enhanced In-House Scaled Up APS

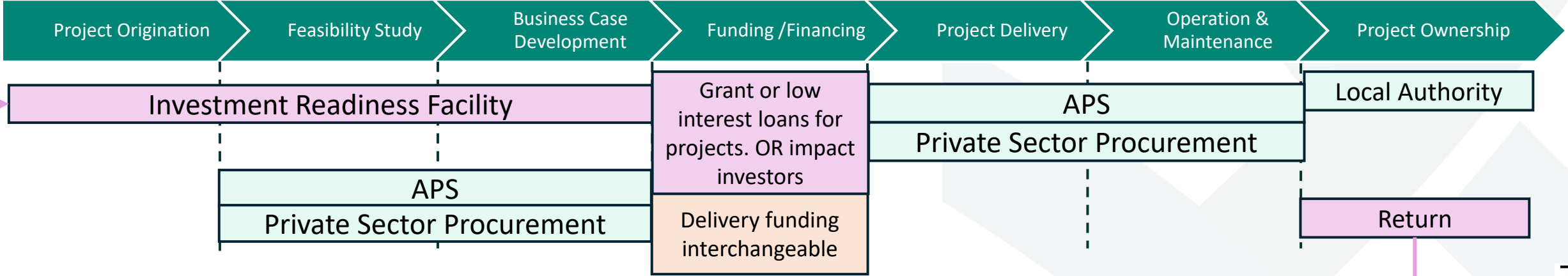


Model	CA	CYC	NYC	Total
Enhanced In-House Scaled-up APS	41	41	48	130

# Investment Readiness Facility

Key	BAU
	Model Specific
	Other

A revolving debt facility to help projects reach stage of investment readiness.



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint governance board for strategic oversight, final decisions on facility including criteria of funding allocation.</li> <li>Could transfer operational control over time to commercial third party.</li> </ul>	<ul style="list-style-type: none"> <li>Set up of the facility, integration with EGAP to consider (e.g. LINC 50k)</li> <li>Central programme design and management teams (e.g. Mayoral Investment + LAs).</li> <li>Funding of the investment readiness facility.                             <ul style="list-style-type: none"> <li>Could come from public or private or blend of finance, likely will initially come from Authority. (e.g. LINC 150k over three years).</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Project origination by YNY authority / other.</li> <li>Project taken to IRF to assess project against facility criteria.</li> <li>If approved, project given grant or more likely low-interest loan for project development.</li> <li>Project taken to investment readiness by individual authority.</li> <li>Project commercial investment and/or delivery procured by individual authority.</li> <li>Agreed revenue returned into IRF, revolving loan facility.</li> </ol>

# Investment Readiness Facility

Total (out of 35)

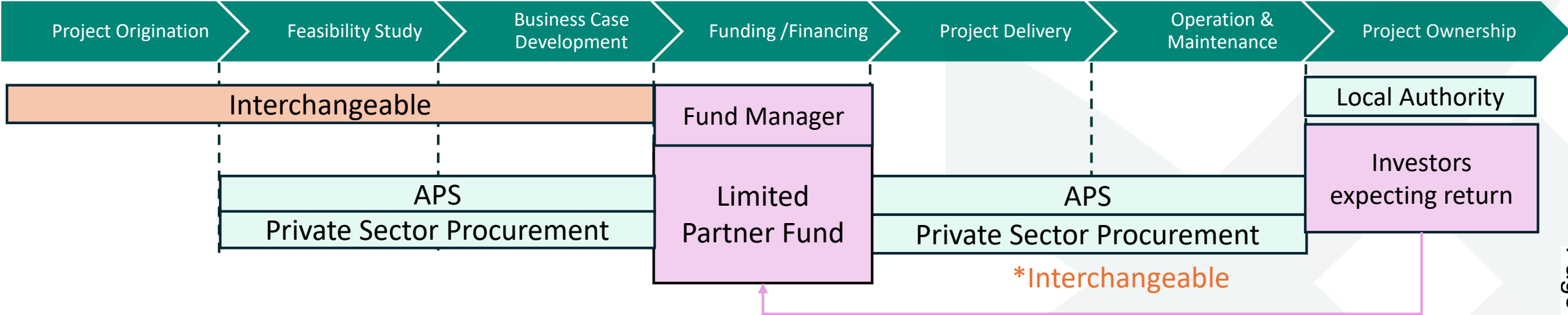
13

Theme	Summary		BAU	Score
<b>Governance</b>	Revolving function secures longevity of approach. Utilises joint governance board, decisions are made collaboratively based on regional priorities. Decisions potentially still on project-by-project and individual governance policies and routes still apply and could lead to inefficiencies.		1	2
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Capacity required to set up the framework, will likely take ~1 year. BAU in meantime.	Revolving mechanism that could potentially support itself longer-term as payments come back into the IRF.	1	2
<b>Project Development</b>	Dedicated regional project development fund through committed funding from YNY. In-house team and criteria able to integrate social value. But existing BAU project-by-project procurement for feasibility studies.		1	3
<b>Funding &amp; Finance</b>	Innovative approach that retains project development funding with increased internal capacity. Little consideration of aggregation and bundling for delivery. Project readiness function sets up likelihood of commercial investment but not secure.		1	2
<b>Delivery</b>	BAU delivery function.		1	1
<b>Community Benefit</b>	Joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery would likely result in marginal results.		1	2
<b>Economic Opportunity</b>	BAU, project-by-project procurement gives little opportunity to grow local supply chain.		1	1
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.		1	2

# Limited Partner Fund

Key	BAU
	Model Specific
	Other

A collective investment vehicle where investors provide capital and GP manages the fund.



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Fund manager decides if funding should be allocated based on criteria of the fund set by YNY during formation of the fund.</li> </ul>	<ul style="list-style-type: none"> <li>Existing climate teams, likely to increase in capacity to meet demand of funding. As well resource to set up the fund (i.e. attracting investors).</li> <li>Fund manager salary plus bonus based on success of the fund to incentivise.</li> <li>Significant upfront contribution required by CA to ensure confidence for other investors.</li> </ul>	<ol style="list-style-type: none"> <li>Project originated and progressed to FBC by YNY (<b>Interchangeable process</b>).</li> <li>YNY approves funding route to be appropriate for fund.</li> <li>Fund manager assesses project and allocates funding/finance appropriately according to fund criteria if appropriate.</li> <li>Once funding received, YNY engage with private sector to secure delivery method.</li> </ol>

# Limited Partner Fund

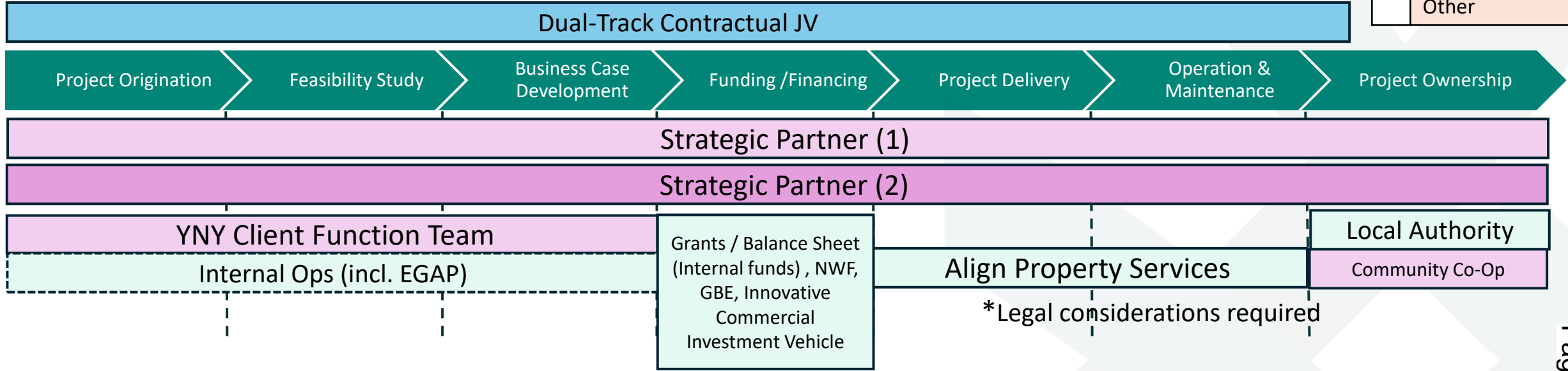
Total (out of 35)

15

Theme	Summary		BAU	Score
<b>Governance</b>	Fund criteria set by joint YNY (strategic board) but likely lacks pace and scale due to long-lead time to set up fund, funding likely to be release in staggered stages. Fund manager controls allocation of funding (flexible to uncertainty).		1	3
<b>Capacity &amp; Capabilities</b> (Short & Long Term)	Capacity required to set up the framework, will likely take multiple years to achieve. Involvement with fund manager to set up could be advantageous.	Reliant on fund manager, provides knowledge and expertise but no upskilling opportunity for YNY employees as would have to be separate.	1	3
<b>Project Development</b>	Likely fund will not provide project development funding. BAU		1	1
<b>Funding &amp; Finance</b>	Capacity and capability of fund manager to blend public (balance sheet) and private investment. Portfolio bundling of projects likely, but dependent on investor-type requirement for <b>commercial return would be priority</b> . Criteria of fund can be set to aid ability to maximise outcomes for YNY.		1	3
<b>Delivery</b>	LP draw down would include project management costs. But overall BAU delivery.		1	2
<b>Community Benefit</b>	No community engagement function (BAU). Committed criteria to community energy projects and social value benefits within fund criteria possible.		1	2
<b>Economic Opportunity</b>	Potential for local businesses to draw down from the fund but overall support for wider supply chain growth is BAU.		1	2
<b>Carbon Reduction</b>	Not reliant on piecemeal funding, staggered consisted funding with carbon reduction in criteria. Pace and scale reliant on project-by-project basis, however.		1	2

# Appendix Quick Model Solution

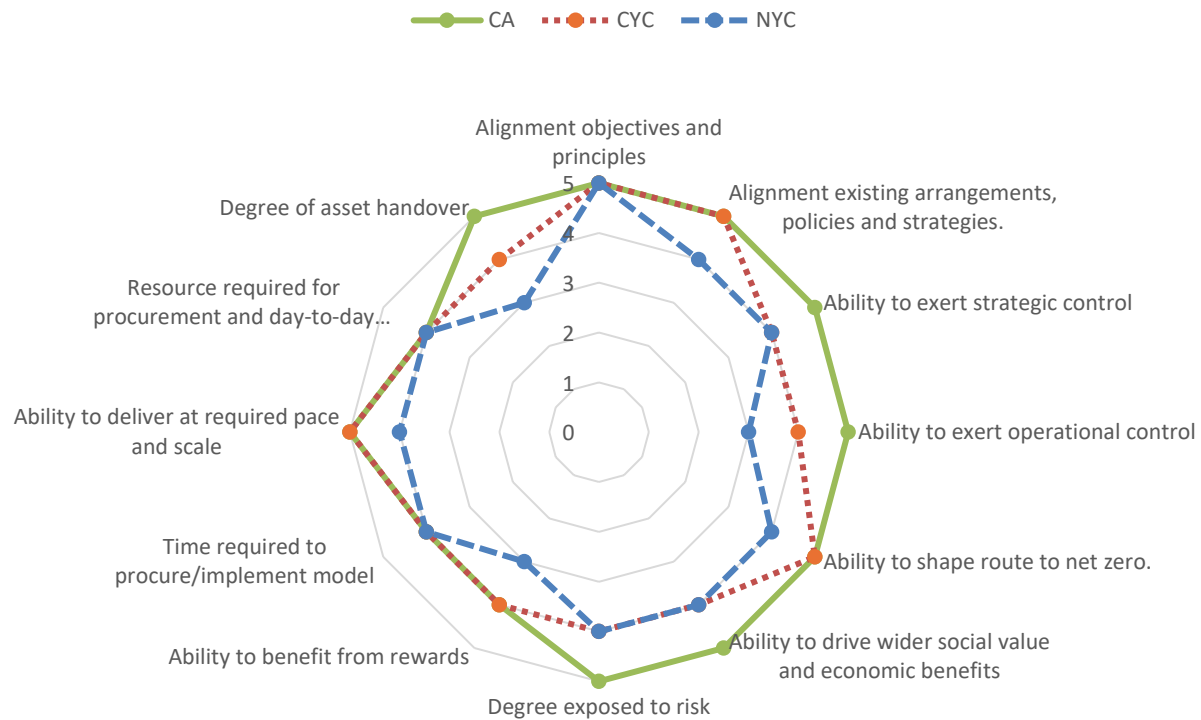
Key	BAU
	Model Specific
	Other



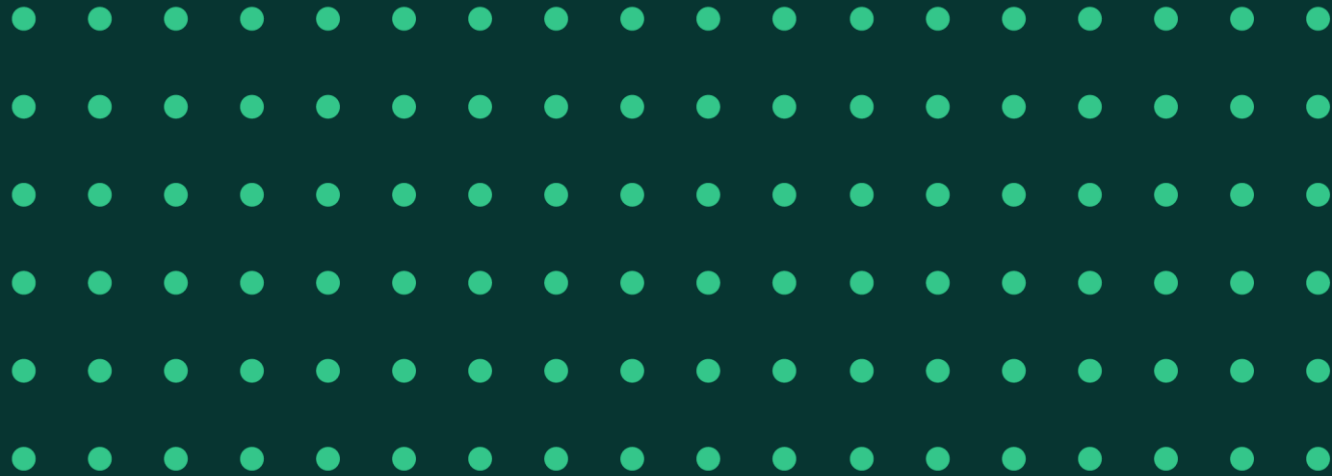
Theme	Justification	Score
Governance	Allows for somewhat increased variation in project factors	3
Capacity & Capabilities	See Strategic Partner-Led Contractual JV	4
Project Development	See Strategic Partner-Led Contractual JV	4
Funding & Finance	See Strategic Partner-Led Contractual JV	3
Delivery	See Strategic Partner-Led Contractual JV	4
Community Benefit	See Strategic Partner-Led Contractual JV	3
Economic Opportunity	See Strategic Partner-Led Contractual JV	3
Carbon Reduction	Increased action at pace and scale	4

# Dual Track Contractual

Dual-Track Coventry with Community Energy Fund



Model	CA	CYC	NYC	Total
Dual Track Contractual with CE Fund	57	52	46	155



# Appendix

## Community Energy & Community Benefit Analysis Summary

# Introduction: Definitions and Scope

Key Term	Definition	How will this be incorporated into the Strategic Energy Pilot?
<b>Social Value (SV)</b>	This is the <b>broad framework</b> through which the positive impact that an organisation has on <b>social, economic, and environmental well-being</b> can be demonstrated.	One of the core themes in the Strategic Framework, Social Value will be measured as a key outcome for final model delivery, through the development of a Social Value Portal to monitor KPIs, including metrics such as job creation, and health outcomes.
<b>Community Benefit (CB)</b>	A <b>mechanism</b> through which social value can be achieved, it is the <b>positive impact that a specific project or programme</b> has on the social, environmental, and economic landscape of the local area <b>in direct response to community needs</b> .	Under the key outcome of Healthy & Thriving Communities, community benefit is a key priority in project delivery. Regardless of final model option, understanding how each project can support a community will be a central consideration.
<b>Community Energy (CE)</b>	An <b>approach</b> through which community benefit and social value can be generated, “community energy refers to the delivery of community-led renewable energy, energy demand reduction and energy supply projects, whether <b>wholly owned and/or controlled by communities</b> or through a <b>partnership with commercial or public sector partners</b> .” – <i>Community Energy England</i>	Community ownership of an energy project is a common way in which communities can benefit directly from a renewable energy installation, whether the project was initiated directly by the community or not. Therefore, community energy is one of the best ways in which communities can benefit from the delivery of a strategic partnership in Y&NY.
<b>Community Engagement</b>	A strategic approach for <b>including the community in projects</b> through <b>meaningful communication and participation</b> , to maximise project outcomes for both the community and developer. When conducted effectively, it is a way to <b>build public trust and buy-in</b> and ensure that the project is tailored to meet local context and needs.	Delivered through EGAP WP2, to develop a guide for targeted, fair and inclusive community engagement for communities in Y&NY for both LA and commercial led energy projects. Some mechanisms outlined in this section will also support and involve community engagement.

## Scope of this Analysis:

This analysis will focus specifically on mechanisms to support the delivery of Community Energy and Community Benefit. The justification for this scope is that Social Value will be incorporated more widely across the project, and methods for Community Energy and Benefit will more directly address the intended outputs of the final model, primarily decarbonisation projects on the public estate. Whilst the methods discussed in this analysis often feature elements for community engagement, strategies for community engagement as defined above will be delivered through EGAP WP2 and incorporated into the delivery model at a later date (through the project development framework created through EGAP).

# Introduction: Purpose and Methodology

## Purpose of this Section:

With central government’s push for Clean Power by 2030 and York and North Yorkshire’s own ambition to become Carbon Negative by 2040, there is a significant requirement to decarbonise our energy system at pace and scale. However, rising energy bills have seen increased cases of fuel poverty, with 14.2% of households in North Yorkshire and 13.5% of households in York classified as fuel poor. Coupled with the increasing public distrust of large-scale renewable developments, and the negative attitudes around “net-zero”, **there is an imperative to ensure that communities feel the direct benefits of a clean energy transition.** By incorporating clear mechanisms for community benefit, primarily through community energy, we can ensure that the final delivery model maximises social value outcomes, working towards the Y&NY Mayor’s Vision for ‘Healthy & Thriving Communities’ and helping our local communities to prosper.

**Methodology:** In May 2025, through desk-based research and stakeholder engagement, an initial Community Energy report was developed to inform the LNZA City Leap pilot. The report provided an overview of the CE landscape in Y&NY and discussed the ways in which community energy could be supported through a final model option to maximise community benefit and engagement in project delivery, and address the barriers faced by the community energy sector in Y&NY. The outputs of this report have been developed and will now feature in this section of the options appraisal.

The following section will outline methods for community benefit from energy projects, ranging from low to maximum ambition, and levels of risk, reward, and resource required. The suitability of each model option to deliver each of these mechanisms will then be assessed.

## Mechanisms identified:

### Community Energy:

- Community Energy Fund
- Capacity building support
- Shared ownership
- Community Energy One-Stop-Shop
- Asset leasing & PPAs
- Community Energy CIC

### Community Benefit:

- Operational social value generation
- Community Benefit Fund
- Community Shares on projects
- Community Bond issuance
- Community Cooperative
- Direct subsidisation and delivery of household energy projects

Arrows indicate a similarity or adaptation of the mechanism

Desk-based research and stakeholder engagement

Community Energy report

Identification of most appropriate mechanisms for CE and CB

Assessment of mechanisms’ risk and resource requirements to understand level of ambition

Analysis of suitability for model options in the delivery of outlined mechanisms for CE and CB

# Mechanism Overview: Structure of Analysis

Each mechanism will be discussed in relation to the following criteria :

<b>Ambition</b>	Reflecting the overall complexity, commitment, and buy-in that would be required in order to deliver the proposed mechanism. 'High' ambition would be a complex mechanism requiring significant senior leadership and/or private partner buy-in and commitment, whereas 'low' ambition would be considerably more straightforward to implement. The ambition ranking will not be colour coded as the criteria is designed to indicate the overall complexity of the mechanism, rather than favourability.
<b>Risk</b>	Risk is categorised specifically in terms of risk to the Combined and Local Authorities, including financial risk, reputational risk, and risk that the mechanism may 'fail' to achieve what it is intended to deliver.
<b>Reward</b>	Reward is categorised as reward for the community – whether financial, social, or environmental, this is the level of benefit the proposed mechanism has the potential to deliver for residents of Y&NY.
<b>Resource</b>	Resource refers to the level of investment required to develop, implement, and deliver the mechanism over time. Included within 'resource' is capital/funding required, in-house capacity and time commitments, and the use of LA/CA owned assets.

Each mechanism will be ranked from 'low' to 'medium' to 'high' for each criteria, accounting for variability based on how the mechanism is implemented. Each ranking (except for Ambition) is then colour coded based on how favourable this is when deciding which mechanism to implement.



# Mechanism Overview: Community Energy Fund

## Mechanism description – ‘standard approach’:

A programme of funding that provides grant or loan support for community-led energy generation or efficiency projects.

## How this mechanism could potentially be delivered:

- A ring-fenced LA-led fund, supported through project profits or through wider public sector funding e.g. GB Energy.
- SEP will dedicate a proportion of profit towards a Community Energy Fund, designed to fund pre-feasibility and project development for new community groups, as well as for organisational capacity building.

For maximum impact, it is proposed this fund covers organisational capacity building i.e. staffing costs, development funding i.e. pre-feasibility, feasibility, and business case, as well as capital and revenue funding. It could also cover group promotional activities and outreach and potentially support financial viability of projects through grant provision.

<b>Strengths:</b> Flexible use of resource, relatively easy to deliver in-house. Can support wide range of projects at pace and be delivered strategically.	<b>Weaknesses:</b> Limits to wider community benefit, use of fund limited to energy projects. Projects supported not determined by community.
<b>Opportunities:</b> Scope can be expanded to support capacity building, pre-feasibility etc.	<b>Threats:</b> May be more challenging to fund in-house. Limited effectiveness without technical knowledge and support.

## Case Study:

**Bristol City Leap** launched a £1.5m community energy fund for community projects. Financial contributions were made to start the fund by Ameresco and Vattenfall (£750,000 each), as well as ongoing profits from any Bristol City Leap funded energy projects. The fund provides microgrants up to £1,000 and development grants for larger projects up to £50,000, as well as 0% interest, zero obligation loans of up to £50,000. The fund runs every 6-months, with a variety of project types funded: installing low carbon building improvements, energy demand management e.g. smart meter installations, low-carbon transport e.g. EV charging, electricity generation e.g. solar PV installations, heat network connections, and community support in energy consumption e.g. behaviour change initiatives. The Fund also offers project development funding to get projects ‘investor ready’. A total of 21 projects have been funded so far.

Ambition

Low

A Community Energy Fund is a relatively low ambition mechanism to support the community energy sector.

Risk

Low

Full control over level of investment, no capital risk or expectation of financial return. Full authority control over fund delivery.

Reward

Med / Variable

Limited without other measures, e.g. capacity building, and dependant on size of fund. If it covers early-stage development and staff costs it will be more effective in supporting CE sector.

Resource

Med / Variable

1 FTE could feasibly deliver. Size and frequency of financial commitment can vary as needed; however, positive impact of the fund will be linked to level of investment.

# Mechanism Overview:

## Capacity Building Support

### Mechanism description – ‘standard approach’:

A programme of support providing financial, legal, business, and technical advice to help community groups overcome barriers in project delivery, as well as training and skills development for new and developing CE groups. This includes community outreach and engagement to educate and build interest in the benefits of CE and support in the creation of new CE groups and projects. This does not necessarily include direct project funding.

### How this mechanism could potentially be delivered:

- A dedicated in-house team providing and coordinating support for community energy groups and projects, working with partner organisations to conduct community outreach.
- An SEP required to dedicate X number of hours of a paid professional's time to provide mentoring and hand holding support services for community energy projects, allowing community energy groups to access the resources and expertise of an experienced, large commercial entity.

**This mechanism should ideally be delivered as an enabler to the other suggested mechanisms** to support the foundational development of the CE sector. There is also the potential to expand the scope of capacity building support to provide funding for core organisational services e.g. staff.

#### Strengths:

Supports and strengthens community ability to initiate and deliver projects. Coordination of support.

#### Weaknesses:

Requires significant resource and in-house upskilling, and long-term/consistent support and engagement.

#### Opportunities:

If delivered correctly, has the potential to significantly expand CE sector and groups.

#### Threats:

Potential to duplicate existing support and create confusion on where to access resources.

### Case Study: Community Energy Pathways capacity building programme:

Community Energy Pathways offer a capacity building programme that has been commissioned by many local authorities, including Essex, Suffolk, and Kent County Councils. The 2-year programme aims to build up a network of well-established community energy groups in the region. The process involves: Assessment of existing community energy landscape in the region (potential and constraints) and the development of a capacity building implementation plan; Mobilisation and implementation of engagement plan, providing project support and facilitating a regional community energy network; Providing tools and training, including guidance on organisation start-up, project development, business plans, funding applications, site and feasibility studies, and advanced tools such as share offers and PPAs; In-depth capacity building, through embedding mentors in community energy groups, working to build organisational capacity and bring in paid staff, identifying large scale projects, and identifying routes to long-term revenue and incorporation.

Ambition

Medium

Whilst requiring significant resource, the approach can be scaled accordingly, and level of support can be tailored to capacity.

Risk

Low

No great financial or reputational risk but would require long-term commitment and investment to be successful.

Reward

Medium

Would be beneficial in helping the development of new community energy groups, however, would need to be paired with funding to transition towards successful project delivery.

Resource

High / Variable

To be delivered effectively, would require an upskilled in-house team providing advice and engagement across the full Y&NY region.  
Less resource would be required with a private partner.

# Mechanism Overview: Shared Ownership

## Mechanism description – ‘standard approach’:

Shared ownership is where a community group is a financial partner in a commercial renewable project for its lifetime. It can help to balance risk and financial and administrative strain whilst still empowering communities in energy ownership. Shared ownership can be delivered in three ways:

1. Split ownership – community owns a physical proportion of the project infrastructure.
2. Joint venture – community owns a stake/shares in a special purpose vehicle for the project.
3. Shared revenue – community purchases a share of future revenue with no control or ownership over project.

## How this mechanism could potentially be delivered:

- Delivery of one of the above by either developer or LA-led renewable energy projects.
- Requires early community engagement and co-design to ensure community buy-in.
- Authorities to coordinate developer interactions with communities, potentially offering loans to back community stakes in private partner projects for communities less able to raise upfront capital.
- Contractual commitment for % community ownership from a private partner.

### Strengths:

Local ownership and benefit with less financial and delivery risk for the community. Mechanism for community benefit and engagement, without the need for a local community energy group.

### Weaknesses:

Communities have less control and choice over type of projects delivered. Can be a challenge for communities to raise funds quickly, so requires long engagement process. Not yet commonplace as an approach.

### Opportunities:

Building trust between communities and developers. Potential for shared revenue to be delivered through a community benefit fund.

### Threats:

Risk of excluding members of the community who cannot afford to ‘invest’ in projects or raise funds in time. If not delivered properly can damage community trust.

## Case Study: Forest Gate Solar Farm, North Wiltshire

A 49.9MW solar and BESS development with 20% ownership for a community benefit society – Zero North Wiltshire – made up of community groups Zero Chippenham and Bath & West Community Energy. The benefits are estimated at £5 million from 10 MW ownership for the project life, with a separate community benefit fund totalling £800,000 across the 40-year project lifespan. This will go to supporting local initiatives to support carbon reduction and reduce fuel poverty.

Ambition

Medium

Would require clear framework for implementation and strong commitment for delivery.

Risk

Medium

Limited financial risk. Requires careful engagement with community to be effective, risk of reputational damage if delivered poorly.

Reward

High

Ensures that communities can benefit directly from any energy projects delivered in their local area, regardless of whether it is community-led.

Resource

High/Variable

Would require a % of project infrastructure and revenue to be relinquished. Depending on type of ownership may have large administrative and legal requirements for delivery.

# Mechanism Overview:

## CE One-Stop-Shop

### Mechanism description – ‘standard approach’:

A centralised service aiming to be a single point of coordination for all regional support and services required to develop community energy projects, including technical and financial advice, demonstrators, training, and funding applications. The destination for this service can be online or in-person.

### How this mechanism could potentially be delivered:

- A separate, upskilled in-house team dedicated to community energy support and sector and supply chain development.
- A private partner could provide drop-in support and expert advice, funding, training and outreach sessions, supply chain development, and support in project pipeline delivery.

It is proposed that this mechanism acts as a single service for the delivery of capacity building support, funding programmes, and coordination of regional activity.

<p><b>Strengths:</b> Strategic delivery, increased efficiency and coordination of community energy support. Access to a wider customer base for partnership delivery.</p>	<p><b>Weaknesses:</b> Would require significant resource, including investment in branding and advertising. Challenges of running a public facing service.</p>
<p><b>Opportunities:</b> Potential to build off the success of ROSSY (Retrofit One Stop Shop for York). Supply chain and project pipeline development. Streamlining of delivery for public sector organisations, administrative and operational efficiencies.</p>	<p><b>Threats:</b> Would require close coordination with existing regional organisations delivering community energy support to prevent duplication. Challenges of progressing CE projects once sector starts growing.</p>

### Case Study: Sheffield City Council

Sheffield City Council have converted a chapel in Sheffield city centre into an Energy Hub, in collaboration with around 20 community and energy organisations. The Hub will be open 5 days a week to the public, offering information and support on energy efficiency measures, retrofit grants, renewable technologies, community energy and more. The Hub will also provide in-person advice and examples of retrofit, helping engage communities directly in the benefits of energy efficiency measures.

**Ambition** High

Would require significant in-house commitment and resource to deliver effectively.

**Risk** Medium

Challenges in translating large resource commitment into tangible outputs, need to ensure long-term viability of scheme.

**Reward** High

Convenient and efficient support for communities interested in energy projects or advice. Building community trust through single point of engagement.

**Resource** High

Upskilling of an in-house team to deliver advice and outreach full-time. Possible in-person premises potentially across multiple locations in Y&NY. Branding and Comms support. Would require a consistent, long-term source of funding.

# Mechanism Overview: Asset Leasing & PPAs

## Mechanism description – ‘standard approach’:

The leasing of authority-owned assets to community energy organisations for the construction of renewable energy generation projects. The authority would support project financial viability by using the energy generated through a power purchase agreement (PPA) with the community organisation.

## How this mechanism could potentially be delivered:

- Y&NY authorities/private partner identifying and advertising land and buildings to transfer ownership or lease to communities, then supporting the local community in the delivery of a renewable energy project. Once constructed, then organise a direct PPA with the community energy group.
- Private partner as intermediary for procurement of energy if sleeving arrangement is required.

### Strengths:

Decarbonisation of public sector assets and affordable renewable energy for council buildings whilst benefitting the local community.

### Opportunities:

Could help speed up delivery for an in-house model, allowing Y&NY to focus on priority/anchor projects, community groups can help with the decarbonisation of smaller authority-owned buildings

### Weaknesses:

Would require a community organisation with the organisational and financial capacity to deliver large scale generation projects upfront. Likely cannot be delivered without capacity building measures.

### Threats:

Challenges getting buy-in, as will likely not be the most financially viable use of assets. Possible legal and procurement barriers on the creation of sleeved PPAs, might need to be private wire connection only.

## Case Study: Glasgow Community Renewable Energy Framework

Glasgow City Council have developed a framework to support community benefit and upskilling in energy projects. Through the mapping of vacant and derelict land in Glasgow, the Council identified opportunity sites for projects where the land can be transferred to the local community. The community group will be supported in the design and delivery of an energy or heat generation project on the site that will directly benefit the community.

## Case Study: Egni Co-op and Newport City Council

The council has issued 21-year leases for the roofs of council-owned buildings to Egni for the installation of solar panels. Egni were responsible for the delivery of the solar PV and therefore own the equipment and are responsible for all operation and maintenance. The Council directly purchases the energy generated through a 20-year PPA with Egni, and this income goes back to local investors in Egni coop, including all local schools.

## Case Study: Bristol City Council Cooperation Agreement

Bath and West Community Energy and Bath and North East Somerset Council set up a cooperation agreement in 2010 to work together to identify opportunities and build renewable energy installations on public sector buildings, delivering community owned solar PV on 15 schools and 4 community buildings, as well as 2 ground mounted solar arrays on Council land.

Ambition

High

Would require consensus on asset leasing, challenging to get senior buy-in and to decide which sites to provide for communities.

Risk

High

Delivery risk of delegating construction, maintenance, and operation costs to community energy organisations, as they may struggle with capacity to manage installations. Risk of legal issues in the creation and management of PPAs.

Reward

High

Direct financial benefit for local community energy organisations. Potential for local investors, such as shares for schools, to maximise community benefit from installations.

Resource

High

Would require the leasing or transfer of a proportion of authority-owned assets. Authorities would still need to pay for energy generation in order for communities to benefit. Legal and procurement requirements for PPAs.

# Mechanism Overview: Community Energy CIC

## Mechanism description – ‘standard approach’:

The creation of a social enterprise, such as a Community Interest Company, as a separate legal entity (potentially facilitated through another existing CIC during initial start-up phase), capable of raising new sources of funding and finance e.g. GB Energy CEF, community shares, revenue-based finance, and hybrid finance such as quasi-equity. The organisation would be fully dedicated to the delivery of community energy, e.g. through group buying schemes for residents, and energy efficiency measures. As a CIC the organisation would be completely not-for-profit, with all revenue being invested back into the community.

## How this mechanism could potentially be delivered:

Designing and deploying a Community Energy CIC for York and North Yorkshire.

- Can be delivered in-house through a letter of support from authorities, potentially with a small amount of development funding (<£400,000).
- Private partner would donate funding, support, resources, and could act as primary project development and delivery agent.

### Strengths:

A flexible, scalable model with direct focus on community benefit. Self sufficient and not reliant on public sector or private partner funding. Profits reinvested to benefit the community, with full control over organisation (no shareholders).

### Opportunities:

CIC as a go-to vehicle for delivering community energy support, coordinating regional investment and delivery. Function as a delivery mechanism for regional net zero ambition, operating on a household/community level.

### Weaknesses:

May take time to grow as an organisation, as the CIC itself will have large resource and expertise requirements to engage directly with communities to advise and develop projects.

### Threats:

Reliant on external market funding and finance. Potential for reputational linkages to Y&NY with limited legal oversight to enforce.

## Case Study – Essex County Council

With only £148,579 of Innovate UK pathfinder funding, in collaboration with Power Circle Projects CIC, Essex County Council developed Essex Community Energy CIC (ECE CIC) as a mechanism for accelerating community energy and wider local uptake of renewables (working with households, businesses, and parish and town councils). The CIC is a legally distinct entity, operating independently from the Council, and therefore only required a letter of support from the Council for its formation. ECE CIC are currently delivering a £10m solar programme, preparing to scale up to £100m+ to deliver a target of 100,000 solar installations a year by 2032.

Ambition

High

Would require initial strong appetite and willingness for a ‘hands off’ approach from senior leadership in order to deliver.

Risk

Low

Bypasses all risk for authorities, with no formal or legal involvement whilst maintaining oversight of processes and reputability of the organisation.

Reward

High

Quick to mobilise. Coordination of community energy investment and support on a regional level, with all profits reinvested back into the community.

Resource


Medium

May require an initial start-up fund (mix of equity and debt). Potential for private partner to provide financial and technical support. Little to no in-house resource requirements beyond initial design and organisation launch.

# Mechanism overview:

## Addressing Barriers to Community Energy

'Dashed' icons indicate the mechanism has the potential to address a barrier if the scope is expanded beyond a 'standard' approach (as outlined in the previous slides)



According to [Community Energy England's 2025 State of the Sector](#) report, between 2023 and 2024:

- Generation capacity in the community energy project pipeline has decreased by over 50%.
- The level of investment raised for pipeline projects has decreased by two-thirds.
- Stalled generation capacity has increased by over 100MW to a total 379MW.
- The number of community energy organisations working in energy generation has decreased by 7%.

The report highlighted the following barriers that need to be addressed:

- Challenges for new and smaller organisations to develop, due to **limited development and capacity building funding** and **programmes to build knowledge and skills**.
- Lack of support in **accessing grid connections**, routes to market and local supply.
- Long-term **security of income when selling electricity**, with no minimum floor price.
- **Access to sites**, including public land and rooftops and leases for renewables.
- Lack of **financial support for community shared ownership** offered by developers.
- Need for more **support from devolved governments** to coordinate CE sector growth.

Mechanisms	Barriers to Community Energy uptake					
	Lack of development + long-term funding	Lack of knowledge and capacity	Poor financial viability post-Feed in Tariff	Limits to promotion + community outreach	Access to sites + grid connections	Lack of clear regional <sup>*</sup> governance + coordination
Community Energy Fund	✓	✓	✓	✓		✓
Capacity building support	✓	✓				✓
Shared Ownership	✓	✓	✓	✓	✓	✓
CE One-Stop-Shop	✓	✓		✓		✓
Asset Leasing & PPAs		✓	✓	✓	✓	✓
Community Energy CIC	✓	✓		✓	✓	✓

\* This barrier should be addressed through the overall Y&NY Strategic Energy Model; however, some mechanisms are more effective than others in facilitating this.

# Comparison Community Energy

How does the model option influence the overall deliverability of proposed mechanisms?

Overall indication of support for deliverability:

High

Medium

Low

Mechanism	In-House	Public-Private Partnership	New Entity
<b>General comments</b>	Would require greater resource commitment from authorities, as well as internal capacity building to deliver. However, would also have greater control over support provided, and could provide consistent, coordinated support over time once capacity is built.	Private partner would have greater resource and expertise to contribute, leaving more capacity in-house to support in delivery of CE mechanisms. However, private partner support may be 'ad hoc' and limited to commitments made in contract negotiations.	Setting up a new entity is a legally complex, resource intensive, time-consuming process, which may limit the financial flexibility and internal capacity to develop CE support. However, once fully functioning, the new entity can provide expertise, control over assets, and some funding.
<b>Community Energy Fund</b>	Constrained by public sector finances/grant funded. Would require in-house delivery.	A mandatory contribution from the private partner can increase the size of the fund. Private partner can support in fund delivery.	New entity requires large financial commitment, may not leave much resource to contribute to a CEF. Profits prioritised for revolving fund or core delivery.
<b>Capacity building support</b>	Would require upskilling and would take significant time and resource to build up internal team.	Access to expertise of professional organisation, including connections with mechanisms for delivery and funding. However, support may be ad hoc based on contractual commitments.	New entity would require large upskilling, once expertise is established capacity building support could be provided through new organisation.
<b>Shared Ownership</b>	In-house team would have greater control over which projects to put forward for shared ownership and more knowledge on needs of community, but would have to take on administrative burden.	Delivery through contractual commitments to % shared ownership. Challenges of private partner conducting community engagement as a commercial entity.	New entity would focus more on large scale energy generation, shared ownership would be a valuable mechanism for community engagement and ensuring buy-in on projects.
<b>CE One-Stop-Shop</b>	Resource intensive, would require dedicated team and funding stream. May draw resource away from scaling up in-house delivery.	Private partner could provide drop-in support and expert advice, funding, training and outreach sessions, supply chain development, and support in project pipeline delivery.	Resource intensive, would require dedicated team and funding stream. May draw resource away from scaling up new entity, which already requires large cornerstone investment.
<b>Asset Leasing &amp; PPAs</b>	Authority would have full control over assets and could lease land and buildings for community energy projects.	Potential conflict with private partners own asset arrangements. Unwillingness for partner to give up first right of refusal on assets to communities.	New entity would need to prioritise commercially viable projects, potential for community groups to pick up less viable with public sector support.
<b>Community Energy CIC</b>	Minimal start-up investment required, legally ring-fenced allowing quick mobilisation, whilst maintaining strategic influence.	Private partner can work directly with CIC as framework of installers. Can provide funding and support as part of social value commitments.	Creation of two new entities may be an administrative and legal burden for authorities. However, once set up the two organisations can work in tandem, with authority oversight on both.

# Additional Mechanisms:

# Community Benefit

\* = variable

## Operational Social Value generation: 'Business as usual' approach.

This would focus on the standard enforcement of social value principles on a project-by-project basis, with limited projects exclusively for community benefit, such as:

- Building of local skills and creation of high value jobs.
- Utilising local supply chains in the construction and maintenance of projects.
- Offering training and apprenticeships.
- Ad hoc support of local charities and businesses.
- Monitoring and reporting of social value outcomes.
- Benefits through delivery of retrofit on social housing.

Through a private partner the delivery of these benefits would be contractual/KPIs.

Low Ambition

Low Risk

Med Reward

Low Resource

## Community Share Offering: A form of Shared Ownership.

The community in the vicinity of a renewable energy project can buy shares in the project, typically through a Community Benefit Society or Cooperative structure, and become a part owner/shareholder of the installation. Benefits for the community involve joint ownership and voting rights, and financial benefits through interest payments/dividends on shares. It is a useful way of financing projects whilst also benefiting the community for the duration of the project. However, this mechanism can potentially exclude lower income residents, it is therefore important to have low share offers, e.g. £1, or allow for share donation.

Med Ambition

Med Risk

High\* Reward

High Resource

## Community Cooperative: Community Share offering scaled up to regional level.

Similar to the Community Energy CIC mechanism in scale, this would involve the creation of a regional cooperative through which communities can own and benefit from a stake in net zero projects. The cooperative organisation could provide regional governance and support for new community energy projects, coordinating regional delivery and organising community share and bond offers to help fund new projects. The scope of this cooperative could be expanded to include a variety of community projects in net zero and does not need to focus exclusively on energy projects. Through this model communities can be empowered in the funding and ownership and receive the benefits of net zero developments in Y&NY.

High Ambition

Med Risk

High Reward

Low\* Resource

## Community Benefit Fund: (potential for a CEF as a proportion of this)

Regular contributions from partnership profits are put into a fund designed to support local projects for community health and wellbeing e.g. from energy efficiency support to local sports clubs. The fund is managed by an independent fund administrator and panel of community representatives, who determine which local projects the fund will support. Level of contributions to a community can be determined by population, distance from installation, and Indices of Multiple Deprivation. Careful management is needed to ensure the fund is distributed fairly and benefits all members of the community equally.

Low Ambition

Low Risk

Med Reward

Med Resource

## Community Bond Issuance: Community investment without ownership.

A prudential source of borrowing that allows LAs to borrow directly from communities and spend the funds exclusively on a batch of climate and net zero related activities. Bonds are issued through the FCA regulated crowdfunding platform Abundance Investment, where the full investment process is automated through the platform, including framework set-up, marketing, bond issuance, certification and interest payments, to relieve the LA of administrative burden. Benefits include: An active community engagement mechanism to get local buy-in through demonstrating delivery and community wealth building. However, it requires significant advertising to ensure local residents buy the bonds, and all communication must be FCA-approved.

Med Ambition

Low Risk

Med\* Reward

Low Resource

## Direct household subsidisation and delivery: High resource requirement.

Either through an in-house or private partner-led team, work directly with households to realise the benefits of regional decarbonisation, this can include:

- Direct discounts on energy bills for residents near a renewable installation.
- Creating private wire connections or microgrids to include local homes.
- Deliver 'quick wins' - subsidised energy audits, retrofit and energy efficiency measures, or solar and battery installations for low-income households.
- Demonstrator and pilot projects – test and deliver innovative decarbonisation schemes in communities e.g. a Net Zero Terraced Streets

High Ambition

Low Risk

High Reward

High Resource

# Comparison

## Community Benefit

How does the model option influence the overall deliverability of proposed mechanisms?

Overall indication of support for deliverability:

High
Medium
Low

Mechanism	In-House	Public-Private Partnership	New Entity
<b>General comments</b>	Full in-house control of project delivery can be used to drive community benefit. However, will add greater strain on resource and capacity.	Private partner has greater resource and capacity to fund community benefit, many of which are already deployed by commercial developers.	Community benefit mechanisms such as shares or bonds could help bolster funding for new entity to deliver new projects, whilst facilitating community engagement and outreach. However, may struggle with capacity during early stages of new entity set-up.
Operational social value generation	Aligns with CA/LA priorities that projects should generate social value, as well as with wider authority work in supporting local supply chains and jobs etc.	Can be generated through contractual obligations and KPIs. Market engagement showed this is how many organisations seek to create social value.	Less priority over non-commercially viable projects, but authority control over project pipeline will help drive social value priorities.
Community Benefit Fund	Questions around whether profits should go towards a CBF or be channelled back into frontline delivery which would provide social support.	A common approach by commercial developers when looking to engage with communities in renewable energy developments.	New entity will be resource intensive in start-up phase, revenue generated will be directed into revolving fund for core service delivery for authorities.
Community Share offering	Large administrative burden for the authorities, especially if deployed across multiple projects. Potential legal and financial considerations as well.	Private partner would have greater capacity to handle administrative burden. However, may not be the preferred commercial approach.	New entity will require flexible funding and finance options, however, may struggle with administrative and legal burden of community shares whilst still building organisational capacity.
Community Bond Issuance	Designed for use by local authorities to raise flexible capital. Effective mechanism for communication between authorities and communities. Lower administrative burden but would still require some comms investment.	Not a form of finance accessible to a private partner but could issue other forms of bonds to fund projects. Challenges of getting communities to trust commercial developers with their money, would likely have to be run through CA/LA anyway.	Community bonds suggested as a potential source of capital to fund the new entity. Could help build community trust and visibility of new organisation.
Community Cooperative	Could be set up as a distinct organisation with limited legal or financial responsibilities from the authorities.	Private partner can work with and support cooperative activities, including funding and advice as part of social value commitments.	Creation of two new entities may be an administrative and legal burden for authorities. However, once set up the two organisations can work in tandem, with authority oversight on both.
Direct Subsidisation and delivery	Would require significant in-house upskilling and may be more reliant on grant funding or community bonds for delivery.	Utilise economies of scale, e.g. full street retrofit or solar deployment. However, private partner may be more focused on delivery of large-scale, commercially viable projects.	Less priority over non-commercially viable projects, but once new entity has built capacity can be useful vehicle to deliver these interventions.

# EY report model assessments

# Themes

Criteria	Description
Control	Ability for the Authority / YNY to exert both strategic and operational control over the delivery model through defined governance structures.
Influence	Ability for the Authority / YNY to have strategic influence to shape the route to net zero and drive wider social value and economic benefits.
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.
Reward	Ability to benefit from the rewards that arise at a delivery model level. This does include consideration for project level returns and rewards.
Time	Time required to design, develop and procure / implement the delivery model.
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.

# Option 1: 50/50 Joint Venture Partnership model

Criteria	Implications for the Authority
Control	Gives YNY 50% control of the JV, allowing equal control in decision-making and voting rights through joint governance structures (strategic and operational).
Influence	YNY will have equal rights in the Partnership and therefore shares the ability to influence the Partnership and the Partnership's activity equally with the JV partner extending to all strategic and operational activities of Partnership. Such influence would extend to networking and stakeholder engagement to facilitate regional decarbonisation.
Risk	YNY and the Strategic Partner will share both the risk and reward of the Partnership equally. YNY will need to contribute 50% of the value of the Partnership, likely through Authority assets and exclusivity rights, exposing YNY to financial risk. Due to the costs associated with providing the necessary resources to support undertaking the primary activities of the Partnership. Risk, reward and contributions will be identified and ringfenced on a project-by-project basis and at a project level.
Reward	YNY and the Strategic Partner will share both the risk and reward of the Partnership equally. Therefore, YNY will be entitled to the 50% of rewards of the Partnership, however these rewards may be limited to that of recovery of costs in the form of development fees.
Time	May necessitate a complex and time-consuming procurement and implementation process, which will need to be supported by an appropriate level of skill and resource. However, once established and implemented there is no requirement to go through a procurement process / framework draw down process when support is required.
Resource	Requires dedicated YNY resource and time to design and procure the Partnership. Also requires resource to contribute to the operation of the JV, including commitment to develop and originate projects, which may require a dedicated client function to work in Partnership with the JV partner.

# Option 2: Strategic Partner-led Joint Venture model (akin to Bristol and Coventry models)

Criteria	Implications for the Authority
<b>Control</b>	The model can provide for various levels of control. It is envisaged that the Strategic Partner will take the lead on project origination and development on a day-to-day basis and YNY would have equal control regarding the strategic direction of the Partnership, and any final investment decisions and decisions relating to Authority contributions (e.g. use of Authority assets). This does not preclude YNY, or other stakeholders playing a role in the origination and development of projects.
<b>Influence</b>	The model can provide for various levels of influence. YNY could maintain strategic oversight and influence through key processes at a portfolio level, for example, the model can be structured to meet KPIs and requirements that support broader co-benefits, including social value and economic benefits. Additionally, YNY could have a level of influence at a project level through development of Gateway Process, allowing for approval and input into project development. Such influence can extend to networking and stakeholder engagement to facilitate regional decarbonisation.
<b>Risk</b>	YNY will transfer the risk and reward of the Partnership's operations and project origination, meaning that YNY will limit its commitments to the Partners (contributions in kind). For example; the JV partner may carry the risk of abortive costs (e.g. costs associated with failed project proposals or grant funding applications). Risk, reward, and contributions will be identified and ringfenced on a project-by-project basis.
<b>Reward</b>	YNY will transfer the risk and reward of the Partnership's operations and project origination to the Strategic Partner, meaning, that YNY will limit its ability to benefit from potential rewards arising from the Partnership. However, there is an ability to consider the inclusion of certain KPIs / commitments which are set at the outset of the JV agreement (e.g. commitments to regional social value that is provided regardless of the performance of the Partnership, or any developed projects).
<b>Time</b>	May necessitate a complex and time-consuming procurement and implementation process, which will need to be supported by an appropriate level of skill and resource. However, efficiencies can be gained by applying lessons learnt from similar procurements by Bristol and Coventry City Councils.
<b>Resource</b>	Requires dedicated YNY resource and time to design and procure the JV. To allow YNY to have strategic oversight and influence and therefore, resource will be required to support this. However, there is not a significant resource requirement to support the origination and development of projects, as this is led by the Strategic Partner.

# Option 3: Authority-led Framework model

Criteria	Implications for the Authority
<b>Control</b>	YNY retain full control over the day-to-day management and will be the sole decision-making body. The private sector's role is limited to execution through frameworks and investment into individual projects, with little to no strategic input.
<b>Influence</b>	YNY retains overall influence and ability to align projects with strategic aims and existing processes. However, there may be less ability to influence the delivery of social value at a longer-term strategic level as contracts will be piecemeal and shorter-term. Contracts may be shorter-term meaning this model may not be as well-suited to achieving longer-term net zero aims.
<b>Risk</b>	Risk for the overall portfolio is retained by YNY. While YNY can transfer risk at a project level, YNY will be responsible and bear the risk of not delivering on the overall portfolio (e.g. there is no private sector support at a portfolio level).
<b>Reward</b>	Reward for the overall portfolio is retained by YNY. However, consideration needs to be given to the extent to which reward would be transferred to the private sector on a project level (e.g. depending on the route to delivery, reward would be shared with investors).
<b>Time</b>	May necessitate a complex, time-consuming design, procurement and implementation process, which will need to be supported by an appropriate level skill and resource. Further time and resource will be required to call-off from the Framework as required. Will also involve significant time to upskill and train existing staff and to recruit and build a dedicated in-house team.
<b>Resource</b>	A high in-house resource requirement for management of the Framework procurement(s) and ongoing contract monitoring will be required. This includes significant contributions from procurement, legal, and finance teams, as well as requirement from Sustainability / Climate Change teams to manage the portfolio. Will likely result in increased requirements on in-house procurement teams for contract management and monitoring.

# Option 4: Enhanced in-house model

Criteria	Implications for the Authority
<b>Control</b>	The three authorities retain full control over the day-to-day management and act as the sole decision-making body under a joint governance structure. The private sector's role is limited to execution as and when required through contracting and investment into individual projects, with little to no strategic input.
<b>Influence</b>	The Authority retains overall influence and ability to align projects with strategic aims and existing processes. The Authority would take a leading role in partnering with community groups and other public sector stakeholders, which could deliver social and economic benefits at a regional level. However, there is less focus than in a Partnership, where social value could be built into a contract.
<b>Risk</b>	Risk for the overall portfolio is retained by the Authority. While the Authority can transfer risk at a project level, the Authority will be responsible and bear the risk of not delivering on the overall portfolio (e.g. there is no private sector support at a portfolio level).
<b>Reward</b>	Reward for the overall portfolio is retained by Authority. However, consideration does need to be given to the extent of which reward would be transferred to the private sector on a project level (e.g. depending on the preferred route to delivery reward would be shared with investors).
<b>Time</b>	Will involve significant time to upskill and train existing staff and to recruit and build a dedicated in-house team. However, once this model is implemented, there is likely to be less time-consuming procurement requirements given the use of in-house resource.
<b>Resource</b>	A high in-house resource requirement for managing and delivering across the net zero portfolio. This includes significant contributions from procurement, legal, and finance teams, as well as requirement from Sustainability / Climate Change teams to manage the portfolio. May also result in increased requirements on Authority procurement teams for contract management and monitoring.

There are many ways that the three authorities can organise themselves in the enhanced in-house option. Section 7 explores three potential structures that this model could take.

# Options Appraisal

## Strategic Analysis (Objectives)

# Contents

## 1. Strategic Framework

## 2. Objectives Appraisal

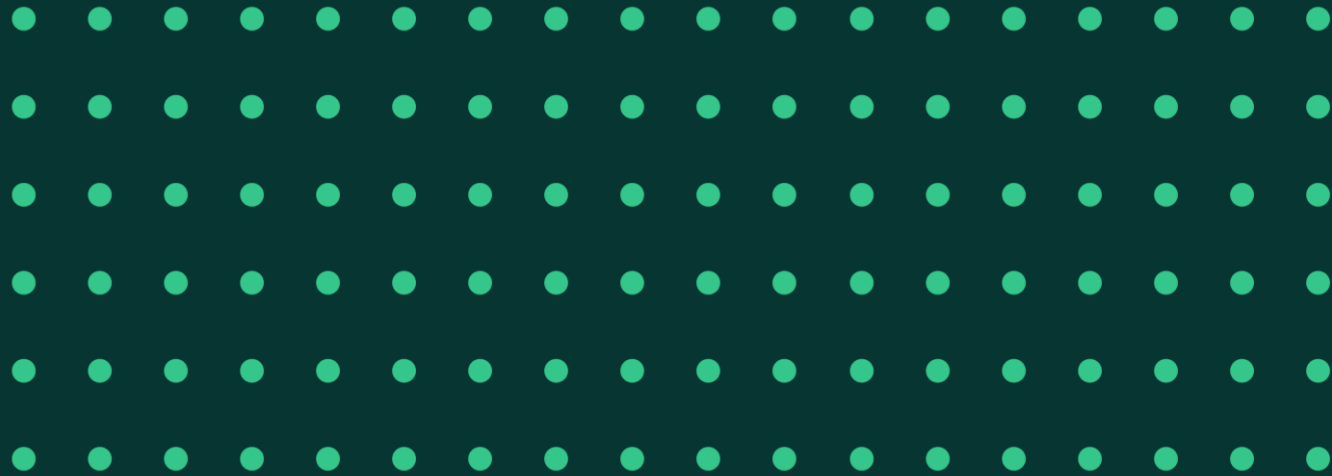
- a. Overview – Heat Map
- b. Business As Usual
- c. Authority-Led Framework
- d. Enhanced In-House Centralised
- e. Enhanced In-House Scaled-up APS
- f. Investment Readiness Facility
- g. Limited Partner Fund
- h. Enhanced In-House Combined
- i. Contractual JV and Corporate JV – Differences
- j. Strategic Partner-Led Contractual JV
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- m. Quick Model Solution – Dual Track Contractual JV
- n. Heat Map – incl. Quick Model Solutions

## 3. Route to OBC

- a. Justification of Approach
- b. Current OBC Options

## 4. Appendix

- a. Scale – Detail
- b. Case Study: Yorwaste
- c. Quick Model Solution: Template



# Strategic Framework

## Adapted from Board Actions

# Strategic Framework

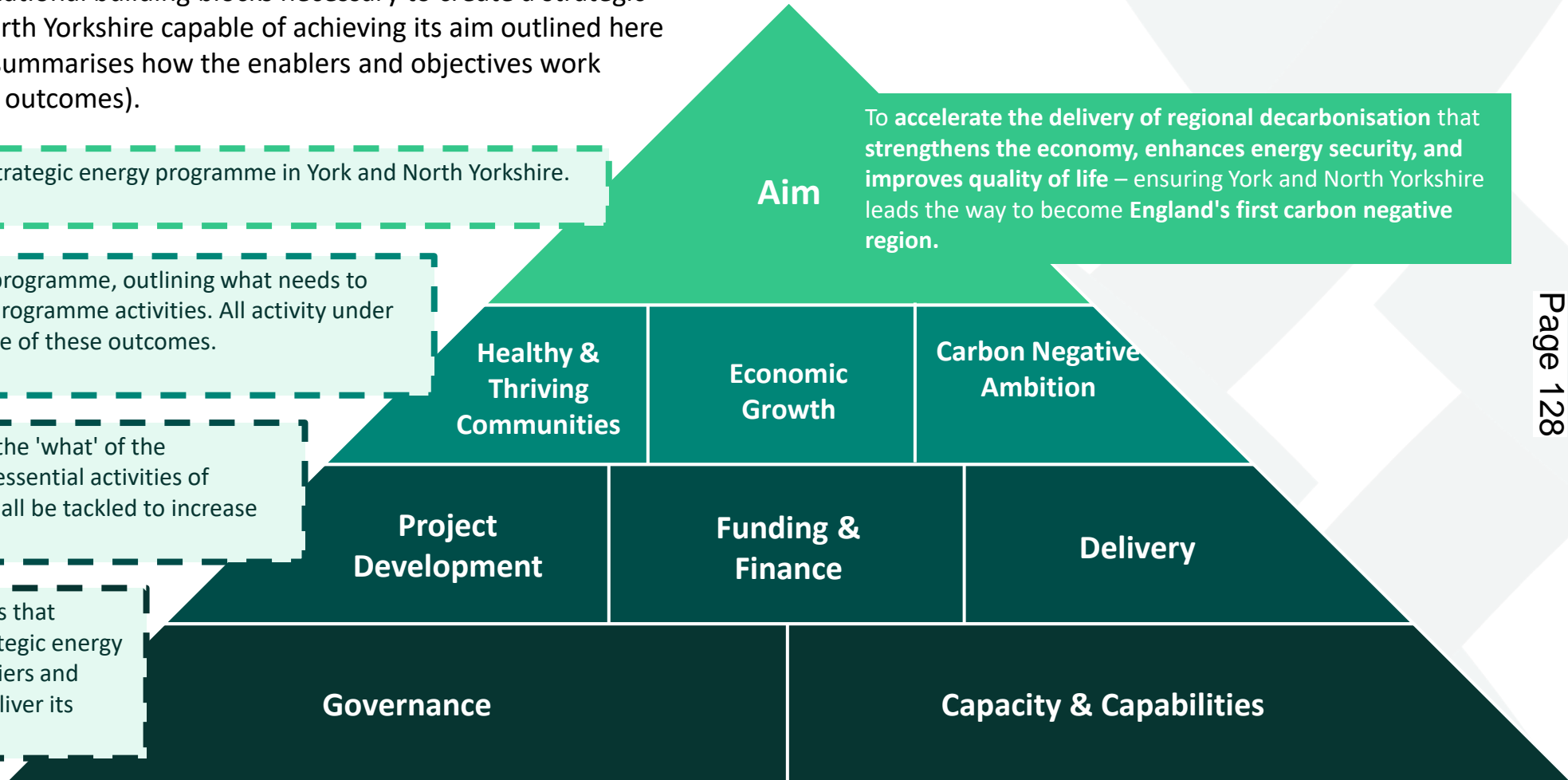
This framework sets out the foundational building blocks necessary to create a strategic energy programme in York and North Yorkshire capable of achieving its aim outlined here also. The framework additionally summarises how the enablers and objectives work together to achieve our 'why' (the outcomes).

**Aim:** This is the long-term vision for a strategic energy programme in York and North Yorkshire.

**Outcomes:** These are the 'why' of the programme, outlining what needs to happen as a result of strategic energy programme activities. All activity under this vehicle will aim to meet at least one of these outcomes.

**Key Objectives:** The key objectives are the 'what' of the programme, these outline the key and essential activities of the strategic energy vehicle. They must all be tackled to increase the pace and scale of decarbonisation.

**Enablers:** These are the enabling factors that facilitate the desired activity of the strategic energy programme. These factors remove barriers and make it easier for the programme to deliver its objectives.



# Enablers:

## Governance

To develop a robust governance route that enables strategically-driven programme delivery at pace and scale.

Requires:

- Flexibility to political uncertainty
- Variation dependent on project factors (ownership, profit sharing)
- Considers longevity of activities beyond model/partnership term (e.g. golden share)

## Capacity & Capabilities

To develop the regional capacity and capabilities at the required quality to support programme delivery at pace and scale.

Requires:

- Technical expertise (e.g. business case development, commercial awareness, raising capital.)
- Supportive expertise (e.g. operational and strategic)
- Wider communities (e.g. integrating supply chains and green skills)
- Supporting and bolstering expertise in community groups (e.g. community energy).

# Key Objectives:

## Project Development

To develop a strategically-driven pipeline of projects that enables funding & investment.

Requires:

- Ability to raise project development funding (public & private).
- Sufficient technical expertise and capacity for development.
- Consideration of social value and community wealth building

## Funding & Finance

To secure and optimise public funding and commercial investment, harnessing innovative approaches to maximise regional outcomes.

Requires:

- Ability to aggregate and bundle projects.
- Access to commercial investment.
- Capacity & capability to blend public funding and private finance.

## Delivery

To enable project delivery at pace and scale, harnessing the use of local supply chains.

Requires:

- Growth in demand of local supply chains.
- High standards / quality of delivery.
- Capacity & capability to deliver and/or contract manage.

# Outcomes:

## Healthy & Thriving Communities

To enable wider social benefits to be felt within local communities.

Requires:

- Effective engagement with communities to ensure project consent (co-design principles)
- Tackling fuel poverty
- Increasing associated health benefits (e.g. warm, comfortable homes, lessened pressure on NHS in climate-relevant issues)
- Increasing ownership of local energy projects

## Economic Growth

To enable regional economic growth to be felt within local businesses and communities.

Requires:

- Increasing job creation in relevant sectors
- Stimulate growth in local supply chains and local businesses
- Increase training / education opportunities

## Carbon Negative Ambition

To reduce carbon emissions in line with regional strategies and commitments.

Requires:

- Action at the required pace and scale according to net zero and carbon negative commitments (operational & regional)
- Decrease t/CO2 emitted, greenhouse gas emissions.

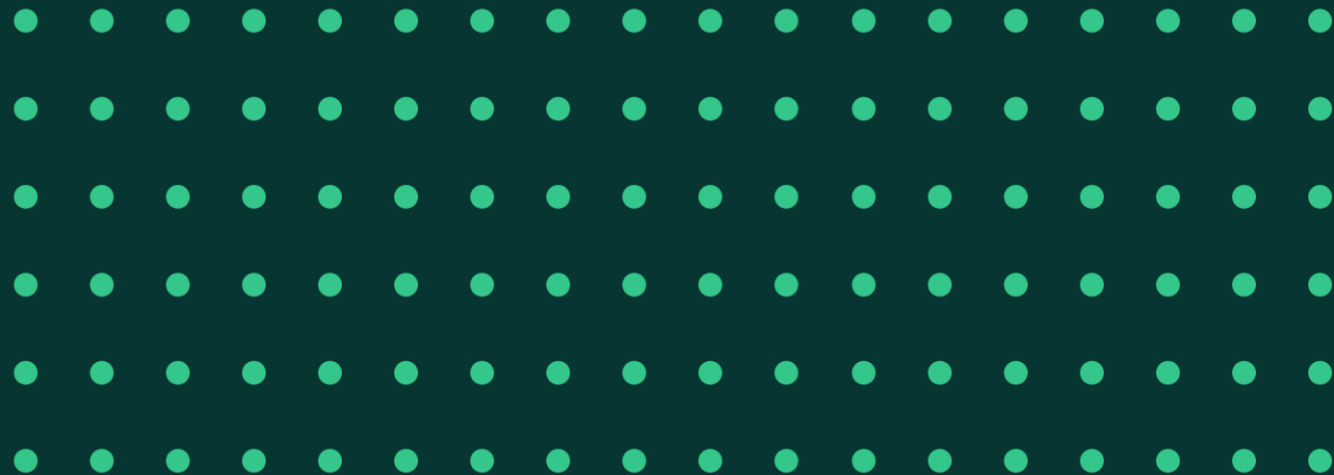
## Aim:

To accelerate the delivery of regional decarbonisation that strengthens the economy, enhances energy security, and improves quality of life – ensuring York and North Yorkshire leads the way to become England's first carbon negative region.

Maximising regional benefits through a strategic place-based approach to decarbonisation. Setting clear, coordinated pathways to create healthy and thriving communities: empowering local voices, strengthening local supply chains and reducing energy bills to produce sustainable action at pace and scale.



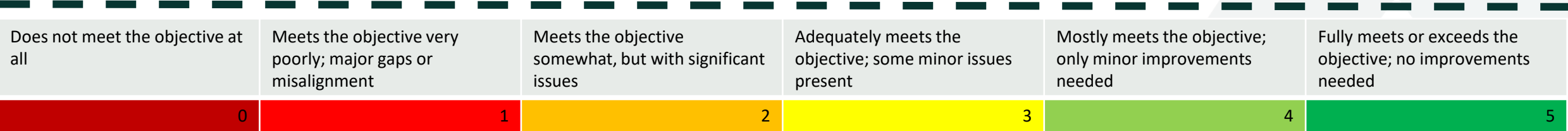
# Objectives Appraisal



# Overview – Heat Map

	Governance	Project Development	Funding & Finance	Delivery	Community Benefit	Economic Opportunity	Carbon Reduction
Business As Usual	Red	Red	Red	Red	Red	Red	Red
Authority-Led Framework	Red	Red	Red	Yellow	Red	Yellow	Yellow
In-House Centralised	Yellow	Yellow	Red	Red	Yellow	Red	Yellow
In-House Scaled-Up APS	Yellow	Yellow	Red	Red	Yellow	Yellow	Red
Investment Readiness Facility	Yellow	Yellow	Yellow	Red	Yellow	Red	Yellow
Limited Partner Fund	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow
Combined In-House	Yellow	Yellow	Light Green	Yellow	Yellow	Yellow	Yellow
Partner-Led Contractual JV	Yellow	Light Green	Yellow	Light Green	Yellow	Yellow	Yellow
Partner-Led Corporate JV	Light Green	Light Green	Yellow	Light Green	Yellow	Yellow	Yellow
Energy Company	Green	Light Green	Light Green	Yellow	Light Green	Light Green	Light Green

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# Business As Usual

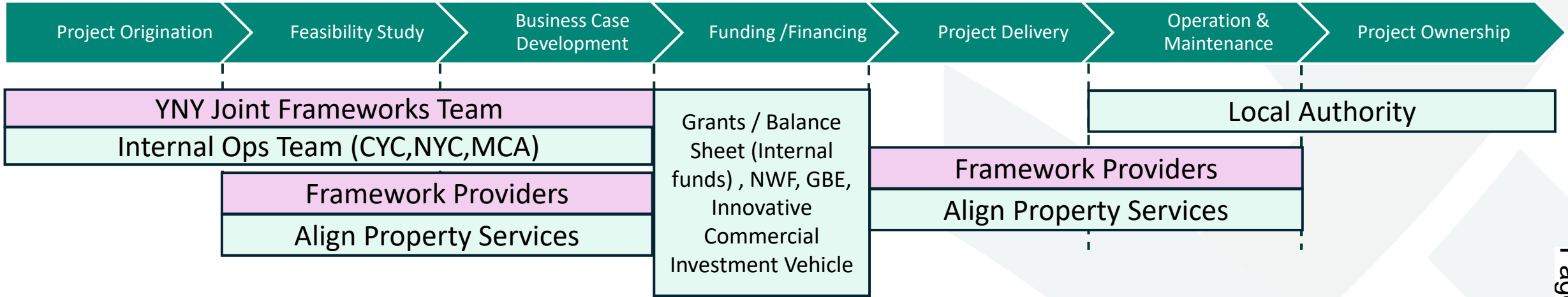
Total (out of 35)

7

Theme	Summary	BAU	Score
<b>Governance</b>	Current governance routes are slow, are project-by-project and have no strategic capability. No governance approach currently set up across 3 authorities to decarbonise and deliver LAEPs.	n/a	1
<b>Project Development</b>	CA (1 FTE embedded from Net Zero Hub to support project development). CYC, NYC (little FTE dedication to project development). Low capacity across 3 authorities, with no easy to access funding apart from ad-hoc national funding and mayoral investment (CNCF, NZF). Expertise is high but doesn't have required technical expertise required for full feasibility.	n/a	1
<b>Funding &amp; Finance</b>	Business cases made internally for funding with no expertise to understand how to get commercial investment. Good track record and ability to access and secure grant funding but struggle to blend with commercial investment.	n/a	1
<b>Delivery</b>	Procurement lengthy process, typically done on project-by-project basis, leading to slow pace of delivery. NYC (Teckal strength to deliver but not across wider net zero portfolio).	n/a	1
<b>Community Benefit</b>	Difficult to engage and benefit local communities because of ad-hoc projects. Capabilities and capacity is not sufficient to engage with communities widely, progress is slow.	n/a	1
<b>Economic Opportunity</b>	Similar to Community Benefit. Ability for positive result but is currently very slow because of pace of project development and delivery.	n/a	1
<b>Carbon Reduction</b>	Current pace of action will not meet decarbonisation targets.	n/a	1

# Authority-Led Framework

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint establishment of the framework (deciding detail and criteria).</li> <li>Individual draw down and governance routes for net zero project delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Core Framework Team – committed full-time resource requires funding (e.g. Mayoral Investment Fund + LAs).               <ul style="list-style-type: none"> <li>Procurement/Legal/ Finance/Manage</li> </ul> </li> <li>Contracted Framework Team – grant funded allocation per project.               <ul style="list-style-type: none"> <li>Contract Management</li> </ul> </li> <li>[EY Report] States up to 30 FTE minimum (incl. contract management, legal, finance and procurement specialists)</li> </ul>	<ol style="list-style-type: none"> <li>Project Originated by Individual Authority/ supported by Joint Frameworks Team.</li> <li>Project assessed according to framework criteria.</li> <li>If approved, Individual Authority or Joint Frameworks Team takes to business case (utilises framework if applicable)</li> <li>Business case delivery drawn down by framework delivery.</li> <li>Joint Frameworks Team or resource from individual authority, contract manages.</li> </ol>

# Authority-Led Framework

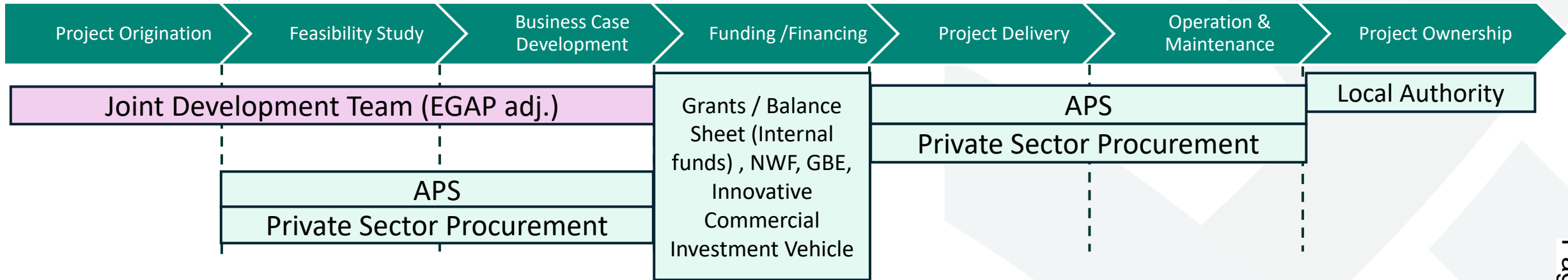
Total (out of 35)

10

Theme	Summary	BAU	Score
<b>Governance</b>	Individual authorities draw down on framework as required, BAU. Criteria of framework established jointly [EY Report]	1	1
<b>Project Development</b>	BAU project development functionality.	1	1
<b>Funding &amp; Finance</b>	BAU as framework will likely only provide contracting for supply of services and/or works, point at which a project enters the framework will be business case (therefore likely grant funded continuation).	1	1
<b>Delivery</b>	Procurement process would be shorter than BAU but longer than partner arrangement and still on project-by-project basis, leading to mediocre pace of delivery. Encouragement of consortium approaches with local supply chain possible. Quality of delivery potentially would not be consistent. Capacity for contract management would depend on grant funding.	1	2
<b>Community Benefit</b>	BAU integration of community benefit into framework, low capacity not sufficient to engage communities widely.	1	1
<b>Economic Opportunity</b>	Procurement framework with requirement for consortium/dedication to local supply chain would benefit local businesses and increase demand. But limited capacity to support these businesses could result in slow engagement and therefore delivery.	1	2
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.	1	2

# Enhanced In-House Centralised

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint governance board that leads Joint Development Team.</li> <li>Delivery would be via individual authorities due to grant funding allocation on individual basis. (i.e. no funding mechanism attached)</li> </ul>	<ul style="list-style-type: none"> <li>EGAP scaled-up would be the Joint Operations Team, requires funding (e.g. Mayoral Investment + LAs).                             <ul style="list-style-type: none"> <li>Project Origination &amp; Development</li> <li>Capacity: £1.5 million funding over 2 years will get 3 projects to FBC, and 2 to OBC*</li> </ul> </li> <li>Delivery contract management completed by individual authority (grant funding).</li> </ul>	<ol style="list-style-type: none"> <li>Joint Team originates project using EGAP-style programme.</li> <li>Project taken to joint board for approval according to regional strategy.</li> <li>If approved, joint team take to business case level (with private sector support likely).</li> <li>Project goes back to joint board for approval on delivery route.</li> <li>Project delivery procured and contract managed by individual authority.</li> </ol>

\* Variation applies accordingly to project complexity and type (focus on large scale generation)

# Enhanced In-House Centralised

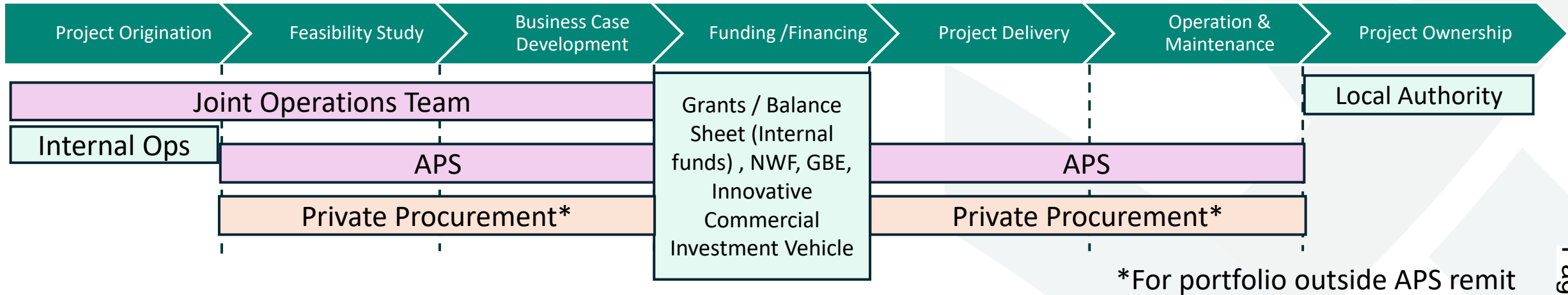
Total (out of 35)

11

Theme	Summary	BAU	Score
<b>Governance</b>	Utilises joint governance board, decisions are made collaboratively based on regional priorities and strategic goals. Decisions would still be made on project-by-project basis, and individual authority policies before this route may lead to inefficiencies.	1	2
<b>Project Development</b>	Dedicated regional project development team through committed funding from YNY. In-house team can integrate social value better with increased capacity, but existing funding situation remains and reliance on project-by-project basis.	1	2
<b>Funding &amp; Finance</b>	Joint capacity to bid but little expertise to blend finance. BAU access to commercial investment, capacity and capabilities.	1	1
<b>Delivery</b>	Due to mainly grant funded, individual authority will likely delivery through BAU project-by-project basis. Overall capacity therefore is BAU, resulting in slow delivery.	1	1
<b>Community Benefit</b>	Joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery would likely result in marginal results.	1	2
<b>Economic Opportunity</b>	BAU, project-by-project procurement gives little opportunity to grow local supply chain.	1	1
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.	1	2

# Enhanced In-House Scaled-Up APS

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Align create third-arm (Teckal) with shareholders from CA, CYC, NYC.</li> <li>Case Study: Yorwaste (in appendix)</li> </ul>	<ul style="list-style-type: none"> <li>Joint Operations Team created as Client Function for APS. requires funding (e.g. Mayoral Investment + LAs).</li> <li>APS Third-arm would likely require balance sheet funding from CA and CYC to scale-up.</li> <li>Contract management FTE grant funded.</li> </ul>	<ol style="list-style-type: none"> <li>Project Originated by Individual Authority or Joint Operations Team.</li> <li>Joint Operations Team collaborate with APS to assess project relevance to third-arm shareholder set priorities.</li> <li>APS undertake feasibility and take to business case with Joint Operation Team.</li> <li>Individual Authority approval process.</li> <li>APS deliver project.</li> <li>If APS is unable to provide required support/expertise, alternative private sector support procured by joint operations team.</li> </ol>

# Enhanced In-House Scaled-Up APS

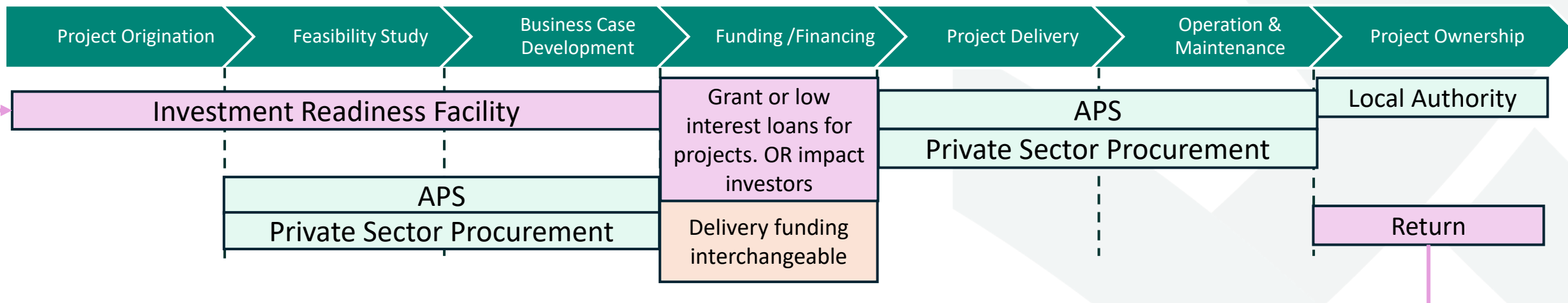
Total (out of 35) **12**

Theme	Summary	BAU	Score
<b>Governance</b>	Utilises joint governance board, decisions are made collaboratively based on regional priorities and strategic goals. [Align creates third arm with CA, NYC, CYC shareholder status]	1	3
<b>Project Development</b>	Align have no desire to originate (therefore BAU) but have capacity and expertise to create technical feasibility studies (limited across net zero portfolio). BAU funding for project development (grant funding).	1	2
<b>Funding &amp; Finance</b>	BAU, reliant on public funding, no capacity blend with commercial investment, on project-by-project basis .	1	1
<b>Delivery</b>	Capacity and capability of delivery in Teckal but not on wider net zero portfolio. BAU procurement would exist for large scale renewables, heat networks, EV etc, resulting in slow pace of delivery. Aggregation of assets may lead to more effective delivery through APS.	1	1
<b>Community Benefit</b>	BAU, trusted brand, joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery results in marginal improvement.	1	2
<b>Economic Opportunity</b>	Can build on Align's existing supply chain framework for retrofit investing in local supply chain, apprenticeships, and job creation by scaling up longer-term. Does not reach wider scale of local businesses (especially across net zero portfolio).	1	2
<b>Carbon Reduction</b>	BAU, Align already used by both authorities, pressure on Teckal could even stagnate carbon reduction progress.	1	1

# Investment Readiness Facility

Key	BAU
	Model Specific
	Other

A revolving debt facility to help projects reach stage of investment readiness.



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint governance board for strategic oversight, final decisions on facility including criteria of funding allocation.</li> <li>Could transfer operational control over time to commercial third party.</li> </ul>	<ul style="list-style-type: none"> <li>Set up of the facility, integration with EGAP to consider (e.g. LINC 50k)</li> <li>Central programme design and management teams (e.g. Mayoral Investment + LAs).</li> <li>Funding of the investment readiness facility.                             <ul style="list-style-type: none"> <li>Could come from public or private or blend of finance, likely will initially come from Authority. (e.g. LINC 150k over three years).</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Project origination by YNY authority / other.</li> <li>Project taken to IRF to assess project against facility criteria.</li> <li>If approved, project given grant or more likely low-interest loan for project development.</li> <li>Project taken to investment readiness by individual authority.</li> <li>Project commercial investment and/or delivery procured by individual authority.</li> <li>Agreed revenue returned into IRF, revolving loan facility.</li> </ol>

# Investment Readiness Facility

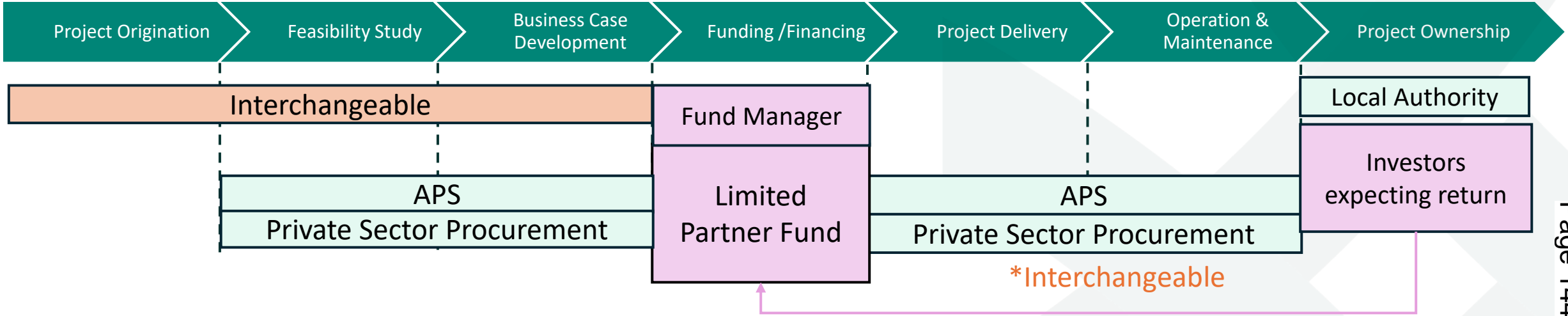
Total (out of 35) **13**

Theme	Summary	BAU	Score
<b>Governance</b>	Revolving function secures longevity of approach. Utilises joint governance board, decisions are made collaboratively based on regional priorities. Decisions potentially still on project-by-project and individual governance policies and routes still apply and could lead to inefficiencies.	1	2
<b>Project Development</b>	Dedicated regional project development fund through committed funding from YNY. In-house team and criteria able to integrate social value. But existing BAU project-by-project procurement for feasibility studies.	1	3
<b>Funding &amp; Finance</b>	Innovative approach that retains project development funding with increased internal capacity. Little consideration of aggregation and bundling for delivery. Project readiness function sets up likelihood of commercial investment but not secure.	1	2
<b>Delivery</b>	BAU delivery function.	1	1
<b>Community Benefit</b>	Joint team can enable strategic approach in project development but BAU capacity/capabilities and ad-hoc delivery would likely result in marginal results.	1	2
<b>Economic Opportunity</b>	BAU, project-by-project procurement gives little opportunity to grow local supply chain.	1	1
<b>Carbon Reduction</b>	Pace and scale marginally quicker than BAU.	1	2

# Limited Partner Fund

Key	BAU
	Model Specific
	Other

A collective investment vehicle where investors provide capital and GP manages the fund.



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Fund manager decides if funding should be allocated based on criteria of the fund set by YNY during formation of the fund.</li> </ul>	<ul style="list-style-type: none"> <li>Existing climate teams, likely to increase in capacity to meet demand of funding. As well resource to set up the fund (i.e. attracting investors).</li> <li>Fund manager salary plus bonus based on success of the fund to incentivise.</li> <li>Significant upfront contribution required by CA to ensure confidence for other investors.</li> </ul>	<ol style="list-style-type: none"> <li>Project originated and progressed to FBC by YNY (<b>Interchangeable process</b>).</li> <li>YNY approves funding route to be appropriate for fund.</li> <li>Fund manager assesses project and allocates funding/finance appropriately according to fund criteria if appropriate.</li> <li>Once funding received, YNY engage with private sector to secure delivery method.</li> </ol>

# Limited Partner Fund

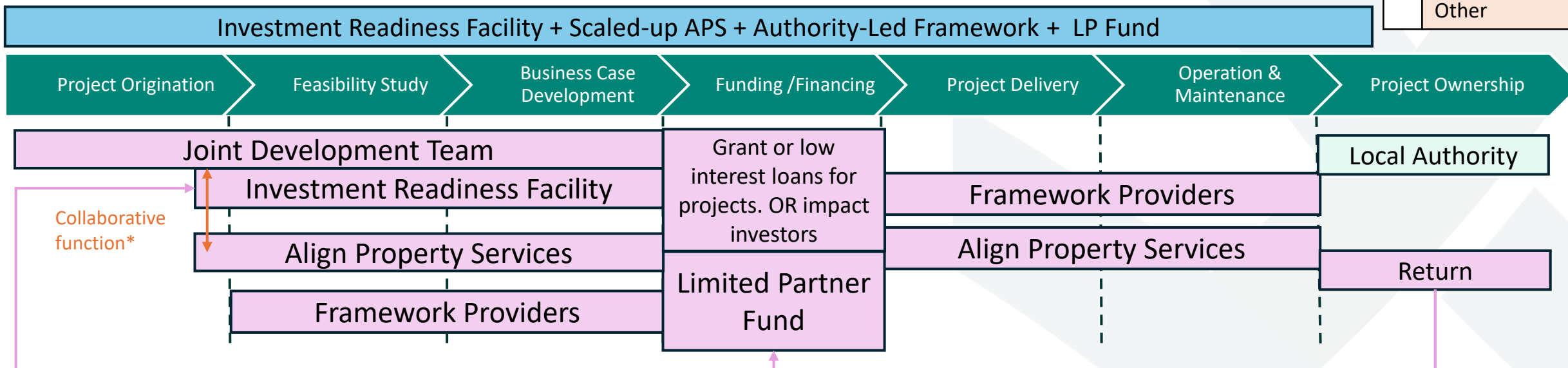
Total (out of 35)

15

Theme	Summary	BAU	Score
<b>Governance</b>	Fund criteria set by joint YNY (strategic board) but likely lacks pace and scale due to long-lead time to set up fund, funding likely to be release in staggered stages. Fund manager controls allocation of funding (flexible to uncertainty).	1	3
<b>Project Development</b>	Likely fund will not provide project development funding. BAU	1	1
<b>Funding &amp; Finance</b>	Capacity and capability of fund manager to blend public (balance sheet) and private investment. Portfolio bundling of projects likely, but dependent on investor-type requirement for <b>commercial return would be priority</b> . Criteria of fund can be set to aid ability to maximise outcomes for YNY.	1	3
<b>Delivery</b>	LP draw down would include project management costs. But overall BAU delivery.	1	2
<b>Community Benefit</b>	No community engagement function (BAU). Committed criteria to community energy projects and social value benefits within fund criteria possible.	1	2
<b>Economic Opportunity</b>	Potential for local businesses to draw down from the fund but overall support for wider supply chain growth is BAU.	1	2
<b>Carbon Reduction</b>	Not reliant on piecemeal funding, staggered consisted funding with carbon reduction in criteria. Pace and scale reliant on project-by-project basis, however.	1	2

# Enhanced In-House Combined

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint governance board responsibilities:                             <ul style="list-style-type: none"> <li>Establishing criteria for IRF, LP Fund and Framework.</li> <li>Lead Joint Development Team + IRF (final decisions)</li> <li>Shareholder responsibilities of Align's third arm.</li> </ul> </li> <li>Fund manager responsible for allocating funds.</li> </ul>	<p>Joint Development Team (CC-specific):</p> <ul style="list-style-type: none"> <li>Client Function with APS</li> <li>Set-up and management of IRF</li> </ul> <p>Wider responsibilities:</p> <ul style="list-style-type: none"> <li>Set-up and management of Framework</li> </ul> <p>Financial contribution:</p> <ul style="list-style-type: none"> <li>LP Fund</li> <li>APS balance sheet?</li> </ul> <p>Fund manager salary plus bonus based on success of the fund to incentivise.</p>	<ol style="list-style-type: none"> <li>Project originated by individual authority + wider regionally</li> <li>Development team provide service to advise on IRF, Framework and LP Fund criteria (up to delivery service).</li> <li>Project taken to joint board to approve IRF involvement.</li> <li>If approved, project taken to business case (or equivalent) via IRF. Potential APS or framework drawdown.</li> <li>Project taken to joint board to agree funding route (LP).</li> <li>If approved, fund manager assesses project and allocates funding/finance appropriately according to criteria.</li> <li>Once funding received, authority undertakes delivery through APS or framework.</li> <li>Required returns to LP Fund investors and IRF as appropriate.</li> </ol>

Joint team could also originate themselves, Centralised?

# Enhanced In-House Combined

Total (out of 35)

20

Theme	Summary	BAU	Score
<b>Governance</b>	Route for projects is clear from development to delivery with strategic criteria set within and crucial decision making at stages of financial importance. Joint facilitation of this process for individual authorities likely still leads to project-by-project movement through governance.	1	3
<b>Project Development</b>	Revolving function causes longevity of funding. Setting gateway criteria at development allows for strategic consideration of social value. Aim of function is to get projects to investment-readiness stage. Capacity to develop projects is still on individual project owner with advice on process and management of facility coming from in-house team.	1	3
<b>Funding &amp; Finance</b>	Optimising funding through revolving fund. Capacity and capability of fund manager to blend public and private (private expertise). IRF and LP Fund bridging gap of commercial investment. Portfolio bundling of projects likely but dependent on investor-type and requirement for commercial return.	1	4
<b>Delivery</b>	Procurement process would be shorter than BAU but longer than partner arrangement and still on project-by-project basis, leading to mediocre pace of delivery. Encouragement of consortium approaches with local supply chain possible. Quality of delivery potentially would not be consistent. Capacity of Align to deliver specific asset and ability to work closely with YNY.	1	2
<b>Community Benefit</b>	Gateway criteria at development, funding and delivery stages allow consistent social value benefits to be integrated. Joint team can enable strategic approach. No new capacity for on-the-ground community engagement. Dedicated route for CE projects without grant reliance but lack of capacity.	1	3
<b>Economic Opportunity</b>	Procurement framework with requirement for consortium/dedication to local supply chain would benefit local businesses and increase demand. Build on Align training opportunities. But limited capacity to support these businesses could result in slow engagement and delivery.	1	3
<b>Carbon Reduction</b>	Not reliant on piecemeal funding, staggered consisted funding with carbon reduction in criteria. Reliant on internal capacity to move through route.	1	2

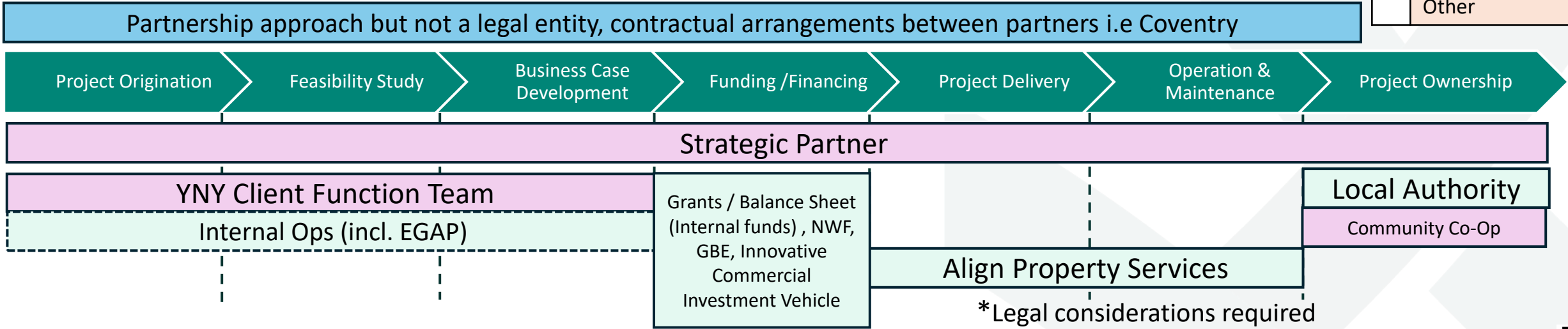
# Contractual JV and Corporate JV

A contractual joint venture (JV) is a collaborative arrangement where partners agree on terms of their co-operation through a contract, without creating a separate entity. In contrast, a corporate JV involves establishing a new jointly owned company (a separate legal entity).

	Contractual JV	Corporate JV
Advantages	<p><b>Flexibility:</b> Easier to set up and dissolve; suitable for short- to medium-term projects.</p> <p><b>Lower cost:</b> No need to establish a new company, reducing administrative and legal cost.</p> <p><b>Control retention:</b> Each party retains more control over its own operations and assets.</p> <p><b>Defined Scope:</b> Contract outlines scope, responsibilities, profit-sharing etc.</p>	<p><b>Clear governance:</b> Formal board structure and defined roles/responsibilities, with its own articles of association and shareholder's agreement.</p> <p><b>Liability protection:</b> The JV entity assumes liabilities, protecting parent companies.</p> <p><b>Long-term commitment:</b> Signals strategic alignment and seriousness to stakeholders.</p>
Limitations	<p><b>Limited liability protection:</b> Parties may be directly liable for obligations.</p> <p><b>Weaker governance structure:</b> Relies heavily on the contract for dispute resolution and decision-making.</p> <p><b>Perception:</b> May be seen as less formal or committed, which could affect stakeholder confidence.</p>	<p><b>Complex setup:</b> Requires incorporation, regulatory approvals, and ongoing compliance.</p> <p><b>Higher costs:</b> Legal, accounting, and operational costs are higher.</p> <p><b>Reduced flexibility:</b> Harder to exit or restructure without legal and financial implications.</p>

# Strategic Partner-Led Contractual JV

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint Board established between SP and YNY.</li> <li>Governance routes will differ depending on project life (e.g. include grant funding, investable opportunities etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Coventry: In-house team delivery team to assist, initially committing 2.5 FTEs with SEP providing 8 FTEs.</li> <li>For regional partnership, scale will need to be considered for these estimations and Client Function, requires funding (e.g. Mayoral Investment + LAs).</li> <li>Projects will potentially run in parallel requiring more resource.</li> </ul>	<ol style="list-style-type: none"> <li>SP and/or authorities originate a project.</li> <li>Client Function Team assess whether the project fits the contract criteria.</li> <li>SP develops project to business case level.</li> <li>Project is taken to Joint Board for approval using established gateway process.</li> <li>If approved, project is delivered by SP or APS (detail tbc.) with support from Client Function to ensure KPIs.</li> </ol>

# Strategic Partner-Led Contractual JV

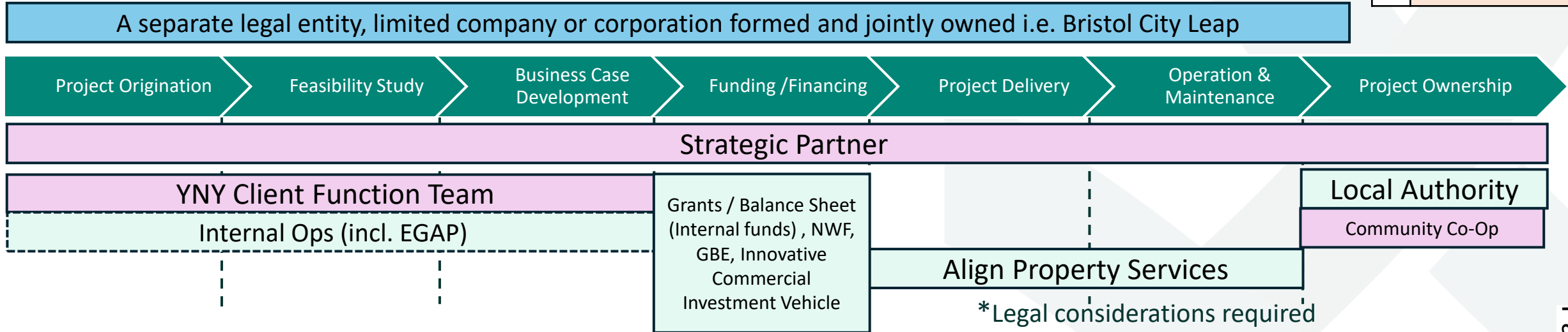
Total (out of 35)

23

Theme	Summary	BAU	Score
<b>Governance</b>	Joint Strategic Board established between YNY and SP (strategic), but decisions come down to contractual arrangement guidelines (robust?). Different governance routes possible. Longevity not considered. Would certain projects still need to go through the extent of individual authority governance? Pace?	1	3
<b>Project Development</b>	Collaborative, long-term project origination. SP-led projects will be financed by SP; individual authority can originate with grant or potentially blended funding. Bolstered capacity and capabilities from private sector. Contract arrangement need to establish objectives to ensure social value in origination.	1	4
<b>Funding &amp; Finance</b>	Single procurement to secure commercial investment in SP. Likely innovative approaches to blending will be dependent on Client Function Team capacity and capabilities. Increased flexibility to aggregate (contract/ appetite depending),	1	3
<b>Delivery</b>	Single procurement for delivery route in SP (drastically shortened). Quality of delivery assured in procurement process (less flexibility to exit). Capacity/ capability to contract manage will come through Client Function. Surge of investment will increase local supply chain growth?	1	4
<b>Community Benefit</b>	Contract-reliant and project development reliant. Engagement likely integrated but brunt of responsibility expected to fall on YNY. Contract commitment possible to increase community energy.	1	3
<b>Economic Opportunity</b>	Fostering investment in regional projects drives demand for local businesses and training. KPIs to foster and support these opportunities for businesses, Client Function team responsibility?	1	3
<b>Carbon Reduction</b>	Pace of delivery expected to be much higher than BAU especially in short term.	1	3

# Strategic Partner-Led Corporate JV

Key	BAU
	Model Specific
	Other



Governance	Resource	Project Route
<ul style="list-style-type: none"> <li>Joint Board established between SP and YNY.</li> <li>Governance routes will differ depending on project life (e.g. include grant funding, investable opportunities etc.)</li> <li>Shareholder considerations needed for legal entity (50/50?) as a result of contribution.</li> </ul>	<ul style="list-style-type: none"> <li>SLAs required for back-office services provided by the Council</li> <li>More resource required than contractual JV due to being a new legal entity. (Example, Bristol City Leap currently has 23 employees for their Client Function). Requires funding (e.g. Mayoral Investment + LAs).</li> </ul>	<ol style="list-style-type: none"> <li>SP, Client Function Team or Individual authority originate project.</li> <li>Client Function Team assess project according to gateway process.</li> <li>If approved, business case is developed by SP.</li> <li>Business case taken to joint governance board.</li> <li>If approved, project is delivered by SP with overview from Client Function Team.</li> </ol>

# Strategic Partner-Led Corporate JV

Total (out of 35)

24

Theme	Summary	BAU	Score
<b>Governance</b>	Legal entity has inherently robust governance routes, joint strategic board. Ability for variation. Shareholder rights considers potential longevity beyond model term. Would certain projects still need to go through individual governance?	1	4
<b>Project Development</b>	Collaborative, long-term project origination. SP-led projects will be financed by SP; individual authority can originate with grant or potentially blended funding. Bolstered capacity and capabilities from private sector. Concession agreement need to establish objectives to ensure social value in origination.	1	4
<b>Funding &amp; Finance</b>	Increased ability to aggregate and bundle over longer-term partnership. Committed resources to bundle will likely need to be committed from the beginning. SP onboard has access to commercial investment. Capacity and capability to blend funding will be dependent on Client Function Team ability.	1	3
<b>Delivery</b>	Long-term commitment to SP-lead on delivery, assured quality through procurement. Capacity to contract manage comes from Client Function. Procurement length drastically shortened. Surge of investment will increase local supply chain growth?	1	4
<b>Community Benefit</b>	Formal process for recording KPIs, risk of SP cherry-picking type of social value. Engagement likely integrated but brunt of responsibility expected to fall on YNY. Commitment from SP can result in larger community energy result.	1	3
<b>Economic Opportunity</b>	Fostering investment in regional projects drives demand for local businesses and training. KPIs to foster and support these opportunities for businesses, Client Function team responsibility?	1	3
<b>Carbon Reduction</b>	Long-term strategic delivery, private sector expertise, pace faster than BAU.	1	3

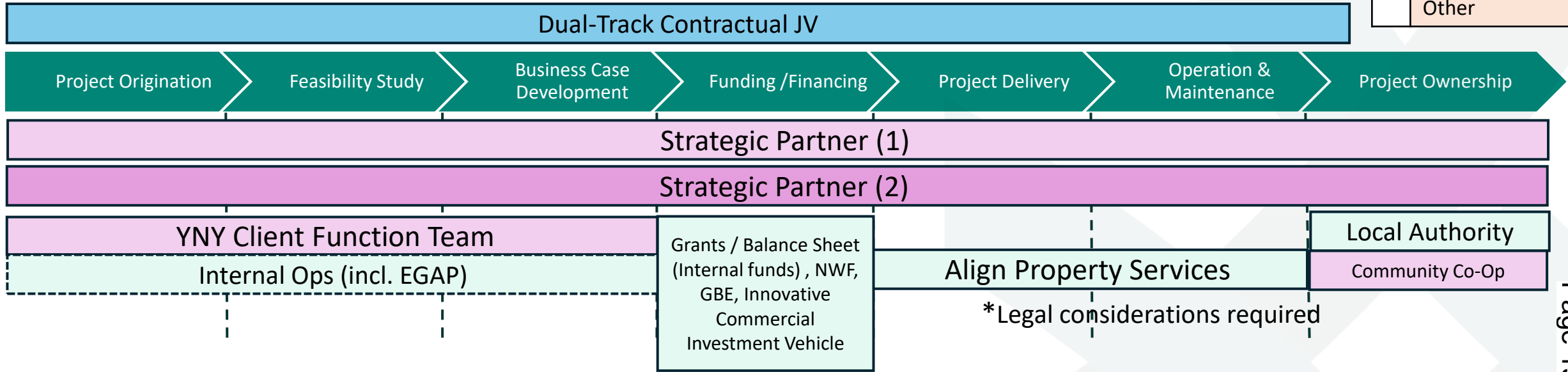
# Energy Company

Total (out of 35) **28**

Theme	Summary	BAU	Score
<b>Governance</b>	Is a legally distinct entity, public authority can still maintain a degree of control as a shareholder. Can also form initial governance framework to shape strategic direction of SPV going forward. Flexibility from political uncertainty, as less likely to be viewed as financially or legally risky operation.	1	5
<b>Project Development</b>	Will require capacity to be built over time into a profitable venture. Start-up phase may see a reliance on commercially viable 'quick wins' to build up portfolio and generate revenue. Revolving fund of revenue will provide long-term project development function. Wholly-owned provides strategic advisory role to be realised.	1	4
<b>Funding &amp; Finance</b>	Isolation of financial risk through SPV. Access to commercial investment and securitised debt financing. Ability to tackle larger development (high risk, high reward). Need to repay shareholders may create more profit driven business model and limit funding/appetite for commercially unviable projects.	1	4
<b>Delivery</b>	Legal distinction from public sector, can prioritise working with local business (not constrained by procurement regs?). Can invest in projects across the UK to support commercially unviable projects in YNY (as done by Warrington BC).	1	3
<b>Community Benefit</b>	Larger scale developments by the SPV will likely require community benefit funds to generate local support. Creation of CIC works more directly with community on less commercially viable projects, has ability to attract own investment and through funds.	1	4
<b>Economic Opportunity</b>	Requirement with contractor to use local suppliers. Legal distinction from public sector, can prioritise working with local business.	1	4
<b>Carbon Reduction</b>	Financial and legal freedoms to make large scale investments will increase pace and scale of delivery. Quick wins will result in limited asset class project delivery initially.	1	4

# Quick Model Solution

Key	BAU
	Model Specific
	Other

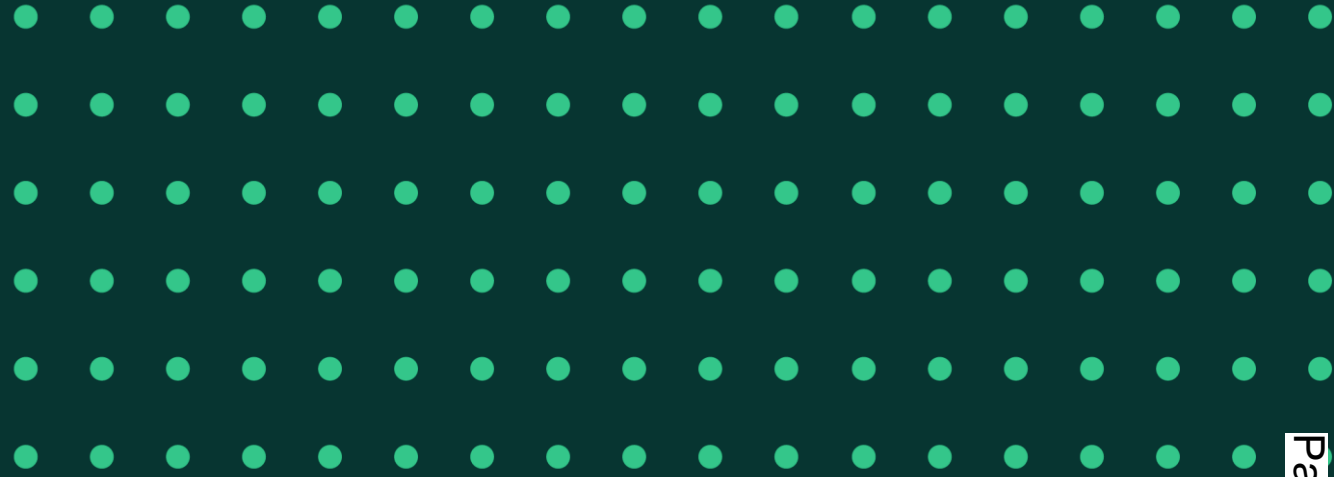


Theme	Justification	Score
Governance	Allows for somewhat increased variation in project factors	3
Project Development	See Strategic Partner-Led Contractual JV	4
Funding & Finance	See Strategic Partner-Led Contractual JV	3
Delivery	See Strategic Partner-Led Contractual JV	4
Community Benefit	See Strategic Partner-Led Contractual JV	3
Economic Opportunity	See Strategic Partner-Led Contractual JV	3
Carbon Reduction	Increased action at pace and scale	4

# Heat Map – incl. Quick Model Solutions

	Governance	Project Development	Funding & Finance	Delivery	Community Benefit	Economic Opportunity	Carbon Reduction
Business As Usual	Red	Red	Red	Red	Red	Red	Red
Authority-Led Framework	Red	Red	Red	Yellow	Red	Yellow	Yellow
In-House Centralised	Yellow	Yellow	Red	Red	Yellow	Red	Yellow
In-House Scaled-Up APS	Light Yellow	Yellow	Red	Red	Yellow	Yellow	Red
Investment Readiness Facility	Orange	Light Yellow	Orange	Red	Yellow	Red	Orange
Limited Partner Fund	Light Yellow	Red	Light Yellow	Orange	Orange	Orange	Orange
Combined In-House	Light Yellow	Light Yellow	Light Green	Orange	Light Yellow	Light Yellow	Orange
Partner-Led Contractual JV	Light Yellow	Light Green	Light Yellow	Light Green	Light Yellow	Light Yellow	Light Yellow
Partner-Led Corporate JV	Light Green	Light Green	Light Yellow	Light Green	Light Yellow	Light Yellow	Light Yellow
Energy Company	Green	Light Green	Light Green	Light Yellow	Light Green	Light Green	Light Green
Dual Track Contractual JV	Light Yellow	Light Green	Light Yellow	Light Green	Light Yellow	Light Yellow	Light Green

# Route to OBC



# Justification of Approach

## 1. Strategic Framework:

To demonstrate the objectives and aim of the programme.

## 2. Objectives Appraisal:

To understand the extent to which the options achieve the programme aim and objectives

## 3. Appetite Appraisal (Options Appraisal Matrix):

To understand Y&NY authority appetite to the options.

## 4. Market Engagement:

To understand market appetite for related commercial opportunity, and to gain insights to inform thinking and design of the options.

## 5. Techno-economic Modelling Visualisation Tool:

To inform appetite and reality of the options.

## 6. Outline Business Case:

To demonstrate a series of applicable options and decide on the preferred option for the programme business case.

# Current OBC Options

## Options identified for exploration in July Project Board (CYC & NYC):

- Strategic Partner Led Contractual Model (incl. Dual Track Coventry)
- Authority-Led Framework
- Scaled-up APS

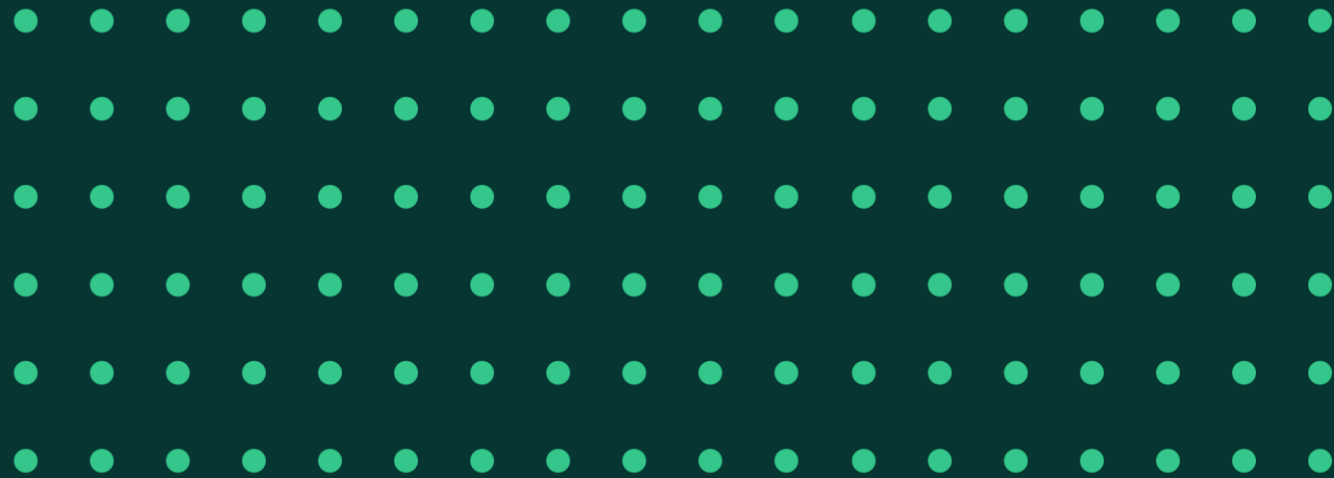
## Since...CA engagement raised additional options:

- Investment Readiness Facility
- Energy Company

## Current OBC Options

- Do Nothing (BAU)
- In-House Model (The ideal in-house elements)
- Joint Venture Partnership (Procurement of Concessional or Contractual)
- Energy Company (Do Maximum)

# Appendix



# Scale – Detail

Score	Description	Solution Specific	RAG
0	Does not meet the objective at all	Solution does not address objective in any meaningful way.	
1	Meets the objective very poorly; major gaps or misalignment	Solution lacks clarity, depth or actionable mechanisms.	
2	Meets the objective somewhat, but with significant issues	Solution is underdeveloped or not well-integrated.	
3	Adequately meets the objective; some minor issues present	Solution has reasonable clarity and feasibility, though improvements are needed for full effectiveness.	
4	Mostly meets the objective; only minor improvements needed	Solution has well-developed strategies and mechanisms; minor refinements could enhance solution.	
5	Fully meets or exceeds the objective; no improvements needed	Solution has robust, scalable, and innovative approaches that are readily implemented.	

# Case Study: Yorwaste

## What is Yorwaste?

Yorwaste is a jointly owned “teckal” company between NYC and CYC. It offers comprehensive waste services for the region that represents value for money.

All shareholder dividends are reinvested back into the local community, supporting local council services and making sure money is kept within the local area, helping to drive its development

## Governance Arrangements

The company is wholly owned by NYC and CYC (the Controlling Authorities), who operate on a Teckal exemption basis with an ownership split of 77.3% and 22.7% respectively. The Teckal exemption means that it complies with the following conditions:

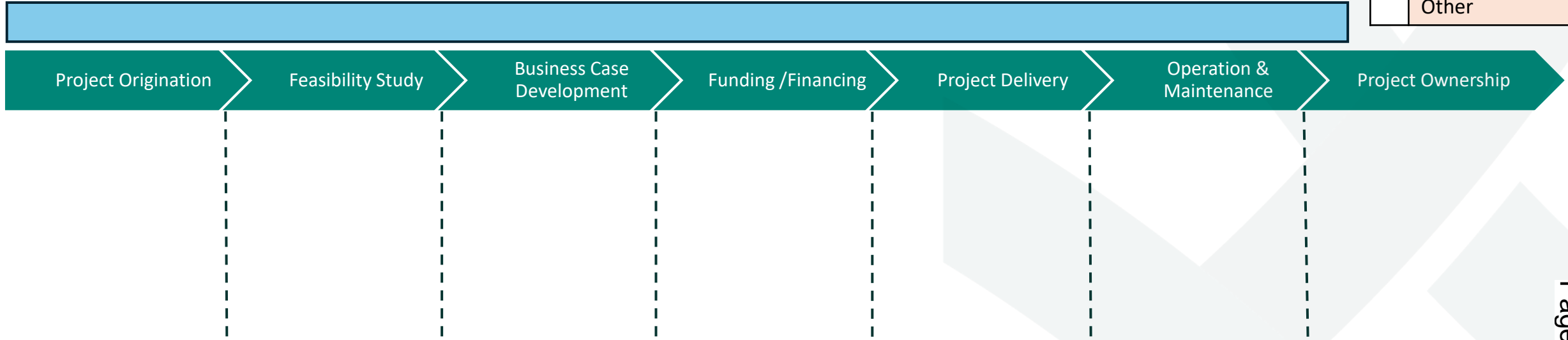
The Controlling Authorities exercises control over the operations of the company

Over 80% of the companies activities are carried out on behalf of the Controlling Authorities

There is no private share ownership in the company

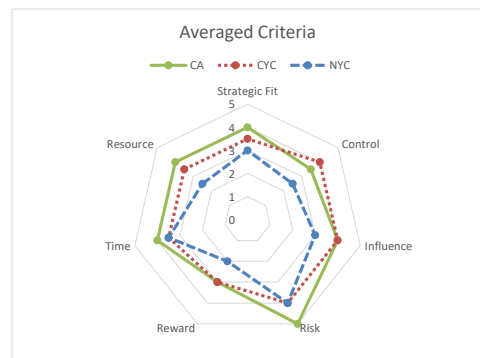
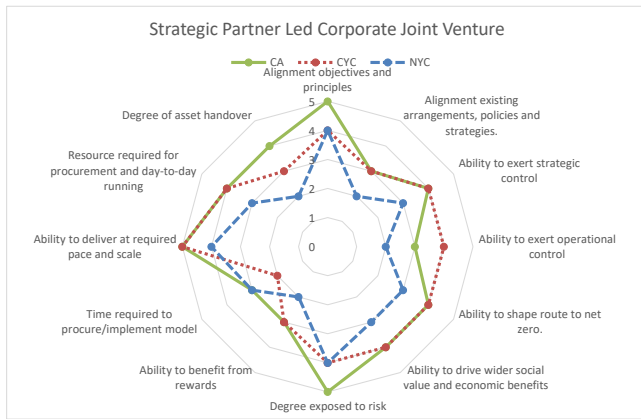
# Quick Model Solution - Template

Key	BAU
	Model Specific
	Other

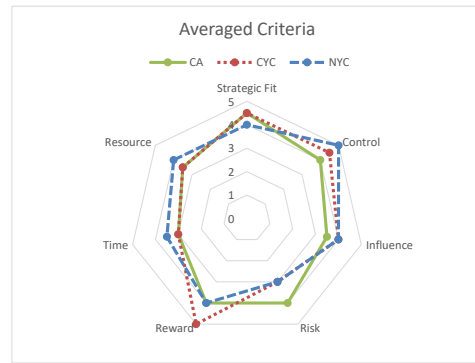
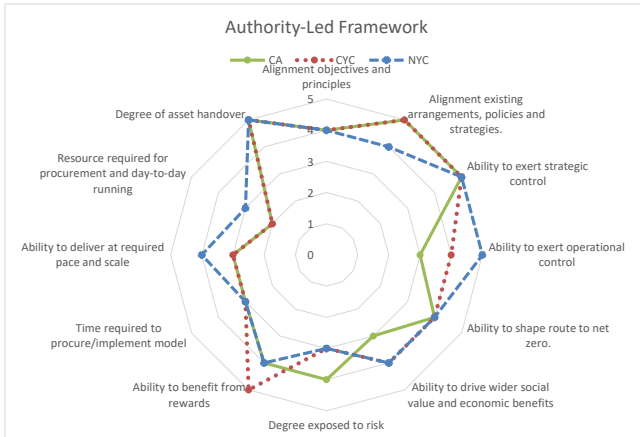


Theme	Justification	Score
Governance		
Project Development		
Funding & Finance		
Delivery		
Community Benefit		
Economic Opportunity		
Carbon Reduction		

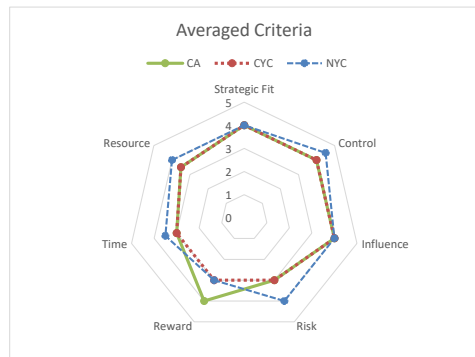
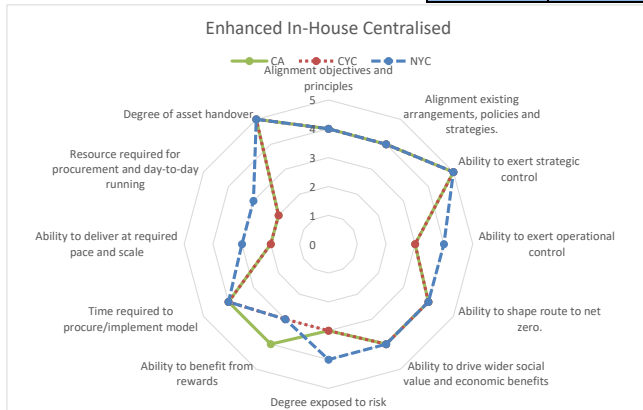
Strategic Partner Led Incorporated Joint Venture (Bristol City Leap)					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	5	4	4	Exclusivity rights causing decreased reward for YNY authorities, lack of control of assets, and prolonged procurement.
	Alignment existing arrangements, policies and strategies.	3	3	2	
Control	Ability to exert strategic control	4	4	3	
	Ability to exert operational control	3	4	2	
Influence	Ability to shape route to net zero.	4	4	3	
	Ability to drive wider social value and economic benefits	4	4	3	
Risk	Degree exposed to risk	5	4	4	
Reward	Ability to benefit from rewards	3	3	2	
Time	Time required to procure/implement model	3	2	3	
	Ability to deliver at required pace and scale	5	5	4	
Resource	Resource required for procurement and day-to-day running	4	4	3	
	Degree of asset handover	4	3	2	
		47	44	35	126



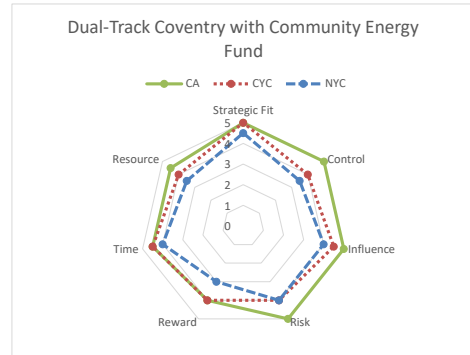
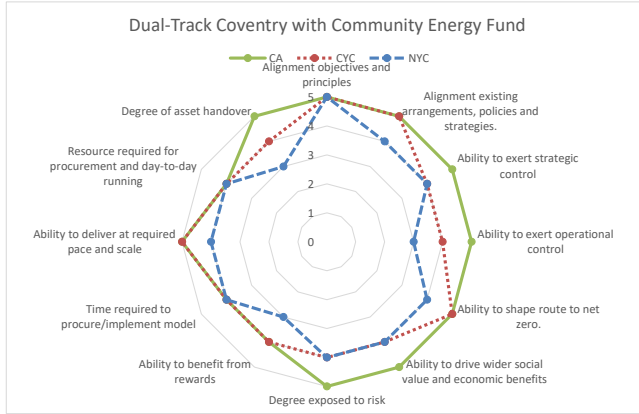
Authority-Led Framework					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation Significant financial and FTE resource to implement, manage, and fund.
Strategic Fit	Alignment objectives and principles	4	4	4	
	Alignment existing arrangements, policies and strategies.	5	5	4	
Control	Ability to exert strategic control	5	5	5	
	Ability to exert operational control	3	4	5	
Influence	Ability to shape route to net zero.	4	4	4	
	Ability to drive wider social value and economic benefits	3	4	4	
Risk	Degree exposed to risk	4	3	3	
Reward	Ability to benefit from rewards	4	5	4	
Time	Time required to procure/implement model	3	3	3	
	Ability to deliver at required pace and scale	3	3	4	
Resource	Resource required for procurement and day-to-day running	2	2	3	
	Degree of asset handover	5	5	5	
		45	47	48	140



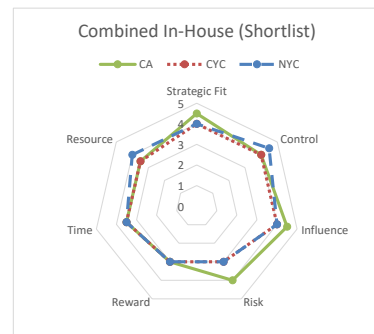
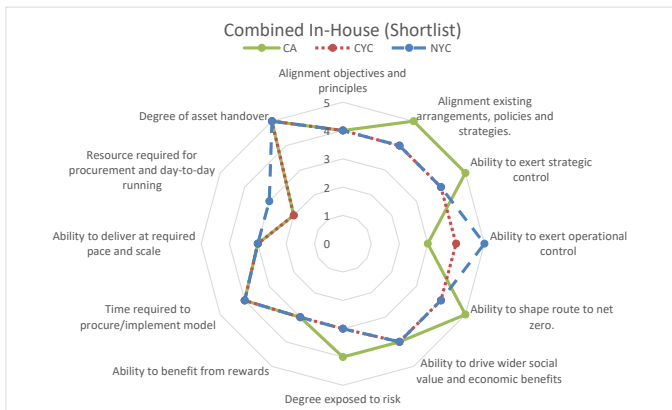
Enhanced In-House Centralised					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation Significant resource to implement, manage, and fund as well as project-by-project scenarios causing delivery at slow pace.
Strategic Fit	Alignment objectives and principles	4	4	4	
	Alignment existing arrangements, policies and strategies.	4	4	4	
Control	Ability to exert strategic control	5	5	5	
	Ability to exert operational control	3	3	4	
Influence	Ability to shape route to net zero.	4	4	4	
	Ability to drive wider social value and economic benefits	4	4	4	
Risk	Degree exposed to risk	3	3	4	
Reward	Ability to benefit from rewards	4	3	3	
Time	Time required to procure/implement model	4	4	4	
	Ability to deliver at required pace and scale	2	2	3	
Resource	Resource required for procurement and day-to-day running	2	2	3	
	Degree of asset handover	5	5	5	
		44	43	47	134



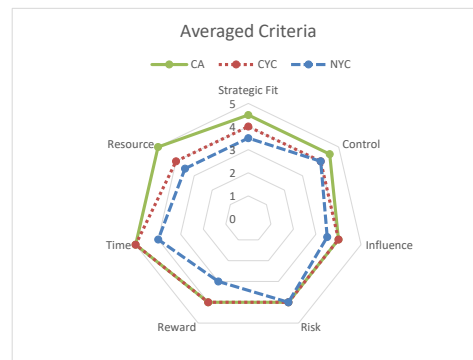
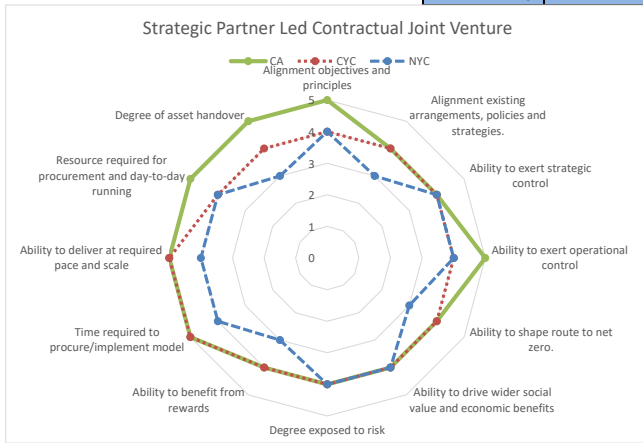
Dual-Track Coventry with Community Energy Fund					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	5	5	5	Incentive for partner will require handover of key anchor projects, appetite and existence of these projects are uncertain.
	Alignment existing arrangements, policies and strategies.	5	5	4	
Control	Ability to exert strategic control	5	4	4	
	Ability to exert operational control	5	4	3	
Influence	Ability to shape route to net zero.	5	5	4	
	Ability to drive wider social value and economic benefits	5	4	4	
Risk	Degree exposed to risk	5	4	4	
Reward	Ability to benefit from rewards	4	4	3	
Time	Time required to procure/implement model	4	4	4	
	Ability to deliver at required pace and scale	5	5	4	
Resource	Resource required for procurement and day-to-day running	4	4	4	
	Degree of asset handover	5	4	3	
		57	52	46	



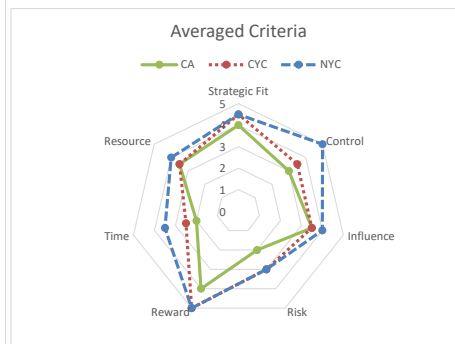
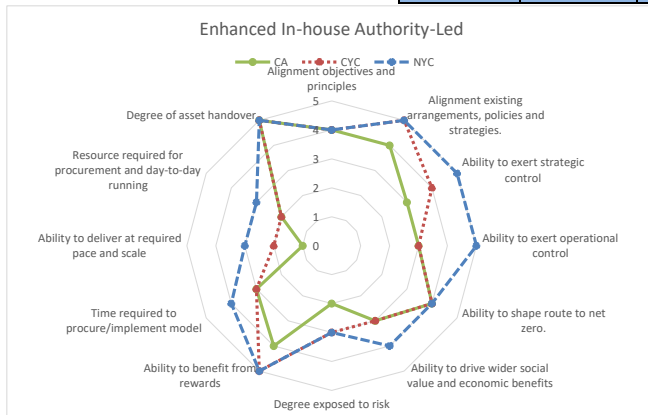
Combined In-House (Shortlist)					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	4	4	4	
	Alignment existing arrangements, policies and strategies.	5	4	4	
Control	Ability to exert strategic control	5	4	4	
	Ability to exert operational control	3	4	5	
Influence	Ability to shape route to net zero.	5	4	4	
	Ability to drive wider social value and economic benefits	4	4	4	
Risk	Degree exposed to risk	4	3	3	
Reward	Ability to benefit from rewards	3	3	3	
	Time required to procure/implement model	4	4	4	
Time	Ability to deliver at required pace and scale	3	3	3	
	Resource required for procurement and day-to-day running	2	2	3	
Resource	Degree of asset handover	5	5	5	
			47	44	



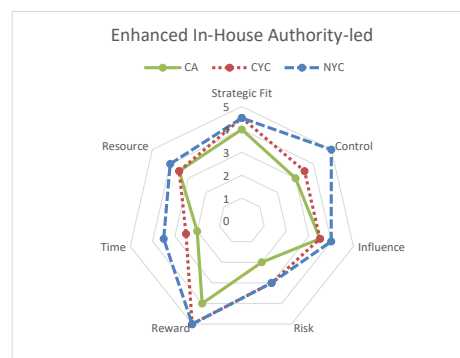
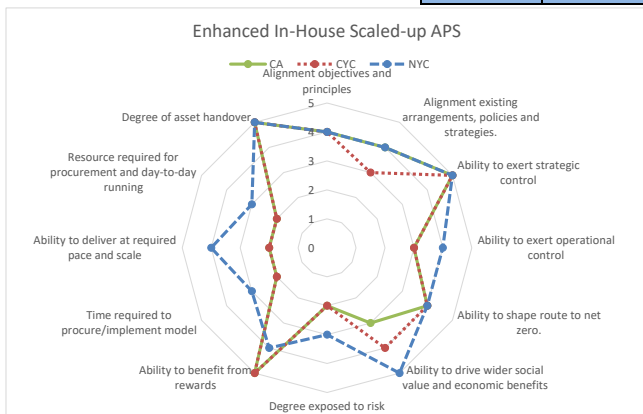
Strategic Partner Led Contractual Joint Venture (Coventry)						
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation	
Strategic Fit	Alignment objectives and principles	5	4	4	Potential balance of reward and control to partner, understanding there is flexibility but anchor projects will require handover to partner to incentive partnership.	
	Alignment existing arrangements, policies and strategies.	4	4	3		
Control	Ability to exert strategic control	4	4	4		
	Ability to exert operational control	5	4	4		
Influence	Ability to shape route to net zero.	4	4	3		
	Ability to drive wider social value and economic benefits	4	4	4		
Risk	Degree exposed to risk	4	4	4		
	Ability to benefit from rewards	4	4	3		
Time	Time required to procure/implement model	5	5	4		
	Ability to deliver at required pace and scale	5	5	4		
Resource	Resource required for procurement and day-to-day running	5	4	4		
	Degree of asset handover	5	4	3		
		54	50	44		148



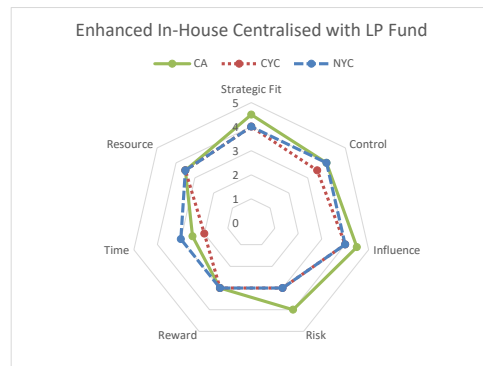
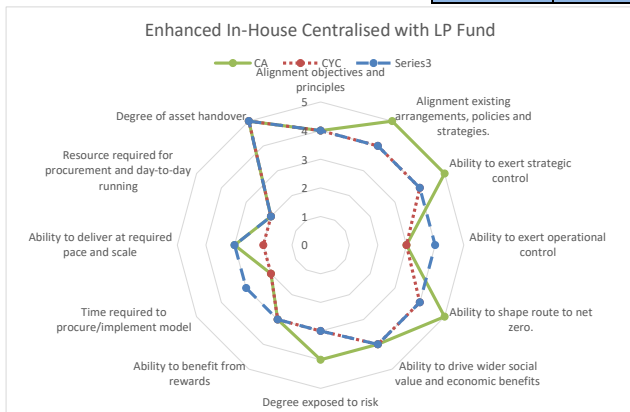
Enhanced In-house Authority-led					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	4	4	4	Little pace of delivery, resources required are significant.
	Alignment existing arrangements, policies and strategies.	4	5	5	
Control	Ability to exert strategic control	3	4	5	
	Ability to exert operational control	3	3	5	
Influence	Ability to shape route to net zero.	4	4	4	
	Ability to drive wider social value and economic benefits	3	3	4	
Risk	Degree exposed to risk	2	3	3	
Reward	Ability to benefit from rewards	4	5	5	
Time	Time required to procure/implement model	3	3	4	
	Ability to deliver at required pace and scale	1	2	3	
Resource	Resource required for procurement and day-to-day running	2	2	3	
	Degree of asset handover	5	5	5	
		38	43	50	



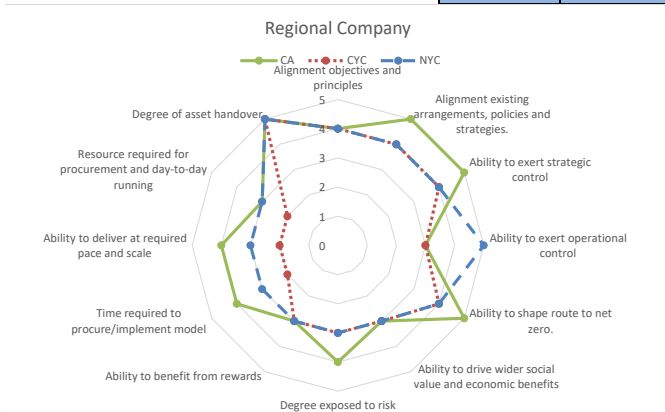
Enhanced In-house Scaled-up APS					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	4	4	4	Resource and time required to set up third arm for all three authorities without impacting BAU of tealcal too time consuming, as well as no financing method. Little advantage to CYC, CA unless growth is exponential.
	Alignment existing arrangements, policies and strategies.	4	3	4	
Control	Ability to exert strategic control	5	5	5	
	Ability to exert operational control	3	3	4	
Influence	Ability to shape route to net zero.	4	4	4	
	Ability to drive wider social value and economic benefits	3	4	5	
Risk	Degree exposed to risk	2	2	3	
Reward	Ability to benefit from rewards	5	5	4	
Time	Time required to procure/implement model	2	2	3	
	Ability to deliver at required pace and scale	2	2	4	
Resource	Resource required for procurement and day-to-day running	2	2	3	
	Degree of asset handover	5	5	5	
		41	41	48	



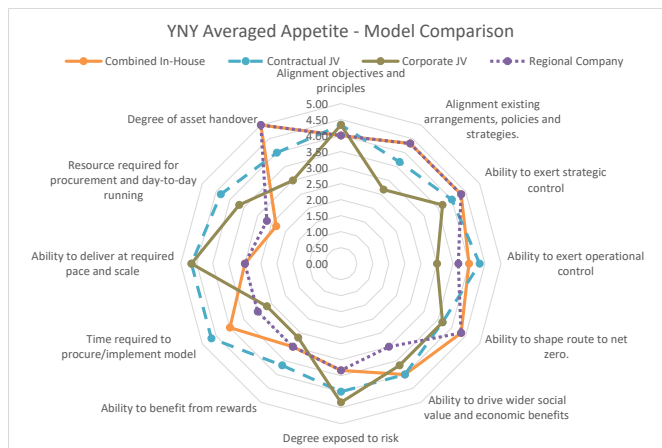
Enhanced In-House Centralised with LP Fund					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	4	4	4	Time taken, and resource required to set up an LP Fund could potentially result in political and finance officer resistance.
	Alignment existing arrangements, policies and strategies.	5	4	4	
Control	Ability to exert strategic control	5	4	4	
	Ability to exert operational control	3	3	4	
Influence	Ability to shape route to net zero.	5	4	4	
	Ability to drive wider social value and economic benefits	4	4	4	
Risk	Degree exposed to risk	4	3	3	
Reward	Ability to benefit from rewards	3	3	3	
Time	Time required to procure/implement model	2	2	3	
	Ability to deliver at required pace and scale	3	2	3	
Resource	Resource required for procurement and day-to-day running	2	2	2	
	Degree of asset handover	5	5	5	
		45	40	43	128



Regional Company					
	Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	Alignment objectives and principles	4	4	4	
	Alignment existing arrangements, policies and strategies.	5	4	4	
Control	Ability to exert strategic control	5	4	4	
	Ability to exert operational control	3	3	5	
Influence	Ability to shape route to net zero.	5	4	4	
	Ability to drive wider social value and economic benefits	3	3	3	
Risk	Degree exposed to risk	4	3	3	
Reward	Ability to benefit from rewards	3	3	3	
Time	Time required to procure/implement model	4	2	3	
	Ability to deliver at required pace and scale	4	2	3	
Resource	Resource required for procurement and day-to-day running	3	2	3	
	Degree of asset handover	5	5	5	
		48	39	44	131



Averaged Comparison Models					
	Criteria	Combined In-House	Contractual JV	Corporate JV	Regional Company
Strategic Fit	Alignment objectives and principles	4.00	4.33	4.33	4.00
	Alignment existing arrangements, policies and	4.33	3.67	2.67	4.33
Control	Ability to exert strategic control	4.33	4.00	3.67	4.33
	Ability to exert operational control	4.00	4.33	3.00	3.67
Influence	Ability to shape route to net zero.	4.33	3.67	3.67	4.33
	Ability to drive wider social value and economic	4.00	4.00	3.67	3.00
Risk	Degree exposed to risk	3.33	4.00	4.33	3.33
Reward	Ability to benefit from rewards	3.00	3.67	2.67	3.00
Time	Time required to procure/implement model	4.00	4.67	2.67	3.00
	Ability to deliver at required pace and scale	3.00	4.67	4.67	3.00
Resource	Resource required for procurement and day-to-day running	2.33	4.33	3.67	2.67
	Degree of asset handover	5.00	4.00	3.00	5.00



**Strategic Partner Led Incorporated Joint Venture (Bristol City Leap)**

Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4	3.5	3	Exclusivity rights causing decreased reward for YNY authorities, lack of control of assets, and prolonged procurement.
Control	3.5	4	2.5	
Influence	4	4	3	
Risk	5	4	4	
Reward	3	3	2	
Time	4	3.5	3.5	
Resource	4	3.5	2.5	

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Strategic Partner Led Incorporated JV



**Authority-Led Framework**

Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4.5	4.5	4	Significant financial and FTE resource to implement, manage, and fund.
Control	4	4.5	5	
Influence	3.5	4	4	
Risk	4	3	3	
Reward	4	5	4	
Time	3	3	3.5	
Resource	3.5	3.5	4	

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Authority-Led Framework



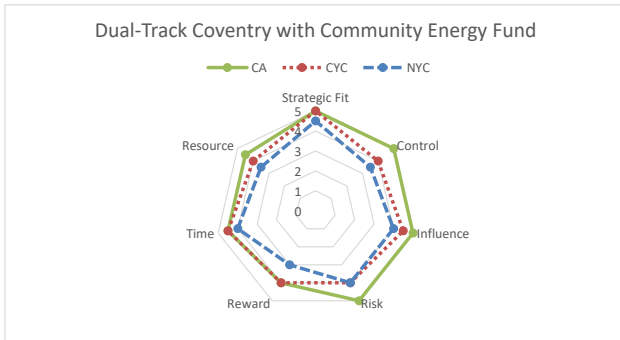
Enhanced In-House Centralised				
Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4	4	4	Significant resource to implement, manage, and fund as well as project-by-project scenarios causing delivery at slow pace.
Control	4	4	4.5	
Influence	4	4	4	
Risk	3	3	4	
Reward	4	3	3	
Time	3	3	3.5	
Resource	3.5	3.5	4	

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Dual-Track Coventry with Community Energy Fund				
Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	5	5	4.5	Incentive for partner will require handover of key anchor projects, appetite and existence of these projects are uncertain.
Control	5	4	3.5	
Influence	5	4.5	4	
Risk	5	4	4	
Reward	4	4	3	
Time	4.5	4.5	4	
Resource	4.5	4	3.5	

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Combined In-House (Shortlist)				
Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4.5	4	4	
Control	4	4	4.5	
Influence	4.5	4	4	
Risk	4	3	3	
Reward	3	3	3	
Time	3.5	3.5	3.5	
Resource	3.5	3.5	4	

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Strategic Partner Led Contractual Joint Venture (Coventry)				
Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4.5	4	3.5	Potential balance of reward and control to partner, understanding there is flexibility but anchor projects will require handover to partnerto incentive partnership.
Control	4.5	4	4	
Influence	4	4	3.5	
Risk	4	4	4	
Reward	4	4	3	
Time	5	5	4	
Resource	5	4	3.5	

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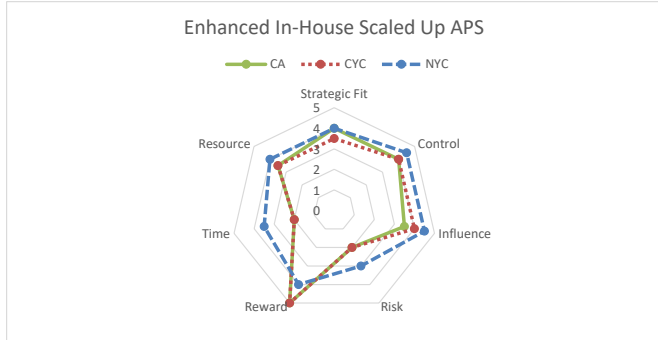
Enhanced In-House Authority Led				
Criteria	CA	CYC	NYC	Barriers to Successful Implementation
Strategic Fit	4	4.5	4.5	Business as usual - no change, no pace of delivery, resources required are significant.
Control	3	3.5	5	
Influence	3.5	3.5	4	
Risk	2	3	3	
Reward	4	5	5	
Time	2	2.5	3.5	
Resource	3.5	3.5	4	

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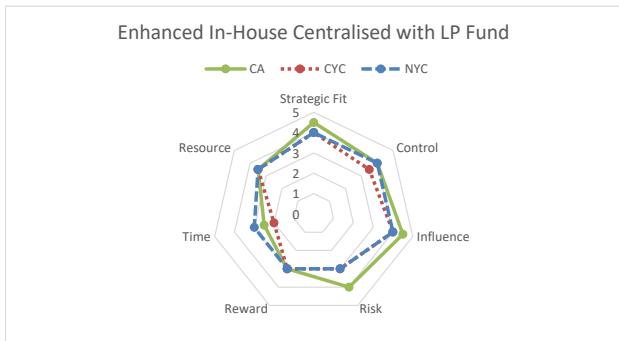
Enhanced In-House Scaled Up APS				Barriers to Successful Implementation Resource and time required to set up third arm for all three authorities without impacting BAU of teckal too time consuming, as well as no financing method. Little advantage to CYC, CA unless growth is exponential.
Criteria	CA	CYC	NYC	
Strategic Fit	4	3.5	4	
Control	4	4	4.5	
Influence	3.5	4	4.5	
Risk	2	2	3	
Reward	5	5	4	
Time	2	2	3.5	
Resource	3.5	3.5	4	

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Dual-Track Coventry with Community Energy Fund				Barriers to Successful Implementation Time taken, and resource required to set up an LP Fund could potentially result in political and finance officer resistance.
Criteria	CA	CYC	NYC	
Strategic Fit	4.5	4	4	
Control	4	3.5	4	
Influence	4.5	4	4	
Risk	4	3	3	
Reward	3	3	3	
Time	2.5	2	3	
Resource	3.5	3.5	3.5	

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Regional Company				Barriers to Successful Implementation
Criteria	CA	CYC	NYC	
Strategic Fit	4.5	4	4	
Control	4	3.5	4.5	
Influence	4	3.5	3.5	
Risk	4	3	3	
Reward	3	3	3	
Time	4	2	3	
Resource	4	3.5	4	

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**Strategic Partner Led Incorporated Joint Venture (Bristol City Leap model)**

NY authorises and strategic partner enters into a concession agreement where some degree of right to operate on public assets or services is passed to the strategic partner for a specified period. The strategic partner takes a lead role in originating and developing projects and is responsible for funding and managing the risks associated with originating and commercialising projects. The authorities contribute (financially or non-financially) but not necessarily in the same proportion as the Strategic Partner.

Assessment Criteria	Weighting (1-10, where 10 is most important)	Delivery Option		CA Acceptability		CVC Acceptability		NYC Acceptability		CA Acceptability	CVC Acceptability	NYC Acceptability	Total Criteria Level Score			
		Comments	Summary	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score	Score	Score				
<b>Strategic Fit</b>																
Alignment with the Strategic Energy Partnership objectives and principles. Potential to be valued industrially in detailed options appraisal?		<ul style="list-style-type: none"> <li>Ability to leverage the combined experience and resources of both the public and private sectors.</li> <li>Private expertise will allow the exploration of innovation opportunities with lower level of risk relative to public sector risk.</li> <li>Private funding de-risks project development for the public sector.</li> <li>The inclusion of the strategic partner could potentially allow for widespread delivery and the maximisation of projects at economies of scale.</li> <li>Risk based principles could be lost to private partner priorities unless explicitly mentioned and reinforced in KPIs and governance structures - the tender can be structured so as to include these requirements.</li> <li>In order to leverage the additional benefits of a City Leap model, the level of opportunity needs to be sufficient.</li> </ul>	Key features: Leveraging the experience and resources of the private sector for innovation, widespread delivery and economies of scale. A large/medium sized private partner may have limited regional insight, but this can be dealt with by an appropriately reduced client team and requirements to work with the local supply chain, local community groups and local partners.	High	5	Fewer political restrictions, important to have a partner that delivers on objectives.	4	Agreed on the principles and objectives alongside CA and NYC. However, due to unique characteristics of this as a City Leap regional knowledge would potentially be preferred.	4	Agreed on the principles and objectives alongside CA and NYC. However, due to unique characteristics of this as a City Leap regional knowledge would potentially be preferred.	5	4	4	13		
The ability to align with and consider existing arrangements, policies, strategies.		<ul style="list-style-type: none"> <li>Alignment varies with level of influence and control in contract. NY can consider excluding certain projects/assets from the Concession Scope.</li> <li>Alignment with key existing arrangements are as follows: AP5 could play several roles, either remaining separate from the strategic partner and continue to deliver on business as usual for NYC using a direct contractual split. Or the Strategic Partner works alongside AP5, using AP5 as a delivery mechanism and local partner in the region. (Example: In City Leap Concession All projects proposed must align with BCC policies/strategies and be consistent with existing contracting arrangements or they are not approved through BCC governance routes. All pre-existing contracts were carried out in concession scope.)</li> </ul>	Key features: Scope of projects to include in the SP can vary with contractual arrangements. Alignment of AP5 with a private partner will require consideration and depending on the role may require scaling up additional investment.	Moderate (depends on contract detail and scope of partner)	3	Mayor highly aligned to strategic objectives of Routemap, and co-ownership of the partnership e.g. warmer homes. Concession agreement may reduce ability for CA to implement existing strategies and policies, especially when changing or new (e.g. growth plans). CA currently has no existing arrangements as a new organisation.	3	Would ideally align directly with CVC strategic ambitions and policies. CVC may therefore seek greater control over project origination. CVC would need to ensure the delivery aligns with CVC strategy (housing, EV infrastructure, although this may vary between service areas. More exploration required. Some of the contracts may complicate the delivery mechanism and potential ROI for SP but limited in number/scale.	2	likely that concession agreement would impact AP5 due to first right of refusal conformity with the tender, potentially reducing AP5 delivery and expansion. predict political and officer challenge. Large contracts would impact housing over rights.	3	3	2	8		
Ability for NY to exert strategic control over the delivery model through defined governance structures.		<ul style="list-style-type: none"> <li>The model can provide various levels of control. It is envisaged that within this model the strategic partner will take the lead on project origination and development, and NY would have equal control regarding strategic direction, final investment decisions, and decision making (NY contribution (i.e. use of assets).</li> <li>A robust regional governance structure founded upon common strategic objectives is critical to ensure strategic control is high. The structure must be resilient to changes in government and political authority decision throughout the Partnership term.</li> <li>The Partnership Governance Board (equal representation from CVC, NYC and CA) will be the decision making body on behalf of NY. This board will be responsible for the approval of business plans, final investment decisions and project proposals which require involvement of NY assets/investments.</li> </ul>	Key features: Subject to contract conditions, the strategic partner will take the lead on project origination and development, and NY would have equal control regarding strategic direction, final investment decisions, and decision making to NY contributions (through Partnership Governance Board).	High (can vary dependent on contract / governance details)	4	High strategic control necessary as a combined authority. Need to demonstrate delivery of key regional strategies e.g. Routemap, growth plans, etc.	4	Direct planning restrictions due to historic/listed buildings - may therefore seek greater control over project origination. CVC would need to ensure the delivery aligns with CVC strategy (housing, EV infrastructure, although this may vary between service areas. More exploration required. Some of the contracts may complicate the delivery mechanism and potential ROI for SP but limited in number/scale.	3	This a preference for greater strategic control, no desire to handover assets and control. Requires more exploration.	4	4	3	11		
Ability for NY to exert operational control over the delivery model through defined governance structures.		<ul style="list-style-type: none"> <li>The operational team is exclusively made up from resources from the strategic partner (AP5 role not considered).</li> <li>The Operational team is closely supported by NY Client Function, demonstrating and promoting regional excellence and leadership and governance.</li> <li>While NY does retain a significant role, the Strategic Partner's lead will result in NY having less operational control, and therefore less control over project decisions made by the SP and priorities in terms of where to invest resources.</li> </ul>	Key features: The operational team is exclusively made up from resources from the strategic partner (AP5 role not considered). Operational team is closely supported by NY Client Function.	Low (can vary on project basis if required)	3	Operational control less necessary. CA to operate on a more strategic, region-wide level.	4	Potentially more flexibility here in favour of increased delivery, although CVC has a growing project pipeline, may prefer greater control over which projects are taken forward and when.	2	Has a preference for greater control on operational level but has to accept to deliver on a wide range of service areas. Potential flexibility in less operational control in service areas that are not as well equipped etc.	3	4	2	9		
Ability for NY to have strategic influence to shape the route to net zero.		<ul style="list-style-type: none"> <li>NY can maintain strategic oversight and influence at portfolio level.</li> <li>NY would have predominant control over project origination however projects can be originated from SP or from the CA. However, project development would follow a set Gateway Process and Project Acceptance Criteria.</li> <li>Other partner (private or Authority) can submit project proposals to the Operations Team (including Client Function) for review. If approved, the Operations Team will progress the project proposal according to the process.</li> <li>CA and constituent authorities retain a right to invest in and fund projects if they wish to do so (e.g. to ensure they are funded), but are not required to do so.</li> </ul>	Key features: NY have strategic oversight of portfolio level. SP will have predominant control over project origination. However, project development would follow a set Gateway Process and Project Acceptance Criteria. Other partner (private or Authority) can submit project proposals to the Operations Team (including Client Function) for review. If approved, the Operations Team will progress the project proposal according to the process.	High	4	CA would prefer strong strategic influence over the nature of projects delivered in order to deliver on regional strategies, objectives of Routemap, Mayor's priorities for communities.	4	Would potentially want greater influence. CVC has ambitious net zero targets - would they want more control over how these are delivered?	3	NYC has ambitious net zero targets and want control how these will be delivered, ensuring projects meet local strategic vision.	4	4	3	11		
Ability for NY to have strategic influence to drive wider social value and economic benefits.		<ul style="list-style-type: none"> <li>The partnership design can be structured to meet KPIs and requirements to support broader co-benefits, to encourage the Partner to pursue and structure projects in a way that does not solely focus on optimal financial returns. This must occur at the partnership/organisation/contract design phase and must be carefully designed to avoid SP 'cherry-picking' the most and most lucrative projects at the expense of driving social value and community benefit. Specific social value KPIs can help drive this, but should be designed to ensure true social value delivered and not simply box-ticking.</li> </ul>	Key features: The partnership can be carefully designed at the contract phase for the SP to meet social value KPIs, with requirements to support broader co-benefits. Extent to which NY can drive business not to whom or by extent of competition during bid process.	High	4	As above. Need security that SP can deliver on long term social value goals.	4	CVC would likely want to ensure that the social benefits contractual delivery and KPIs are not structured to align with social value ambitions of each authority and any differences between them.	3	Social value importance to NYC, differences in benefits need to be adapted to deliver due to widespread regions. This scenario has potential to produce widespread social value but unclear whether in the right place (areas of deprivation). High focus on social value but lacking a robust strategy.	4	4	3	11		
The degree to which the Authority / NY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.		<ul style="list-style-type: none"> <li>Overarching principles is that risk, reward, and contributions are in line with the Strategic Partner.</li> <li>For specific projects funded by the authority, level of risk, reward, and contribution will be identified as a project by project basis.</li> <li>For specific projects funded by SP, authority has opportunity to contribute if wishes to do so, which case authority would assign a level of risk and reward (level of risk on case by case basis). However, the majority of risk around the operation of the partnership and project origination e.g. alternative costs on failed project proposals, will be transferred to the private partner.</li> </ul>	Key features: Identified on a project by project basis, the majority of risk around the operation of the partnership and project origination can be transferred to the private partner.	Low	5	CA comfortable with levels of risk - would maybe take on more for sake of achieving strategic vision?	4	If CVC already takes on risks in 'business as usual' would they prefer to have that risk offset to SP? willing to forgo potential rewards?	4	Assumption that NYC already takes on a certain level of risk with existence of a low social comparison. So would be comfortable taking on risk or would prefer someone else taking on risk?	5	4	4	13		
Ability to benefit from the rewards that arise at a delivery model level (project returns).		<ul style="list-style-type: none"> <li>Through the transfer of project risk to the strategic partner, the authority may also transfer levels of financial reward for a successful project. Some of this may be reinvested back into the project or other projects by the SP, but will also support the profitability of the business and its shareholders.</li> <li>KPIs and commitments developed at the outset of the agreement may also determine this, i.e. a condition to deliver projects with limited profitability but with high social value returns.</li> <li>As part of transferring concession it is possible to ensure a return of rewards from the SP overall e.g. by including a payment mechanism to the authority - success of this will depend on quality of offer and ability to maintain competitive tender.</li> </ul>	Key features: SP will have expectation of financial benefit. Project return will be transferred away from NY with respect to project risk. Fundamentally NY will benefit from increased delivery of decarbonisation projects, and social value through KPI commitments.	Moderate	3	CA has access to new government funding streams, may have more scope for financial innovation than local authorities. Greater priority to the delivery of non-financial rewards - i.e. social, environmental.	3	Would rather see direct financial benefits reinvested back into core.	2	Little interest in this scenario as financial benefits from high property prices in delivery area already get back into council/parts/private services. This could change depending on scale of reward achieved by a partnership i.e. larger projects providing greater reward over and above current services.	3	3	2	8		
Time required to design, develop and procure/implement the strategic delivery model (up to contract signing).		<ul style="list-style-type: none"> <li>NYC needs a complex and time-consuming procurement and implementation process, which will need to be supported by an appropriate level of staff resources. However, efficiencies can be gained by applying lessons learnt from similar procurements by Bristol and Coventry City Councils.</li> <li>BCC procurement took 12-18 months (due to extensive negotiation of the tender documents as it was the first time a structure of this nature was established, with a subsequent mobilisation period of 9 months (note that BCC reflected that this was not enough time for mobilisation due to focus on the heat network sale during this period and resulted in delays to V1 delivery plan).</li> <li>Utilisation of knowledge and document from first movers can make the process more streamlined.</li> <li>The capacity of the programme team during this time was severely limited, therefore, significant team resources are required for successful procurement.</li> </ul>	Key features: Complex and time-consuming procurement process. BCC took 12-18 months, plus 9 month mobilisation phase. Significant internal resources required to facilitate procurement process.	Very High	3	Possible political pressure to implement first model sooner/demonstrate progress and delivery?	2	May face political and strategic resistance with timeline for procurement as would require within political cycles, would be to use delivery (see below). 2.5 year plan procurement and mobilisation phase would have less than 2 years before CVC's 2030 net zero target.	3	2.5 year also procurement and mobilisation would have less than 2 years before NYC's operational net zero target of 2030.	3	2	3	8		
Ability to design, develop, and deliver pipeline at required pace and scale.		<ul style="list-style-type: none"> <li>Utilisation of an experienced commercial scale delivery partner with significant experience and resources.</li> <li>Advantage of a separate private partner around legal procurement barriers in public sector - i.e. Americans were able to procure on behalf of BCC when barriers in buying community energy.</li> </ul>	Key features: Advantages of experienced commercial scale delivery partner with significant experience and resources. Separate legal entity that can assist with public sector barriers e.g. procurement regulations.	High (once in operation it will increase over time)	5	One of the key strategic priorities for the CA.	5	CVC has most ambitious net zero targets, more developed picture of available assets, keen to speed up delivery.	4	NYC's project pipeline is underdeveloped compared to CVC. This scenario could promote increased pace of project origination and development.	5	5	4	14		
Resource required from the Authority / NY for the procurement process and the day-to-day running of the delivery model.		<ul style="list-style-type: none"> <li>One-off investment for the procurement will be dependent on process details and external support but maximum would likely be c. £0.5m-£2.0m.</li> <li>Recurring investment of a senior representative from each Authority (time commitment varies depending on design of governance arrangements, likely high if influence and control is high).</li> <li>Client Function would require recurring investment, on the assumption that NY play active supporting role c. 10 FTEs from all 3 authorities (could be from existing FTEs or FTEs). Having supporting functions would need to be provided. However, there is not a significant resource requirement to support the origination and development of projects, as this is led by the strategic partner (Strategic Client Assurance team is too small in people), 10 people would be more than sufficient. What is more important is buy-in from service areas where projects are within their remit.</li> </ul>	Key features: Extensive legal and other procurement costs likely £0.5m-£2.0m. Commitment of senior representatives for governance board. Recurring investment required for client function from each authority (c. 10 FTEs each). Resources for project origination, development, and operation will be SP-led.	Moderate	4	This is uncharted territory in terms of resourcing going forward - it is not impossible this level of resource could be funded through CA.	4	Benefits of SP funding project origination and development - capacity for client function? Political appetite for expensive procurement? Support for client function but not necessarily for delivery.	3	Benefits of SP funding project origination and development - capacity for client function? Political appetite for expensive procurement? Support for client function but not necessarily for delivery.	4	4	3	11		
The degree of asset handed over by the LA to the private partner (e.g. ownership, lease model).		<ul style="list-style-type: none"> <li>The inclusion of some form of exclusivity (e.g. first right of refusal) across a significant amount of NY asset base and pipeline opportunities is likely.</li> <li>Following the BCC model, asset ownership is linked to project funding and the strategic partner would own any infrastructure constructed by them on authority assets (unless under SPV finance arrangements that financing entity takes a charge over the assets).</li> <li>BCC did not set off any tender for building assets. Some energy infrastructure was transferred (e.g. the heat network), SP do not have absolute right to build and can enter into a leasing or licensing agreement to construct on authority land. (Example, when reviewing VFM of a project, BCC uses into account the amount of any rent to be paid in relation to the project).</li> <li>For projects funded by BCC in building assets there is no lease arrangement and the assets installed belong to BCC, however a licence to access the estate is granted for the duration of the works as is standard under a construction contract.</li> </ul>	Key features: SP will have first right of refusal for projects developed on NY assets. Asset ownership linked to project funding. SP would own all infrastructure funded and constructed. BCC did not set off land and building assets, organised leasing and licensing agreements with SP.	High	4	Not preferred, but CA has less in the way of assets to begin with.	3	More flexible to different asset arrangements, in order to accelerate project funding and delivery.	2	Not preferred, indicated a hesitation for exclusivity arrangements and this kind of commitment. Perhaps some interest in CA having housing rights (V)?	4	3	2	9		
<b>Total Model Score (Max 60%)</b>													47	46	35	126

Measure	Description
Very Low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario level of the ability/requirement of that criteria can vary dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

		Strategic Partner Led - Contractual (Coventry Model)		CA Acceptability		CYC Acceptability		NYC Acceptability		CA Acceptability		CYC Acceptability		NYC Acceptability		Total Criteria Level			
		Assessment Criteria	Weighting (1-5, where 5 is most important)	Delivery Option	Score (5 = High)	Rationale / Comments	Score (5 = High)	Rationale / Comments	Score (5 = High)	Rationale / Comments	Score	Score	Score	Score	Score	Score			
Strategic Fit	Alignment with the Strategic Energy Partnership objectives and principles. Potential to be ranked individually in detailed options appraisal*	Ability to leverage the combined experience and resources of both the public and private sectors. Private expertise allows the exploration of innovation opportunities with lower level of risk relative to public sector risk. The inclusion of the strategic partner could potentially allow for accelerated delivery and the maximisation of projects at economic of scale. Place based principles could be lost to private partner priorities unless explicitly maintained and reinforced through partnership objectives and governance structure. Contractual nature of Agreement with private partner could allow greater flexibility than a conventional agreement where there the usual consideration will have to be given to maintaining leases granting a concessionary partner necessary land rights.	5	Key features: Leveraging the experience and resources of the private sector for innovation, accelerated delivery, and economies of scale. A large/multi-national private partner may have limited regional insight.	5	Less political restrictions, important to have a partner that delivers on objectives.	4	Agreed on the principles and objectives alongside CA and CYC. However, due to unique characteristics of task as a LTA, this regional knowledge would potentially be preferred.	4	Agreed on the principles and objectives alongside CA and CYC. However, due to unique characteristics in regional geography, place based structures that adjust to specific challenges and benefits of place would be preferred.	5	4	4	4	4	11			
	The ability to align with and consider existing arrangements, policies, strategies.	Alignment with existing arrangements and policies. YNY can consider existing projects/assets from the SEP Scope. Alignment with key existing arrangements are a welcome. YNY could play a role in other remaining projects from the strategic partner and continue to deliver on business as usual for YNY covering a clear contractual split. Or the Strategic Partner could manage APS using APS as a delivery mechanism and located partner in the region. Further alignment with existing arrangements can also be achieved through the contractual arrangement of this partnership model. An example of this is in practice in that CMA in Coventry has control of some projects, yet the internal council team delivers some projects internally. For YNY there is potential to explore the detail of such an arrangement and apply it to our contract with flexibility.	4	Key features: The contractual model has greater flexibility and therefore existing arrangements can be included outside of project scope. Projects can be developed in-house and delivered outside of partnership, e.g. by APS. This will require further consideration.	4	Major high aligned to strategic objectives of Resilience, and community has no existing arrangements as a new organisation.	3	Clear that existing arrangements can be used at full capacity whilst putting on contract for operations. Flexibility of Coventry partner can allow for negotiation on case by case basis but may face negotiation from partner.	3	Flexibility of contractual model can allow for considerations of APS delivery. But first right of refusal of APS could be issue for YNY and partner negotiations.	4	4	4	3	3	11			
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	A partnership arrangement is entered into with a private sector partner via a contractual joint venture arrangement, either via the establishment of a corporate vehicle or contractually (more likely). The partnership is a joint and collaborative process with responsibilities across the project pipeline varying on a project by project basis. The authorities contribute (financially or non-financially) but not necessarily in the same proportion as the Strategic Partner. This partnership will likely require the handover of some anchor projects to make this proposition attractive.	4	Key features: Strategic control will be shared with the private partner, through equal representation on a governance board. Clear sets of requirements and objectives for the partnership can be incorporated at the outset of the partnership to ensure overall strategic alignment.	4	High strategic control necessary in a combined authority. Need to demonstrate delivery of strategic objectives e.g. Resilience, growth plans, etc.	4	Case by case approach through contractual arrangements is sufficient control. Sufficient governance approach, possible can be less control on board as YNY takes 50%.	4	Case by case approach through contractual arrangements is sufficient control. Sufficient governance approach, possible can be less control on board as YNY takes 50%.	4	4	4	4	4	12			
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	Coventry Council and E CHs work together in partnership to develop and deliver projects for the benefit of Coventry residents and develop a regional strategic plan for decarbonisation. Operational control is a joint, collaborative process. YNY will therefore need to share control over the partnership with the SEP. However, business models, including levels of control and investment, can be determined on a project by project basis based on the best outcomes for those involved.	5	Key features: Project origination and delivery, and day-to-day operation, are conducted collaboratively with the SEP. Levels of control and investment can be determined on a project by project basis.	4	Preferred by CA as capacity for delivery is reduced. Allowance from CA to control on a case by case basis. Appropriate from CA has multi-year contract with flexible control that perhaps differs over the years.	4	Flexibility in control of case-by-case is desirable as impact to residents will need more control.	4	NYC can keep considerable amount of control on case by case basis, but have demonstrated a desire for more control, potential can be that the SP would not play large role due to lack of flexibility from NYC?	4	4	4	4	4	13			
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	The partnership can be established in a way that allows flexibility in how projects are funded and delivered. Funding is expected to include government grants, investment from partnership, public and private sector partners, revenue from electricity sold to other local buildings or to the grid. What is important is that the funding strategy is aligned with a mix of public and private funding which creates a viable and sustainable business model for the partnership. There could also be opportunities to work with additional partners or investors on scheme. The long term plan for the contract can also be aligned with regional goals and plans, and community benefits. The SEP will work collaboratively with YNY to develop the project pipeline, with YNY providing the input on decarbonisation efforts and the target projects delivered. The types of business models appropriate for each project are expected to be shared and will be determined on a project by project basis to best fit the project's needs and facilitate the best outcome for Coventry and the stakeholders impacted by the project.	4	Key features: Project pipeline is designed in collaboration with SEP. YNY will have influence over details of which projects are brought forward and how they are delivered. However, SEP will have similar levels of influence and therefore their own needs will impact the type of net zero project delivery.	4	CA would prefer strong strategic influence over the nature of projects delivered in order to deliver on regional strategies, objectives (Resilience, Mayoral priorities for communities).	4	Preference for strong strategic influence. SEP control will come from contract. Advantage for both to provide project origination.	3	Additional capacity in developing project pipeline is desirable but capacity for control on the creation and final rewards NYC would want share. Case by case would need to be explored.	4	4	4	3	3	11			
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	Influence to drive social value and wider benefits is dependent on the contractual agreement and strategic objectives, this requires strong mutual commitment to create a robust social value mechanism and trust building measures. These requirements must be incorporated into the objectives of the delivery model during the procurement phase, to ensure alignment with goals of private partner. (Example, Coventry model is designed around specific community benefit objectives and the goal of maximising local social value through decarbonisation projects. However, this is with an SEP that is locally based (E CHs in Coventry for SEP), directly an employer for the area, and has a vested regional interest in supporting the local community.)	4	Key features: Will be determined by the SEP's social value goals and vested interest in the region (likely that the Coventry level of social value engagement can be replicated in YNY in some scale). YNY levels of control and influence on project origination can help drive social value and economic benefits.	4	regional of communities to be engaged properly can be included in contract.	4	Don't want to achieve net zero at any cost. Don't want accountability.	4	Social value not primary driving factor but ability to make private partner accountable is desirable. Social value policy in creation - will determine importance?	4	4	4	4	4	12			
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	Risk, reward, and contribution will be defined on a project by project basis. Risk is shared more equally between the authority and private partner, and risk around funding and project delivery and construction can be transferred to the private partner. However, as project origination and pipeline development are shared between the authority and private partner, YNY will potentially face more risk around failed project development (variable by project) as well as regulatory risk than the BCL incorporated by model. (Example, Coventry faced primary risk in the allocation of projects at any stage due to acceptance criteria not being met, mitigated by gateway process that demonstrated other strategies other criteria. LTA bear greater development risk. Project risks will be project specific.)	4	Key features: Identified on a project by project basis, but the majority of risk around the operation of the partnership and project delivery can be transferred to the private partner. Risk for failed project origination is higher for YNY due to contractual risk of model.	4	CA comfortable with levels of risk. Would make take on more for sake of achieving strategic vision?	4	Happy with level of risk on case by case basis. Flexibility key.	4	Happy with level of risk on case by case basis. Flexibility key.	4	4	4	4	4	12			
	Ability to benefit from the rewards that arise at a delivery model level (project returns).	A successful partnership would require equality between partners, and the SEP would need appropriate level of financial reward. In reference to the contract and SEP CB commitments, there may still be a degree of project delivery for social value, without financial return requirements. Different commercial options are available for each project. SEP will also expect some degree of infrastructure ownership or responsibility, especially if they originated the project or have invested in an innovative technology (e.g. ammonia). Financial return above SEP expected rate of return goes into reinvesting fund structure.	4	Key features: SP will have expectation of financial benefits. Project reward will be transferred away from YNY along with project risk. Predominant YNY benefits will be increased delivery of decarbonisation projects, and social value through KPI commitments. Excess profits may be reinvested back into partnership.	4	Case by case basis on decisions desirable for reward. CA not as reliant on financial reward, more interested in strategic vision and delivery.	4	Case by case basis on decisions desirable for reward. CYC would like to retain as much reward as possible. Likely not possible in partnership as some anchor projects are likely to be required to support partnership.	3	Case by case basis on decisions desirable for reward. NYC would like to retain as much reward as possible. Likely not possible in partnership as some anchor projects are likely to be required to support partnership.	4	4	4	3	3	11			
Time	Time required to design, develop and procure/implement the strategic delivery model to a contract signing.	The Coventry model took around 6 months to procure. Due to its flexibility, this model offers a fast tracked process that allows an SEP to be agreed quickly, and the details of the partnership and project pipeline to then be developed to facilitate the SEP. However, there may be increased time required in the YNY design and procurement process due to the three authority structure, which may lengthen the process due to variables in legal, governance, and asset base requirements.	5	Key features: Shorter procurement process in Coventry model as SEP is procured at high level with further development as partnership progresses. This may take longer due to YNY having three authorities with own requirements, governance and assets. Speed of procurement may also delay project delivery as actual scope/project pipeline is negotiated.	5	Would benefit from quicker route to procurement and delivery.	5	Political pressure to have project delivered within political cycle. Benefit from delivery of faster pass.	4	Happy with procurement length around 12-18 month.	5	5	5	4	4	14			
	Ability to design, develop, and deliver pipeline at required pace and scale.	Most likely the contractual arrangement will be longer term (e.g. much longer), allowing for natural design to deliver long term benefits and learning. Flexible delivery model can adapt to future changes and risks in delivery, as well as promote projects at different scales.	5	Key features: Private sector partner and collaborative pipeline development can use accelerated speed and scope of project development and delivery beyond current in-house capacity.	5	Key strategic need for the CA due to risk making and collaboration regionally.	5	Desire to deliver quickly, business as usual will occur but private partnership would be beneficial.	4	Not major priority to perform at increased pace and scale on speed is sufficient, ability to develop pipeline is desirable.	5	5	5	4	4	14			
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	Resources for procurement would be lower in complexity and cost (than BCL/contractual model) due to contractual nature and shorter procurement process. However, would still require significant legal, procurement, and financial in-house resource requirements. A smaller in-house team for day-to-day management would be required, potentially contracted, with the potential for the SEP to provide the majority of staff. The contractual model also has greater flexibility on levels of investment for each project. YNY could choose how much they want to invest into each project, and the SEP would invest private sector finance to fund higher volume of projects. (Example, in the Coventry model, as in-house delivery team is required within the authority to assist with project origination, development, and delivery in collaboration with the SEP, initially committing 3.5 FTEs. In Coventry's case, the SEP provided a team of 8 FTEs.)	5	Key features: SEP required procurement teams, but lower than other models due to complexity and less time required for procurement. In-house delivery team is required within authority to assist with project origination, development, and delivery. However SEP will provide majority contribution of staff capacity. Flexibility on levels of investment available on a project by project basis.	5	Ideal to take from existing city team if possible. Small team is good due to capacity constraints.	4	Need to take from existing city team if possible. Small team is good due to capacity constraints.	4	Ideal to take from existing city team if possible. Small team is good due to capacity constraints.	5	4	4	4	4	13			
	The degree of asset handover required by the LA to the private partner (e.g. ownership, lease model).	NY can determine levels of asset handover on a project by project basis. The model is inherently more flexible than the BCL/contractual model, readily enabling asset class expansion into limited contractual constraints to widening the partnership parameters. (Example, E CHs (Coventry Partner) was granted exclusively over several defined Anchor Projects for a defined period of time, but did not receive exclusivity over all of the authority's land and estate.)	5	Key features: SEP granted exclusivity over several defined Anchor Projects for a defined period of time, but model is inherently more flexible than the BCL/contractual model. YNY can determine levels of asset handover on a project by project basis due to limited contractual constraints on partnership parameters.	5	Not against longer contract and flexibility on case-by-case basis to allow control of assets which require more levels of control as policy and fit.	4	Not against longer contract and flexibility on case-by-case basis to allow control of assets which require more levels of control as policy and fit. However, more flexibility than the BCL/contractual model. YNY can determine levels of asset handover on a project by project basis due to limited contractual constraints on partnership parameters.	3	Case by case basis on decisions desirable but long term contracts for certain projects may be a win and need for more exploration.	5	4	4	3	3	12			
Total Model Score (Max 60%)																54	50	44	58

Measure	Description
Very Low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario level of the ability/requirement of that criteria are very dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

		Enhanced In-House: Authority-Led													Total Criteria Level Score
Assessment Criteria	Weighting (1-10, where 1 is most important)	Delivery Option			CA Acceptability			CYC Acceptability			NYC Acceptability				
		Comments	Summary	Rating of Criteria	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score	Score	Score		
Strategic fit	Alignment with the Strategic Energy Partnership objectives and principles. Potential to be ranked individually in detailed options appraisal?	<ul style="list-style-type: none"> <li>The extent of innovation, synergies, economies of scale may be limited due to engaging with the private sector on a project-by-project basis.</li> <li>Local teams may be best placed to tailor strategies for local needs.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Maximising economies of scale is less likely to be achieved due to project-by-project approach, but local teams may be best placed to tailor local strategies.</li> </ul>	High (Variable by project and pace)	4	<ul style="list-style-type: none"> <li>This approach will reduce ability to strategically deliver, reward and achieve wider benefits to the region but could allow for better tailoring of projects to local strategies and place.</li> </ul>	4	<ul style="list-style-type: none"> <li>Allows for better delivery on a smaller scale with internal teams but will not achieve economies of scale.</li> </ul>	4	<ul style="list-style-type: none"> <li>Allows for better delivery on a smaller scale with internal teams but will not achieve economies of scale.</li> </ul>	4	4	4	12	
	The ability to align with and consider existing arrangements, policies, strategies.	<ul style="list-style-type: none"> <li>This model enables the authorities to tap into private sector expertise on an 'as needs' basis and may facilitate the adoption of innovative solutions and best practices from various private sector partners.</li> <li>The in-house model is highly compatible with utilising different origination, funding, delivery and ownership mechanisms / models.</li> <li>Providing the authorities with full flexibility to adapt to various project requirements whilst maintaining control and oversight.</li> <li>This would be expected to include the use of private sector support when required (including A&amp;S).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: The authorities have full flexibility to adapt to project requirements, including private sector support when required (easily taking into account all existing arrangements).</li> </ul>	Very High	4	<ul style="list-style-type: none"> <li>Existing policies and strategies can be integrated more fully on case-by-case basis. Less ability to implement regional strategies with separate governance which CA have ambition to do.</li> </ul>	5	<ul style="list-style-type: none"> <li>Ideal that existing arrangements can be used as full capacity whilst pulling on private sector on case-by-case basis (BAU).</li> </ul>	5	<ul style="list-style-type: none"> <li>Ideal that existing arrangements can be used as full capacity whilst pulling on private sector on case-by-case basis (BAU).</li> </ul>	5	5	5	14	
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>The three authorities retain full control, acting as the sole decision-making body, private sector role is limited to execution as and when required through contracting and investment into individual projects, with little to no strategic input.</li> <li>This model maintains the current state of governance arrangements and operations, where each authority pursues its own strategies and goals.</li> <li>Each authority continues to manage and implement their own net zero strategy and initiatives independently, without a coordinated regional approach or support from a private sector partner. It is expected that teams will collaborate where opportunities are identified.</li> <li>Opportunity for increased agility in decision-making and project implementation without need for consensus from external partners. But this lack of strategic portfolio approach, means there is not firm commitment from the private sector to participate and may result in a lack of market interest.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: The model maintains the current state of governance arrangements and operations, meaning the three authorities retain full control separately, acting as the sole decision-making body. Private sector roles are limited to execution as and when required.</li> </ul>	Very High	3	<ul style="list-style-type: none"> <li>CA would prefer a coordinated strategic approach as there is a need to demonstrate delivery of key regional strategies (e.g. Roadmap, growth plan, etc). BAU control would require more exploration to confirm as appetite for different mechanisms.</li> </ul>	4	<ul style="list-style-type: none"> <li>Prefer this level of control but recognise that challenges in coordinated action can slow delivery.</li> </ul>	5	<ul style="list-style-type: none"> <li>Sole strategic control for North Yorkshire would be preferred as local knowledge from officers is beneficial. Open to BAU control practices. Recognition that governance routes that involve CA are challenging however (potential 4?)</li> </ul>	3	4	5	12	
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>The three authorities retain full control over the day to day management.</li> <li>These authorities to engage the private sector on a project-by-project basis for specialised services, leveraging external expertise while maintaining overall control.</li> <li>The in-house model is highly compatible with utilising different origination, funding, delivery and ownership mechanisms / models.</li> <li>Providing the authorities with full flexibility to adapt to various project requirements whilst maintaining control and oversight.</li> <li>This would be expected to include the use of private sector support when required (including A&amp;S).</li> <li>Each authority is responsible for its own projects, funding and resource allocation, operating in isolation from the other in their own internal net zero teams.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: The three authorities retain full control over the day-to-day management, allowing for flexibility on a project-by-project basis.</li> </ul>	Very High	3	<ul style="list-style-type: none"> <li>Capacity is small, there is appetite for delivery from Police &amp; Fire but depending on pace of delivery, operational support from private sector would be preferred.</li> </ul>	3	<ul style="list-style-type: none"> <li>Capacity for operational delivery is small but high levels of control desirable but depending on pace of delivery, operational support from private sector would be preferred.</li> </ul>	5	<ul style="list-style-type: none"> <li>NYC indicated a desire for greater control while acknowledging the value of collaborating with the private sector for specialised services.</li> </ul>	3	3	5	11	
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	<ul style="list-style-type: none"> <li>The authorities retain overall influence and ability to align projects with strategic aims and existing processes, maintaining current accountability ensures that the most appropriate mechanisms and models can be selected and applied to achieve successful project outcomes and advance ambitions.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: The authorities retain overall influence and ability to align projects, existing strategies and aims with high flexibility to control approach on a project-by-project basis.</li> </ul>	Very High	4	<ul style="list-style-type: none"> <li>CA would prefer strong strategic influence over the nature of projects delivered in order to deliver on regional strategies, objectives of Roadmap, Mayoral priorities for communities. Recognised potential con that private sector cannot originate projects.</li> </ul>	4	<ul style="list-style-type: none"> <li>Preference for high levels of strategic influence to coexist with existing arrangements. Recognised potential con that private sector cannot originate projects.</li> </ul>	4	<ul style="list-style-type: none"> <li>Preference for high levels of strategic influence to coexist with existing arrangements. Recognised potential con that private sector cannot originate projects.</li> </ul>	4	4	4	12	
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	<ul style="list-style-type: none"> <li>The authorities would take a leading role in partnering with community groups and other public sector stakeholders, which could deliver social and economic benefits at a regional level.</li> <li>However, there is less focus than in a Partnership, where social value could be built into a contract. Social value and economic benefits are expected to be delivered through this model on a project or programme basis.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Social value and economic benefits expected to be delivered on a project-by-project basis with authorities taking leading role on community engagement.</li> </ul>	High (Variable by project)	3	<ul style="list-style-type: none"> <li>Would prefer leading role in community engagement, but ability to achieve wider social benefit would require more capacity to deliver at a strategic level rather than on case-by-case basis in BAU. For CA this priority is much higher.</li> </ul>	3	<ul style="list-style-type: none"> <li>Would prefer leading role in community engagement, but ability to achieve wider social benefit would require more capacity to deliver at a strategic level rather than on case-by-case basis in BAU.</li> </ul>	4	<ul style="list-style-type: none"> <li>Would prefer leading role in community engagement, but ability to achieve wider social benefit would require more capacity to deliver at a strategic level rather than on case-by-case basis in BAU.</li> </ul>	3	3	4	10	
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	<ul style="list-style-type: none"> <li>Risk for the overall portfolio is retained by the authorities.</li> <li>While the authorities can transfer risk at a project level, the authorities would be responsible and bear the risk of not delivering on the overall portfolio.</li> <li>Mitigation of authority exposure to certain risks by allocating risks by the party best placed to manage them.</li> <li>Authorities bear the full risk of project delivery including financial, operational, and reputational risks, which could impact their ability to achieve ambitions.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: While the authorities can transfer risk at a project level, the full authorities would bear the risk of delivering on portfolio level.</li> </ul>	High (Variable by project)	2	<ul style="list-style-type: none"> <li>As responsibility lies with own authority, risk in delivering on few assets is acceptable for the CA (only police &amp; fire).</li> </ul>	3	<ul style="list-style-type: none"> <li>Happy with level of risk on case to case basis flexibility key</li> </ul>	3	<ul style="list-style-type: none"> <li>Happy with level of risk on case to case basis flexibility key</li> </ul>	2	3	3	8	
	Ability to benefit from the rewards that arise at a delivery model level (project returns).	<ul style="list-style-type: none"> <li>Reward for the overall portfolio is retained by each authority.</li> <li>Consideration does need to be given to the extent of which reward would be transferred to the private sector on a project level (e.g. depending on the preferred route to delivery reward would be shared with investors).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Reward transferred on a project level depending on preferred route to delivery, but overall portfolio reward retained by authority.</li> </ul>	High (Variable by project)	4	<ul style="list-style-type: none"> <li>Case by case basis on decision desirable for reward, CA not as reliant on financial reward, strategic vision and delivery more interested in.</li> </ul>	5	<ul style="list-style-type: none"> <li>Case by case basis on decisions desirable for reward, CYC would like to retain as much reward as possible.</li> </ul>	5	<ul style="list-style-type: none"> <li>Case by case basis on decisions desirable for reward, NYC would like to retain as much reward as possible.</li> </ul>	4	5	5	14	
Time	Time required to design, develop and procure/implement the strategic delivery model (up to contract signing).	<ul style="list-style-type: none"> <li>Will vary between authorities as responsibility for in-house team lies separately and could involve significant time to upskill and train existing staff and to recruit and build a dedicated in-house team if deemed pace to be reached.</li> <li>However, there is little time required for procurement and once this model is implemented, there is likely to be less time-consuming procurement requirements given the use of in-house resource.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Varies between authorities, relatively little time needed to implement but may involve significant time to upskill and recruit required dedicated in-house team.</li> </ul>	Moderate	3	<ul style="list-style-type: none"> <li>Time to implement would be negligible. However, similar to business as usual, more exploration needed to understand extent to which more resource is required to deliver at pace. CA has less capacity than LAs so might be less desirable?</li> </ul>	3	<ul style="list-style-type: none"> <li>Time to implement would be negligible. However, similar to business as usual, more exploration needed to understand extent to which more resource is required to deliver at pace.</li> </ul>	4	<ul style="list-style-type: none"> <li>Time to implement would be negligible. However, similar to business as usual, more exploration needed to understand extent to which more resource is required to deliver at pace.</li> </ul>	3	3	4	10	
	Ability to design, develop, and deliver pipeline at required pace and scale.	<ul style="list-style-type: none"> <li>The in-house model can be scaled to accommodate a wide range of projects, from smaller initiatives to large scale developments.</li> <li>The model does not guarantee sufficient market capacity and capability to support all proposed projects, which may impede acceleration of net zero ambitions.</li> <li>Added administrative burden of identifying and procuring private sector expertise on a project-by-project basis. This will likely impact delivery timelines, quality and consistency of private sector support.</li> <li>Inefficiencies and duplication of efforts by having separate teams across YNY.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Burden of identifying and procuring private sector expertise on a project-by-project basis will likely impact delivery timelines. Scalability of pathway is dependent on capacity of in-house team.</li> </ul>	Low	1	<ul style="list-style-type: none"> <li>Preferred rate of scale and pace of delivery for the CA would not be achieved through this model and require increase in capacity is not realistic.</li> </ul>	2	<ul style="list-style-type: none"> <li>Capacity to build internal team is limited therefore pace of delivery would be slower than required.</li> </ul>	3	<ul style="list-style-type: none"> <li>Timescales of pace and delivery are less of a priority for NYC, instead considered delivery with private sector is an advantage.</li> </ul>	1	2	3	6	
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	<ul style="list-style-type: none"> <li>A high in-house resource requirement needed for managing and delivering across the net zero portfolio. This includes significant contributions from procurement, legal, and finance teams, as well as requirement from Climate Change teams to manage the portfolio.</li> <li>May also result in increased requirements on authorities procurement teams for contract management and monitoring.</li> <li>Success of this model depends on the authorities' capacity and expertise.</li> <li>Requires increased resources to manage it effectively, drive project development and facilitate delivery.</li> <li>Significant initial investment from the authorities required in terms of building the team. This may be subsidised by central government (e.g. GBRI) but may also expose the authorities to resource risks.</li> <li>Costs required in relation to paying private sector providers for the services offered. The costs of these are unknown until projects are developed and the need for support is identified and priced by the market, making it hard to consider in advance the implication of this.</li> <li>This approach is likely to result in variations in procurement approaches and private sector performance. This would need to be closely monitored on a project-by-project basis, this could lead to increased resource requirements.</li> <li>The operational teams of each authority will need to scale up significantly to achieve the capacity required to meet ambitions.</li> <li>Potentially higher costs due to lack of shared YNY resources and economies of scale. Dependent on the intervention required to support this model, the expected team size is a minimum of 40-60 FTEs from 3 authorities.</li> <li>Success is contingent upon the development of robust in-house capacity and expertise.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Significant commitment of personnel and financial resources to manage multiple private sector relationships on a contract management level per project.</li> </ul>	Very High	2	<ul style="list-style-type: none"> <li>Preferred rate of scale and pace of delivery for the CA would not be achieved through this model and require increase in capacity is not realistic.</li> </ul>	2	<ul style="list-style-type: none"> <li>CYC raised concerns about this option achieving the right balance of in-house expertise and capacity. CYC recognise that even with significantly enhanced in-house capabilities, they may still fall short of their net zero goals, they consider the private sector to be a key part of supporting the net zero ambitions. CYC voiced concerns about its ability to allocate the necessary resources to manage and execute projects effectively.</li> </ul>	3	<ul style="list-style-type: none"> <li>NYC could continue to use Align with project by project addition of private sector support. NYC also realised limited capacity which could require more exploration to undertake this model to understand if it is viable with capacity.</li> </ul>	2	2	3	7	
	The degree of asset handover required by the LA to the private partner (e.g. ownership, lease model).	<ul style="list-style-type: none"> <li>Each authority will consider how they use/commit assets on a project-by-project basis.</li> <li>Collaboration across the authorities may be required and/or preferred for some projects which will utilise the resources of those authorities involved.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Use of commitment of assets on a project-by-project basis.</li> </ul>	Low (Variable by project)	5	<ul style="list-style-type: none"> <li>Flexibility on case-by-case basis to allow control of assets which require more levels of control as police and fire.</li> </ul>	5	<ul style="list-style-type: none"> <li>Flexibility on case-by-case basis may allow cost-benefit analysis more easily</li> </ul>	5	<ul style="list-style-type: none"> <li>Flexibility on case-by-case basis may allow cost-benefit analysis more easily</li> </ul>	5	5	5	15	
											Total Model Score (Max 60*)	38	43	50	131

Measure	Description
Very Low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario's level of the ability/requirement of that criteria can vary dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability for this scenario, but not impossible).
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

YNY Strategic Partnership Options Appraisal Matrix

		Enhanced In-house: Scaled-up APS			A third arm of Align Property is created as well as joint governance board that acts as a unified body to set strategic direction, and oversees a centralised, co-located team. The centralised team is supported by a scaled-up APS, leveraging their existing capacity and expertise to support delivery. Align have stated no desire to contribute strategically or in project origination. Each authority therefore submits project proposals to the operation team for review. If approved APS will progress according to gateway process. If APS unable to provide the required support, alternative private sector support will be procured on case-by-case basis.									Total Criteria Level Score
Assessment Criteria	Weighting (1-10, where is most important)	Delivery Option			CA Acceptability		CYC Acceptability		NYC Acceptability		CA Acceptability	CYC Acceptability	NYC Acceptability	Total Criteria Level Score
		Comments:	Summary	Rating of Criteria	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score	Score	Score	
Strategic Fit	Alignment with the Strategic Energy Partnership objectives and principles. *Potential to be ranked individually in detailed options appraisal*	<ul style="list-style-type: none"> <li>The extent of innovation, synergies, economies of scale may be limited due to engaging with the private sector on a project-by-project basis.</li> <li>APS focus on specialised delivery of retrofits and small-scale energy efficiency with little to no experience in the full requirements needed to decarbonise at scale and pace (i.e. large-scale generation, community energy). Therefore, being solely reliant on APS could restrict delivery and ambition.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Localised team approach will likely allow social value to increase, however this model's ability to maximise economies of scale or innovate could be restricted by Align capability and capacity.</li> </ul>	High	4	Allows for strategic overview and delivery of projects with board and operational team able to look at portfolio together if YNY to identify synergies and local team may be able to deliver at local scale better but project-by-project procurement may limit this ability.	4	Operational team will allow for better delivery on a strategic and a smaller scale with internal teams but will not achieve economies of scale.	4	Operational team will allow for better delivery on a strategic and a smaller scale with internal teams but will not achieve economies of scale.	4	4	4	12
	The ability to align with and consider existing arrangements, policies, strategies.	<ul style="list-style-type: none"> <li>New delivery arm of Align will likely be created to allow for new delivery, governance, and delivery procedures between three authorities.</li> <li>This result of which must satisfy all parties whilst not hindering BAU for Align.</li> <li>This may potentially result in challenges aligning different organisational practices and culture.</li> <li>This model can enable the authorities to tap into private sector expertise on an 'as needs' basis if APS does not fulfil requirements, for example in innovative solutions and best practices from various private sector partners.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Third delivery arm of Align likely created, the result of which must satisfy all parties whilst not hindering BAU for Align.</li> <li>Align BAU, potentially result in challenges aligning organisational practices. But consideration of existing arrangements can be included easily.</li> </ul>	High	4	Existing policies and strategies can be integrated more flexibly on case-by-case basis.	3	Ideal that existing arrangements can be used at full capacity whilst pulling on APS or private sector on case-by-case basis. Potential confinement relying on APS?	4	Ideal that existing arrangements can be used at full capacity whilst pulling on APS or private sector on case-by-case basis. Potential confinement relying on APS could affect its existing arrangements (risk).	4	3	4	11
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>A joint governance board comprising of representatives from CYC, NYC and the CA. Decisions are made collaboratively by the equally represented YNY board. This ensures a unified approach to achieving regional decarbonisation targets.</li> <li>Resources are pooled and allocated by the board, based on regional priorities and strategic goals, and decisions are made collaboratively.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Equal representation on YNY governance board between CYC, NYC and the CA to produce unified approach to achieving priorities and strategic goals.</li> </ul>	Very High	5	High strategic control desirable for combined authority, as centralised decision making to ensure regional impact.	5	High strategic control desirable for CYC as well as flexibility of control between contracts.	5	The level of control offered by this option closely aligns with NYC's preferences and expectations. NYC has indicated a desire for greater control while also acknowledging the value of collaborating with the private sector.	5	5	5	15
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>A centralised team responsible for managing and coordinated relationships across the region, alongside and supported by a scaled-up APS.</li> <li>Leveraging APS's existing capacity and expertise to support the delivery of projects across the region.</li> <li>Each authority submits project proposals to Operations Team for review. If approved, the project progresses to Gateway process.</li> <li>If APS is unable to provide the required support, alternative private sector support will be procured.</li> <li>APS focus on development and delivery, therefore would not lead strategy, project origination or funding routes. This model relies on authority to provide this.</li> <li>The in-house model is highly compatible with utilising difference origination, funding, delivery and ownership mechanisms / models. Providing the authorities with full flexibility to adapt to various project requirements whilst maintaining control and oversight.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Operations Team and Gateway Process supported by APS team. Project origination, funding and strategy the responsibility of the authorities.</li> </ul>	Very High	3	Capacity is small, there is appetite for delivery from Police & Fire but depending on pace of delivery, operational support from private sector would be preferred. Exploration required to understand the extent of APS support as understanding would be just a delivery function.	3	Capacity for operational delivery is small but high levels of control desirable but depending on pace of delivery, operational support from private sector would be preferred.	4	NYC indicated a desire for greater control while acknowledging the value of collaborating with the private sector for specialised services. Recognises limited capacity for operational team however.	3	3	4	10
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	<ul style="list-style-type: none"> <li>The authorities retain overall influence and ability to align projects with strategic aims and existing processes.</li> <li>Adaptability ensures that the most appropriate mechanisms and models can be selected and applied to achieve successful project outcomes and advance ambitions.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Authorities retain ability to align projects with strategic aims and existing processes through relationship with YNY Board and APS.</li> </ul>	Very High	4	Joint approach would support a strategic overview of project delivery which is preferred by CA to deliver on regional strategies, objectives of Rougemont, Mayoral priorities for communities.	4	Preference for high levels of strategic influence to control with existing arrangements. Recognised potential con that private sector cannot originate projects.	4	Preference for high levels of strategic influence to control with existing arrangements. Recognised potential con that private sector cannot originate projects.	4	4	4	12
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	<ul style="list-style-type: none"> <li>Using APS will ensure delivery stays as localised as possible, stimulating the local economy as demand increases.</li> <li>APS's ability to work with supply chains to deliver project could be from a localised pool, stimulating local business growth. APS possibly also has existing trust with local communities leading to more impactful delivery and could complement delivery of community energy.</li> <li>The authorities would continue to take a leading role in partnering with community groups and other public sector stakeholders to originate projects.</li> <li>Social value and economic benefits at a community level are expected to be delivered on a project or programme basis.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Trusted and localised delivery arm will likely result in increased ability to stimulate localised benefits including economic growth and growth of supply chain.</li> </ul>	High	3	Localised delivery arm will likely result in place-based benefits and likely more control however possibly will not be at required scale or pace. However, most projects for CA would be wider/LAEP which would not be delivered through APS therefore social value of these projects would be case-by-case.	4	Localised delivery arm will likely result in place-based benefits and likely more control however possibly will not be at required scale or pace.	5	BAU sufficient performance from APS regarding wider social and economic benefits (Revs NYC to look at? would they require more if scaling up?)	3	4	5	12
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	<ul style="list-style-type: none"> <li>Risk for the overall portfolio is retained by the authorities. While the authority risk at a project level to APS, the authorities would be responsible and bear the risk of not delivering on the overall portfolio.</li> <li>Can also allow the assignment of risk and reward to the private sector on a project-by-project basis, mitigating authorities exposure to certain risks and allocating risks by the party best placed to manage them.</li> <li>Authorities bear the full risk of project delivery including financial, operational, and reputational risks, which could impact their ability to achieve ambitions.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Most risk is retained by the authorities directly or through the NYU continuation of Operations Team. Some reward is transferred on project-by-project basis.</li> </ul>	Very High	2	Would CA be included in third-arm ownership even though considerably less assets? It is likely projects that go through CA (LAEP projects) are not going to be delivered by APS specialists therefore suggesting less risk for CA for APS bottlenecks affecting delivery. More exploration required?	2	More risk on LA's as delivery arm is LA-owned, not unusual but comfort levels could be considered to be less than project-by-project risk. Would need sufficient governance and reporting from APS so to ensure potential bottlenecks do not affect delivery.	3	More risk on LA's as delivery arm is LA-owned, not unusual but comfort levels could be considered to be less than project-by-project risk. Would need sufficient governance and reporting from APS so to ensure potential bottlenecks do not affect delivery. Although through the creation of other tactical organisations it is clear that LA are happy to take on some risk exposure.	2	2	3	7
	Ability to benefit from the rewards that arise at a delivery model level (project rewards).	<ul style="list-style-type: none"> <li>Reward for the overall portfolio is retained by YNY. Consideration does need to be given to the extent of which reward would be used for the continuation of the in-house Operations Team / third Align arm.</li> <li>If delivery occurs outside Align, consideration of reward transfer is needed to the private sector on a project level (e.g. depending on the preferred route to delivery reward would be shared with investors).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Most reward is retained by YNY through the individual authorities, continuation of Align's third-arm or continuation of Operations Team. Some reward is transferred on project-by-project basis.</li> </ul>	Very High	5	Financial return not priority instead for continuation of operations team. Case by case basis on decision desirable for reward, CA not as reliant on financial reward, strategic vision and delivery more interested in.	5	Case by case basis on decisions desirable for reward, NYC would like to retain as much reward as possible.	4	Case by case basis on decisions desirable for reward, NYC would like to retain as much reward as possible. Potential perspective from officers and councillors that third arm will take away delivery and rewards of other functions of Align.	5	5	4	14
Time	Time required to design, develop and procure/implement the strategic delivery model (up to contract signing).	<ul style="list-style-type: none"> <li>Significant time required to set up new delivery arm of align and associated considerations legally dependent on type of LAEC, SPV, Teckal, ESCO etc. Time specific?</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Significant time and resource to set up Align's new delivery arm considering all three authority agencies and ensuring it does not impact Aligns BAU.</li> </ul>	Moderate	2	Time required to set up third-arm and governance structure would potentially be too long for CA, delivery within political cycle and pace of delivery required?	2	Time required to set up third-arm and governance structure would potentially be too long for CYC, delivery within political cycle and pace of delivery required?	3	More exploration required to understand how creation of third arm would impact Align BAU, would require significant analysis.	2	2	3	7
	Ability to design, develop, and deliver pipeline at required pace and scale.	<ul style="list-style-type: none"> <li>APS focus on specialised delivery of retrofits and small-scale energy efficiency with little to no experience in the full requirements needed to decarbonise at scale and pace (i.e. large-scale generation, community energy). Therefore, being solely reliant on APS could restrict delivery and ambition.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Aligns specialised delivery efficiency with little to no experience in the full requirements needed to decarbonise at scale and pace if needed in other areas.</li> </ul>	Moderate	2	Specialisation of APS restrict widespread delivery at pace and scale as well as project-by-project delivery for most CA wider public sector projects.	2	Pace more important to CYC than scale and widespread delivery but capacity to build internal team to support APS delivery is limited therefore pace of delivery would be slower than required.	4	Pace of delivery less important if scaling of APS is possible to increase business and growth?	2	2	4	8
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	<ul style="list-style-type: none"> <li>APS have the capability to deliver for all three authorities, complemented with a business growth prediction to 200+ employees. APS are confident that they can deliver for all three authorities, where they cannot, utilising their framework.</li> <li>Focusing on one delivery agent for project execution across all three authorities could create bottlenecks if Align face operational challenges with expansion and creation of new delivery arm.</li> <li>Likely will need financial investment from the authorities required to build up capacity for the Operations Team and potentially for APS third arm.</li> <li>Requires increased resources to manage it effectively, drive project development and facilitate delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Little capacity resource needed for Align initially, resource needed for operations team, and overall financial contributions.</li> </ul>	Moderate (could be variable dependent on APS capacity)	2	Resource required for operations team could come from current City Keep team but unknown and time dependent so unlikely, therefore resource requirement would be significant for CA potentially. Financial requirements likely to only come from planned grant funding which is insufficient. More exploration needed?	2	Resource required for operations team could come from current City Keep team but unknown and time dependent so unlikely, therefore resource requirement would be significant for CA potentially. Financial requirements likely to only come from planned grant funding which is insufficient. More exploration needed?	3	Resource capacity will come from APS, therefore this is dependent on how changes to third arm would affect BAU as to how much initially APS can put into third arm.	2	2	3	7
	The degree of asset handover required by the LA to the private partner (e.g. ownership, lease model).	<ul style="list-style-type: none"> <li>YNY Board has oversight of the combined YNY asset base and will consider the use of assets based on the agreed priorities and goals, however, each Authority will hold ultimate responsibility to agree how they use / commit assets to the joint YNY team.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Each authority holds ultimate responsibility to agree how they use / commit assets to joint YNY team.</li> </ul>	Very Low	5	Flexibility on case-by-case basis allow control of assets which require more levels of control or police and fire.	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily.	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily.	5	5	5	15
Total Model Score (Max 62*)											41	41	48	130

Measure	Description
Very Low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario level of the ability/requirement of that criteria can vary dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

YNY Strategic Partnership Options Appraisal Matrix

		Enhanced In-house: Centralised Team			A joint governance board acts as a unified body to set strategic direction, and oversees a centralised, co-located team. Resources are pooled and allocated by the board, based on regional priorities. Each authority submits project proposals to the Operations Team for review, if approved the project team identifies and deploys the optimal delivery method as required. The private sector is engaged on a project-by-project basis for specific services that require specialised expertise or resources.										Total Criteria Level Score
Assessment Criteria	Weighting (1-10, where 1 is most important)	Delivery Option			CA Acceptability		CYC Acceptability		NYC Acceptability		CA Acceptability	CYC Acceptability	NYC Acceptability	Total Criteria Level Score	
		Comments	Summary	Rating of Criteria	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score (5 = high)	Rationale / Comments	Score	Score	Score		
Strategic fit	Alignment with the Strategic Energy Partnership objectives and principles. *Potential to be ranked individually in detailed options appraisal*	<ul style="list-style-type: none"> <li>An in-house model will ensure the integration of place-based principles into project design and delivery, as well as allowing absolute alignment with wider regional objectives for decarbonisation and community benefit/social value.</li> <li>Engaging with the private sector on a project-by-project basis may link long-term strategic delivery, opportunities for innovation, and economies of scale and synergies across projects.</li> <li>Project pipeline development and delivery will be limited by the capacity and capability of YNY to deliver.</li> </ul>	<p>Key features: Maximising economies of scale is less likely to be achieved due to project-by-project approach, but local teams may be best placed to tailor local strategies.</p>	High	4	Allows for strategic overview and delivery of projects with board and operational team able to look at portfolio together of YNY to identify synergies and local team may be able to deliver at local scale better but project-by-project procurement may limit this ability.	4	Operational team will allow for better delivery on a strategic and a smaller scale with internal teams but will not achieve economies of scale.	4	Operational team will allow for better delivery on a strategic and a smaller scale with internal teams but will not achieve economies of scale.	4	4	4	12	
	The ability to align with and consider existing arrangements, policies, strategies.	<ul style="list-style-type: none"> <li>Facilitates a region-wide approach to decarbonisation whilst supporting the existing arrangements and policies of each local authority.</li> <li>However, navigating different policies across the authorities may lead to inefficiencies in decision-making and risks of misalignment in priorities.</li> </ul>	<p>Key features: Facilitates region-wide approach whilst supporting existing arrangements and policies.</p>	High	4	Existing policies and strategies can be integrated more flexibly on case-by-case basis. Inability to operate on regional scale regarding existing policies and strategies.	4	Ideal that existing arrangements can be used at full capacity whilst putting on private sector on case-by-case basis. However, new board could lead to potential complication in existing arrangements.	4	Ideal that existing arrangements can be used at full capacity whilst putting on private sector on case-by-case basis. However, new board could lead to potential complication in existing arrangements.	4	4	4	12	
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>Utilises a joint governance board comprising of representatives from CYC, NYC, and the CA. This board acts as a unified body to set the strategic direction, oversees the centralised, co-located team and ensure alignment with regional net zero goals.</li> <li>Resources are pooled and allocated by the board, based on regional priorities and strategic goals, and decisions are made collaboratively by the equally represented YNY board.</li> <li>There is a risk of misalignment between the central team and local priorities, and changes in political leadership or priorities within any of the authorities could disrupt collaboration.</li> <li>Navigating different policies across the authorities may lead to inefficiencies, and the model reduces the autonomy of individual authorities.</li> </ul>	<p>Key features: Equal representation on YNY governance board between CYC, NYC and the CA to produce unified approach to achieving priorities and strategic goals.</p>	Very High	5	High strategic control desirable for combined authority, as well as centralised decision making to ensure regional impact.	5	High strategic control desirable for CYC as well as flexibility of control between contracts.	5	The level of control offered by this option closely aligns with NYC's preferences and expectations. NYC has indicated a desire for greater control while also acknowledging the value of collaborating with the private sector.	5	5	5	15	
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>YNY creates a centralised team where members from each authority work together in a shared physical location. This team is responsible for managing and coordinating net zero initiatives across the region.</li> <li>Each authority can submit project proposals to the Operations Team for review, if approved, the Operations Team will progress the project proposal according to a pre-defined process.</li> <li>The Joint Operational Team will identify and deploy the optimal preferred delivery method as required. This would be expected to include the use of private sector support when required (including APS).</li> </ul>	<p>Key features: YNY centralised team responsible for managing and coordinating net zero initiatives, ultimately deploying preferred delivery methods as required.</p>	Very High	3	Capacity is small, there is appetite for delivery from Police & Fire but depending on pace of delivery, operational support from private sector would be preferred.	3	Capacity for operational delivery is small but high levels of control desirable but depending on pace of delivery, operational support from private sector would be preferred.	4	NYC indicated a desire for greater control while acknowledging the value of collaborating with the private sector for specialised services. Recognises limited capacity for operational team however.	3	3	4	10	
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	<ul style="list-style-type: none"> <li>Offers a unified strategy for net zero goals, through the joint board with equal membership from CYC, NYC, and the CA to set the strategic direction of the route to net zero.</li> <li>Influence will be shared across the three authorities, with the risk of reduced autonomy for the individual authority.</li> </ul>	<p>Key features: Project or region influence through an individual authority level, portfolio influence maintained through governance board of equal representation.</p>	Very High	4	Joint approach would support a strategic overview of projects which is preferred by CA to deliver on regional strategies, objectives of Roadmap, Mayoral priorities for communities.	4	Preference for high levels of strategic influence to project delivery which is preferred by CA to deliver on regional strategies, objectives of Roadmap, Mayoral priorities for communities.	4	Preference for high levels of strategic influence to project delivery which is preferred by CA to deliver on regional strategies, objectives of Roadmap, Mayoral priorities for communities.	4	4	4	12	
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	<ul style="list-style-type: none"> <li>Same as above, with the risk of competing priorities for each authority impacting the efficiency of pipeline delivery and driving wider social value.</li> </ul>	<p>Key features: Social value and economic benefits expected to be delivered on a project-by-project basis with authorities taking leading role on community engagement.</p>	High (Variable by project)	4	Joint approach would allow strategic approach to community engagement and to projects over YNY to realise and record wider benefits.	4	Stronger control allows CYC to highly influence how wider social benefits are realised.	4	Stronger control allows NYC to highly influence how wider social benefits are realised.	4	4	4	12	
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	<ul style="list-style-type: none"> <li>YNY is fully exposed to delivery risk at programme, portfolio, and project level.</li> <li>The benefits of a centralised team is that the risk can be shared between the three authorities, balancing the overall risk each authority is exposed to?</li> <li>On a project level some delivery risk may be passed to the private sector, however reputational risk will remain with centralised YNY team.</li> </ul>	<p>Key features: Full exposure to delivery risk at programme, portfolio and project level. On a project level some risk may be transferred to private sector delivery.</p>	High (Variable by project)	3	All responsibility lies with own authorities assets at board level, risk in delivering on few assets is acceptable for the CA (only police & fire).	3	Happy with level of risk on case to case basis flexibility key	4	Happy with level of risk on case to case basis flexibility key	3	3	4	10	
Reward	Ability to benefit from the rewards that arise at a delivery model level (project returns).	<ul style="list-style-type: none"> <li>Subject to project-by-project private sector involvement, YNY will be able to retain full benefits/returns that arise at a delivery model level.</li> <li>Will require negotiation over how rewards are distributed between the authorities on region-wide projects, whether geographically, proportionally, or through some form of centralised financial/funding structure that can be reinvested into delivery model?</li> </ul>	<p>Key features: Subject to project-by-project private sector involvement, will require negotiations with private sector and within authorities on region-wide projects.</p>	High (Variable by project)	4	Case by case basis on decision desirable for reward, CA not as reliant on financial reward, strategic vision and delivery more interested in.	3	Flexibility on project-by-project basis reward is desirable to maximise and complete cost benefit analyses. However, more exploration needed in how reward will be negotiated within authorities if both are used in the same project case.	3	Flexibility on project-by-project basis reward is desirable to maximise and complete cost benefit analyses. However, more exploration needed in how reward will be negotiated within authorities if both are used in the same project case.	4	3	3	10	
Time	Time required to design, develop and procure/implement the strategic delivery model (up to contract signing).	<ul style="list-style-type: none"> <li>Establishing a centralised team may require significant upfront investment in infrastructure e.g. office space and training.</li> <li>Some time required to set up the centralised governance board and coordinating senior level involvement in each authority.</li> <li>Time will be saved in the creation of delivery model as there will be no procurement requirements.</li> <li>Legal requirements to ensure constitutional alignment between three authorities when setting up the governance board.</li> <li>Potential financial support if setting up a mechanism for shared funding etc on region-wide projects?</li> </ul>	<p>Key features: No procurement requirements to develop delivery model, rather legal requirements to ensure constitutional alignment.</p>	Moderate	4	Acceptable timeline to set up this model, allows for delivery from beginning however will require capacity.	4	Acceptable timeline to set up this model, allows for delivery from beginning however will require capacity.	4	Acceptable timeline to set up this model, allows for delivery from beginning however will require capacity.	4	4	4	12	
	Ability to design, develop, and deliver pipeline at required pace and scale.	<ul style="list-style-type: none"> <li>Collaboration of three authorities to increase overall capacity and capability for project delivery.</li> <li>Allows for more efficient allocation of resources and decision-making through a centralised governance board.</li> <li>It enhances the capacity to deliver large scale projects across the region and facilitates better communication and collaboration due to the proximity of team members across authorities.</li> <li>However, centralised governance board/process may impact the ability to respond quickly to local needs or changes in priorities.</li> </ul>	<p>Key features: Collaboration of YNY authorities allows for enhanced capacity to deliver across the region. However, the burden of identifying and procuring private sector expertise on a project-by-project basis will likely impact delivery timelines.</p>	Moderate	2	Collaboration allows for increased scale of delivery which is preferred, whilst pace may increase if projects are jointly delivered, project-by-project procurement will reduce delivery pace.	2	Pace more important to CYC than scale and widespread delivery but capacity to build internal team is limited therefore pace of delivery would be slower than required.	3	Pace more important to NYC than scale and widespread delivery but capacity to build internal team is limited therefore pace of delivery would be slower than required.	2	2	3	7	
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	<ul style="list-style-type: none"> <li>Each Authority will provide senior representatives for the YNY Board that will have dedicated and ringfenced time to support the Board.</li> <li>The time commitment will depend on the detailed design and structure of the model.</li> <li>Each Authority provides/ supports the funding of dedicated resource to the Joint Operational Team, the resource level will depend on proposed activity. This would initially be resourced from the respective climate client teams across the three authorities.</li> <li>There is a dedicated and ringfenced Support Function Team within the Joint Operational Team (e.g. planning, legal, procurement, environmental, tax, health and safety). These resources could be newly recruited or provided by the three authorities.</li> <li>The provision of a dedicated office space.</li> <li>Resource requirements for private sector engagement will fall under the standard procurement process and associated costs - with increased complexity on projects that span across all/multiple authorities.</li> </ul>	<p>Key features: Resource level will depend on proposed activity, but expected to require resource for joint operational team (newly recruited or provided by authorities).</p>	High (Variable dependent on proposed activity)	2	Significant capacity required for pace and scale of delivery is limited for operational team. Financial requirements likely too high.	2	CYC raised concerns about this option achieving the right balance of in-house expertise and capacity. CYC recognises that even with significantly enhanced in-house capabilities, they may still fall short of their net zero goals, they consider the private sector to be a key part of supporting the net zero ambitions. CYC voiced concerns about its ability to allocate the necessary resources to manage and execute projects effectively. Financial requirements likely too high to achieve this pace.	3	NYC could continue to use Align with project-by-project addition of private sector support. NYC also realised limited capacity which could require more exploration to undertake this model to understand if it is viable with capacity.	2	2	3	7	
	The degree of asset handover required by the LA to the private partner (e.g. ownership, lease model).	<ul style="list-style-type: none"> <li>YNY Board has oversight of the combined YNY asset base and will consider the use of assets based on the agreed priorities and goals/</li> <li>However, each Authority will hold ultimate responsibility to agree how they use/ commit assets to the joint YNY team.</li> </ul>	<p>Key features: Each authority holds ultimate responsibility to agree how they use/ commit assets to the joint YNY team.</p>	Low (Variable by project)	5	Flexibility on case-by-case basis to allow control of assets which require more levels of control as police and fire.	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily	5	5	5	15	
<b>Total Model Score (Max 60/3)</b>											44	43	47	134	

Measure	Description
Very Low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario level of the ability/requirement of that criteria can vary dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.

YNY Strategic Partnership Options Appraisal Matrix

		Authority-Led Framework				NY establishes a unified Framework which can be drawn down when required. Multiple service contracts are awarded for projects on a case-by-case basis. The authorities take a lead role in originating and commercialising projects, drawing upon private sector expertise as required through the framework structure. Resource requirements both financial and FTE to manage framework and monitor contracts, as well as to manage portfolio and develop projects for framework.				NYC Acceptability		CA Acceptability		CYC Acceptability		NYC Acceptability		Total Criteria Level Score
Assessment Criteria	Weighting (1-10, where 1 is most important)	Delivery Option		Rating of Criteria	Score (5 = High)	CA Acceptability		Score (5 = High)	CYC Acceptability		Score (5 = High)	NYC Acceptability		Score	Score	Score	Score	Total Criteria Level Score
		Comments:	Summary			Rationale / Comments	Rationale / Comments		Rationale / Comments	Rationale / Comments								
Strategic Fit	Alignment with the Strategic Energy Partnership objectives and principles. *Potential to be ranked individually in detailed options appraisal*	While YNY has full strategic control, a project by project engagement process with the private sector may hinder a more long-term strategic delivery pipeline and utilisation of economies of scale. However, procuring on a project by project basis can allow the selection of a more appropriate private sector delivery organisation for each project e.g. place-based or technological expertise. Maintaining social value and community engagement may also be challenging as each project that goes through the framework must appeal to the private sector i.e. typically have some form of commercial gain.	Key features: Project by project procurement can improve place-based and innovative technology delivery. Project by project engagement with private sector may hinder long-term strategic delivery and social value/community engagement.	High	4	Long term strategic delivery and social value benefits will be more difficult to realise and achieve to reflect in major strategies and documents. However, place-based aspects of projects will likely be delivered faster.	4	Allows for better delivery on a smaller scale with internal teams but will not achieve economies of scale.	4	Allows for better delivery on a smaller scale with internal teams but will not achieve economies of scale.	4	4	4	4	4	4	4	12
	The ability to align with and consider existing arrangements, policies, strategies.	Existing delivery providers for YNY, such as APS, can bid to join the framework and can therefore still deliver on behalf of NYC or CYC, however, this may require some legal/contractual shifts. This model has the ability to align with all existing authority strategies as YNY has full strategic and operational control over the framework and project pipeline, and can therefore ensure that the pipeline of delivery contributes towards YNY's wider strategic vision for decarbonisation.	Key features: Existing delivery partners can bid to join the framework. YNY has full strategic and operational control to align with existing policies and strategies.	Very High	5	Existing policies and strategies can be integrated more fully on case-by-case basis.	5	Ideal that existing arrangements can be used at full capacity whilst pulling on private sector on case-by-case basis.	4	Ideal that existing arrangements can be used at full capacity whilst pulling on private sector on case-by-case basis. Ambiguity around how and if APS would be included on the framework?	5	5	5	4	4	4	4	14
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	YNY establishes a unified Framework which can be drawn down when required (Joint Team to oversee and hold provides to account). Authorities will have full strategic input over the delivery model, private sector will have little to no influence. NYC, NY, CA will be the sole decision-making body and the private sector's role is limited to execution and delivery through the framework and investment into individual projects, with no strategic input from a private sector organisation on the portfolio or programme level (However, market conditions/appetite may more widely influence portfolio delivery).	Key features: YNY will have full strategic control over programme, portfolio, and project level for framework. Private sector role limited to delivery and investment on project level. Market appetite for projects may impact strategic delivery.	Very High	5	High strategic control necessary as a combined authority. Need to demonstrate delivery of key regional strategies e.g. Resilience, growth plan, etc.	5	High strategic control desirable for CYC as well as flexibility of control between contracts.	5	The level of control offered by this option clearly aligns with NYC's preferences and expectations. NYC has indicated a desire for greater control while also acknowledging the value of collaborating with the private sector.	5	5	5	5	5	5	15	
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	Delivery model will be designed and controlled in full by YNY. YNY retain full control over the day-to-day management and will be the sole decision-making body. NY can ensure high standards and consistency in project execution by maintaining oversight and control. The private sector will be engaged through the framework model and will only have control over execution and investment. Levels of control can vary between authorities based on the design of the framework governance structure, but can be assumed to be equal. Project development will follow the process of each individual authority.	Key features: YNY retain full control over the day-to-day management and will be the sole decision-making body. YNY can ensure high standards and consistency in project execution through contract management with private sector delivery partners in the framework.	Very High	3	Capacity for day-to-day and contract is small if number of contracts is high, prefer for private sector to share responsibility for this role if pace of transition is high.	4	Capacity for day-to-day and contract is small if number of contracts is high, prefer for private sector to share responsibility for this role if pace of transition is high.	5	NYC indicated a desire for greater operational control while acknowledging the value of collaborating with the private sector for specialised services, if using align NYC will have more capacity to contract manage projects they want.	3	4	5	3	4	5	12	
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	Authorities will have full strategic control and can align projects with net zero strategies and objectives. However, procuring project by project delivery may hinder a more strategic approach to the framework. Uptake of projects will be influenced by market appetite, projects with high carbon savings may not be prioritised by delivery organisations without other financial incentives.	Key features: Authorities will have full strategic control and can align projects with net zero strategies and objectives. However, private sector organisations have no obligation to accept delivery contracts and there is no guarantee that high social value projects will be delivered through the framework without commercial viability.	High	4	CA would prefer strong strategic influence over the nature of projects delivered in order to deliver on regional strategies, objectives of Resilience, Mayoral priorities for communities. Recognised potential can that private sector cannot originate projects.	4	Preference for high levels of strategic influence to coexist with existing arrangements. Recognised potential can that private sector cannot originate projects.	4	Preference for high levels of strategic influence to coexist with existing arrangements. Recognised potential can that private sector cannot originate projects.	4	4	4	4	4	4	12	
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	The authorities will have full strategic and operational control and can therefore decide which projects to design and pass through the framework. NY are responsible for project origination and can therefore design social value into projects from the outset. However, the relationship with the private sector remains as a project by project client/contractor procurement structure - market appetite will therefore influence which projects are delivered. There is no obligation for the private sector organisations to accept delivery contracts proposed through the framework. There is no guarantee that high social value projects will be delivered through the framework if they are not commercially viable.	Key features: YNY are responsible for project origination and can design social value into projects from the outset. However, private sector organisations have no obligation to accept delivery contracts and there is no guarantee that high social value projects will be delivered through the framework without commercial viability.	Moderate	3	Would prefer leading role in community engagement, but ability to achieve wider social benefits would require more capacity to deliver at a strategic level rather than on case-by-case basis as no guarantee high social value projects will be delivered without commercial viability. For CA this priority is much higher.	4	Would prefer leading role in community engagement, but ability to achieve wider social benefits would require more capacity to deliver at a strategic level rather than on case-by-case basis in BAU.	4	Would prefer leading role in community engagement, but ability to achieve wider social benefits would require more capacity to deliver at a strategic level rather than on case-by-case basis in BAU.	3	4	4	4	4	4	11	
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	YNY maintain full risk at the portfolio level. Risk on individual projects may be passed to private sector, however, the reputational risk for these projects still remains with YNY as they have full strategic and operational control.	Key features: YNY retain full portfolio and reputational risk. Project delivery risk can be passed to private sector.	High	4	As responsibility lies with own authority, risk in delivering on few assets is acceptable for the CA (only police & fire).	3	Happy with level of risk on case to case basis flexibility key	3	Happy with level of risk on case to case basis flexibility key	4	3	3	3	3	3	10	
Reward	Ability to benefit from the rewards that arise at a delivery model level (project returns).	Portfolio level reward is retained by YNY including carbon savings and social value generated etc. However, project level reward will require sharing with private sector - depending on levels of investment and type of delivery. Private sector have right not to accept contracts and will expect financial return on projects.	Key features: Reward transferred on a project level depending on preferred route to delivery, but overall portfolio reward retained by authority.	Moderate	4	Case by case basis on decision desirable for reward, CA not as reliant on financial reward, strategic vision and delivery more interested in.	5	Case by case basis on decisions desirable for reward, CYC would like to retain as much reward as possible.	4	Case by case basis on decisions desirable for reward, NYC would like to retain as much reward as possible. Risk of competition with APS if a framework could draw upon with a more favourable supplier.	4	5	4	4	4	4	13	
Time	Time required to design, develop and procure/implement the strategic delivery model (up to contract signing).	Significant time and authority resources required to design framework model - as well as legal and procurement resources to prepare for framework implementation. Multiple private sector delivery organisations must be procured and onboarded onto the framework before it can be implemented. Specific small teams?	Key features: Significant time and authority resources required to design and procure framework model.	High	3	Possible political pressure to implement final model sooner/demonstrate progress and delivery? Framework could take 12 months along with governance structure.	3	Desire for delivery within political cycle, more exploration to understand how long framework would take.	3	More exploration to understand how long framework would take.	3	3	3	3	3	3	9	
	Ability to design, develop, and deliver pipeline at required pace and scale.	Framework is designed to streamline time required for individual project procurement. However, scale will be determined by the skill and size of the in-house team created to support framework operation. Time and resources will be required to train, build, and maintain in-house support. Further time and resource will be required to call off from the framework as required. Furthermore, time for project development and delivery is determined by framework appetite, if the project is not picked up, it will then have to go through standard procurement procedures (this may even lengthen delivery time on certain projects). Project origination and design must be conducted in-house, and there is no guarantee that the private sector will have the capacity, capability, and appetite to deliver all of these projects - which may impede the pace and scale of project delivery.	Key features: Pace and scale determined by in-house capacity for project origination and development. Projects that fail to be contracted through the framework must then go through the standard procurement process, delaying project delivery.	Moderate	3	Streamlined procurement framework could allow for increased pace of delivery but in-house capacity is small which could reduce ability to deliver at required pace and scale.	3	Capacity to build internal team is limited therefore pace of delivery would be slower than required.	4	Timescales of pace and delivery are less of a priority for NYC, instead considered delivery with private sector is an advantage.	3	3	4	3	3	4	10	
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	YNY is responsible for 100% of project development costs and 100% of abortive costs, the private sector will invest in projects on an individual basis. A high in-house resource requirement for management of the framework procurement(s) and ongoing contract monitoring will be required. This includes significant contributions from procurement, legal and finance teams, as well as requirement from Sustainability / Climate Change teams to manage the portfolio. Will likely result in increased requirements on in-house procurement teams for contract management and monitoring. Total investment required will include: One-off investment for the running of the procurement process for the framework; additional costs associated with the running of standard procurement processes where services are not in scope/lack of market appetite; Investment for the Framework Team (up to 30 FTE minimum), which is expected to include contract management, legal, finance, and procurement specialists.	Key features: Will require significant in-house capacity (min 30 FTE) for YNY, to manage framework and monitor contracts, as well as to manage portfolio and develop projects for framework.	Very High	2	Significant capacity required for pace and scale of delivery is limited and dependent on complexity of the framework. Framework requirements too high.	2	Issues with resource requirements to increase in-house capacity. Private sector could be utilised more. Resource dependent on complexity of the framework.	3	Potential issues with in-house resource to contract manage, monitor and manage framework, not considering APS role as presumably they will be on the framework. Resource dependent on complexity of the framework.	2	2	3	2	3	2	7	
	The degree of asset handover required by the IA to the private partner (e.g. ownership, lease model).	This will likely be determined on a project by project basis. However, strategic and operation control remains with YNY, who can therefore determine the appropriate level of handover for authority assets. Some projects may require leasing or handover agreements in order to appeal to commercial investment and/or private sector delivery.	Key features: Levels of asset handover is controlled in full by YNY on a project-by-project basis.	Very Low	5	Flexibility on case-by-case basis to allow control of assets which require more levels of control as police and fire.	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily	5	Flexibility on case-by-case basis may allow cost-benefit analysis more easily	5	5	5	5	5	5	15	
											Total Model Score (Max 60*)		45	47	48	140		

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YNY Strategic Partnership Options Appraisal Matrix

Dual-Track Coventry Model with Community Energy Fund		NYN establishes two Strategic Energy Partnerships (Contractual), with joint governance structures, one serving the urban needs and one serving rural needs. Option remains that one partner could be sourced but likelihood of two to reflect the diversity of asset bases. See Contractual Sheet for more info. Additionally, a contractually distanced community energy fund which the partners need to develop community energy project origination for common benefit.		Note: This model has variations within recently noted including Dual-Track with Impact Fund and Dual-Track with SPV.										
Assessment Criteria	Weighting (1-5, where 5 is most important)	Delivery Option		CA Acceptability		CYC Acceptability		NYC Acceptability		CA Acceptability	CYC Acceptability	NYC Acceptability	Total Criteria Level Score	
		Comments	Summary	Rating of Criteria	Score (5 = High)	Rationale / Comments	Score (5 = High)	Rationale / Comments	Score (5 = High)	Rationale / Comments	Score	Score		Score
Strategic Fit	Alignment with the Strategic Energy Partnership objectives and principles. *Potential to be ranked individually in detailed options appraisal*	<ul style="list-style-type: none"> <li>Ability to leverage the combined experience and resources of both the public and private sectors.</li> <li>Private expertise will allow the exploration of innovation opportunities with lower level of risk relative to public sector risk.</li> <li>The scale/breadth of the strategic partnership could potentially allow for widespread delivery and the maximisation of projects at economies of scale.</li> <li>Two separate SPVs will allow for greater delivery on place-based needs, but may hinder the prospect of a more unified strategic delivery across the region.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Leveraging the experience and resources of the private sector for innovation, widespread delivery, and economies of scale. Potential separate contracts/partners for urban and rural focused delivery could allow for place-based delivery.</li> </ul>	Very High	5	Collaboration with project partner allows for focus on delivery, maximising economies of scale. Two partners can allow for place-based delivery based on geographical need.	5	Collaboration with project partner allows for focus on delivery, maximising economies of scale. Two partners can allow for place-based delivery based on geographical need.	5	Collaboration with project partner allows for focus on delivery, maximising economies of scale. Two partners can allow for place-based delivery based on geographical need.	5	5	15	
	The ability to align with and consider existing arrangements, policies, strategies.	<ul style="list-style-type: none"> <li>Alignment varies with level of influence and control in contract. YNY can consider existing central government policies from the SEP focus.</li> <li>Each partnership/contract can be tailored to meet the needs of an urban and rural landscape (or other conditions).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Each SEP can be tailored to CYC and NYC's unique existing arrangements, policies, and strategies, and adapted as these policies shift over time.</li> </ul>	Very High	5	Long term, flexible contract allows partner and YNY to take into account and adapt effect of existing policies and strategies (links to support) prioritised. No existing arrangements as of yet for CA.	5	Long term, flexible contract allows partner and YNY to take into account and adapt existing policies. Project by project allows integration of existing arrangements. Separate partners allow for more place-based specialist delivery.	4	Long term, flexible contract allows partner and YNY to take into account and adapt existing policies. Project by project allows integration of existing arrangements. Separate partners allow for more place-based specialist delivery.	5	5	4	14
Control	Ability for YNY to exert strategic control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>The Coventry model for more detail on governance and control, dual track model will require joint governance with a contractual outline, shared ownership and responsibility in developing, disseminating the public estate and energy generation.</li> <li>Understanding different expertise could be needed for rural and urban environments, therefore opportunity to have two contracts that will deliver at different pace and scale but simultaneously.</li> <li>Likely will require some ownership transferred to anchor projects to ensure partner.</li> <li>A willingness to pool YNY assets will be needed to ensure partner has economies of scale.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Strategic control will be shared with the private partner, through equal representation on a governance board. Clear sets of requirements and objectives for the partnership can be incorporated at the outset of the partnership to ensure overall strategic alignment.</li> </ul>	High	5	High strategic control with private partner through board and contract development (not a partnership). Two partners allows for more specific objectives based on place.	4	Case by case approach through contractual arrangements is sufficient control. Sufficient governance arrangements possible, possible can be less control on board as YNY takes 50%.	4	Case by case approach through contractual arrangements is sufficient control. Sufficient governance arrangements possible, possible can be less control on board as YNY takes 50%.	5	4	4	13
	Ability for YNY to exert operational control over the delivery model through defined governance structures.	<ul style="list-style-type: none"> <li>Operational control is a joint, collaborative process. YNY will therefore need to share control over the partnership with the SEP. However, business models, including levels of control and investment can be determined on a project by project basis based on the best outcomes for those involved.</li> <li>Level of control over day-to-day functions will need to be carefully negotiated in the agreement phase to reduce the risk of competing objectives between authorities and SPVs.</li> <li>Partner will also likely have more control over anchor projects, negotiated contracts. Example: Coventry Council and E.ON work together in partnership to develop ideas and projects for the benefit of Coventry residents and develop a regional strategic plan for [decarbonisation].</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Project origination and delivery, and day-to-day operations, are conducted collaboratively with the SPV. Levels of control and investment can be determined on a project by project basis. Partner will also likely have more control over anchor projects negotiated in contract.</li> </ul>	High	5	Flexibility of contractual agreement may benefit changing landscape for CA as organisation matures and develops relationship with other delivery partners e.g. NEDO, Ngy.	4	Happy with low anchor project hand-over (Head Network) and flexibility on project by project basis.	3	Lack in anchor projects to hand-over but less appetite to do so regardless? But project by project flexibility is desired.	5	4	3	12
Influence	Ability for YNY to have strategic influence to shape the route to net zero.	<ul style="list-style-type: none"> <li>CA and SEP work collaboratively to develop and deliver the project pipeline. Potentially limited by which projects the contractual partner has appetite to take forward/support in delivering (anchor projects likely required from both authorities).</li> <li>However, there is flexibility on the agreement over levels of influence and control, that can be adapted/negotiated on a project-by-project basis.</li> <li>Defined objectives and outcomes of the partnership can focus on delivery of decarbonisation projects, but require careful design at outset of partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Relies on careful design of contract to ensure priorities and goals are concrete to shape the route of project delivery. Project pipeline is designed in collaboration with SPV. YNY will have influence over details of which projects are brought forward and how they are delivered. However, SPV will have similar need of influence and therefore their own needs will impact the type of net zero project delivery.</li> </ul>	Moderate	5	Appetite for strategic partner to aid in project development (especially funding) is high. Happy with SP to have influence as long as controlled through contract.	5	Appetite for strategic partner to aid in project development (especially funding) is high. Happy with SP to have influence as long as controlled through contract.	4	Appetite for partner to be called upon for decisions, however not wider as interests with fiscal. Also needs to be controlled through contract.	5	5	4	14
	Ability for YNY to have strategic influence to drive wider social value and economic benefits.	<ul style="list-style-type: none"> <li>The Coventry model for more detail. Contract agreement dictates that allocation of revenue from the partner through YNY projects will go into a collective investment vehicle to support community energy project development to support communities directly.</li> <li>YNY will likely have to take a more interventionist role to drive social value requirements in projects.</li> <li>YNY may have to take on greater risk and funding burden for projects with lower financial returns.</li> <li>CYC and NYC can tailor the outcomes of the partnership at the contract design phase, however there is a risk of competing interests in social value delivery vs commercial viability (and how these are shared between partners).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Contractually distanced fund for community energy project development as well as using contract to make the SP accountable.</li> </ul>	High	5	Fund for community energy / cooperative ownership would likely align with most priorities. And accountability in contract is desirable. Could align well with ISAP community energy support work package.	4	Don't want to achieve net zero at any cost - don't want extractive partner. Good method for providing accountability. Potential concern of money being taken away from core services or that if want capital for the different reasons other than community energy?	4	Officer desire for community energy funding for project development, would require supportive capacity. Private partner accountability desirable even if social value not primary goal. Potential concern of why this money for the fund could not come back into NYC core services.	5	4	4	4
Risk	The degree to which the Authority / YNY is exposed to the overarching delivery risk, which refers to risks associated with the origination, development, financing and successful execution and management of the net zero pipeline.	<ul style="list-style-type: none"> <li>Risk, reward, and contributions will be defined on a project by project basis.</li> <li>Risk is shared more equally between the authority and private partners, and risks around funding and project delivery and completion can be transferred to the private partners. However, as project origination and pipeline development are shared between the authorities and private partner, YNY will potentially face more risk around failed project development (variables by project) as well as reputational risk from the BCL (operational by model). (Example: Coventry found primary risk is the abortion of projects at any stage due to compliance criteria not being met, mitigated by gateway process that demonstrated VM alongside other criteria. E.ON bear greater development risk. Project risks will be project specific).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Identified on a project by project basis, but the majority of risk around the operation of the partnership and project delivery can be transferred to the private partner. Risk for failed project origination is higher for YNY due to contractual rigidity of model.</li> </ul>	Moderate (Variable by Project)	5	Happy with level of risk on case to case basis flexibility very	4	Happy with level of risk on case to case basis flexibility very	4	Happy with level of risk on case to case basis flexibility very	5	4	4	13
	Ability to benefit from the rewards that arise at a delivery model level (project returns).	<ul style="list-style-type: none"> <li>A successful partnership would require equity/benefit between partners, and the SP would need appropriate level of financial reward.</li> <li>As well as the contract and SEP commitments, there may also be a degree of project delivery for social value, without financial returns requirements. Different commercial returns are available for each project.</li> <li>SP will also need some degree of infrastructure ownership or exclusivity, especially if they originated the project or have invested in an innovative technology/programme.</li> <li>Financial returns above SEP expected rate of return goes into revolving fund structure. However, the separate community energy fund will allow the authorities to benefit from a capital pool created by both private sector partners.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: SP will have expectation of financial benefit. Project reward will be transferred away from YNY along with project risk. Predominant YNY benefits will be increased delivery of decarbonisation projects, and social value through KP commitments. Basis profits may be reinvested back into partnership.</li> </ul>	Moderate (Variable)	4	Case by case basis on decision desirable for reward, CA not as instant on financial reward, strategic vision and delivery more important.	4	Case by case basis on decisions desirable for reward, CYC would like to retain as much reward as possible. Likely not possible in partnership as some anchor projects are likely to be required to support partnership.	3	Case by case basis on decisions desirable for reward, YNY would like to retain as much reward as possible. Likely not possible in partnership as some anchor projects are likely to be required to support partnership.	4	4	3	11
Time	Time required to design, develop and procure/Implement the strategic delivery model (up to contract signing).	<ul style="list-style-type: none"> <li>The Coventry model took approx 6 months to procure. Due to its flexibility, the model offers a fast-tracked process that allows an SP to be acquired quickly, and the details of the partnership and project pipeline to then be developed in collaboration with the SEP.</li> <li>However, there may be increased time required in the YNY design and procurement process due to the three authority structure, which may lengthen the process due to variables in legal, governance, and asset base requirements.</li> <li>As well as this, if two partners are procured this process could increase further. This will likely complicate the procurement process and require significant time to design and procure as well as governance, financial, and legal resources for contract development.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Shorter procurement process compared to BCL but three authority structure, potential of two procurements, and community fund may increase time required to set up.</li> </ul>	Moderate/High	4	Too many unknown factors to fully accept short procurement time, requires more exploration but would prefer short procurement.	4	Too many unknown factors to fully accept short procurement time, requires more exploration but would prefer short procurement.	4	Too many unknown factors to fully accept short procurement time, requires more exploration but would prefer short procurement.	4	4	4	12
	Ability to design, develop, and deliver pipeline at required pace and scale.	<ul style="list-style-type: none"> <li>Most likely the contractual arrangement will be longer term (e.g. 10-15 year long), allowing for natural design to deliver long term benefits and planning.</li> <li>Flexible delivery model can adapt to future changes and risks in delivery, as well as promote projects at different scales.</li> <li>Utilisation of an experienced commercial scale delivery partner with significant experience and resources.</li> <li>Advantages of a separate private partner around legal, procurement barriers in public sector.</li> <li>The community energy project development fund will also increase delivery of community benefits more widely and at pace.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: Private sector partner and collaborative pipeline development can see accelerated speed and scope of project development and delivery beyond current in-house capacity. As well as direct funding into community energy sector.</li> </ul>	Very High	5	Key strategic need for the CA due to roadmap and collaboration.	5	Desire to deliver quality, business as usual will occur but private partnership would be beneficial.	4	Not major priority to perform at increased pace and scale so speed is sufficient, ability to develop pipeline is desirable.	5	5	4	4
Resource	Resource required from the Authority / YNY for the procurement process and the day-to-day running of the delivery model.	<ul style="list-style-type: none"> <li>Resources for procurement would be lower in complexity and cost than BCL (operational model) due to contractual nature and shorter procurement processes. However, would still incur significant legal, procurement, and financial in-house resource requirements.</li> <li>A smaller in-house team for day-to-day management would be required, potentially centralised, with the potential for the SP to provide the majority of staff.</li> <li>The contractual model also has greater flexibility on levels of investment for each project, and the SP would expect private sector finance to fund higher volume of projects. (Example: in the Coventry model, an in-house delivery team is required within the authorities to assist with project origination, development, and delivery in collaboration with the SPV, initially committing 2.5 FTEs. In Coventry's case, the SP provided a team of 8 FTEs).</li> </ul>	<ul style="list-style-type: none"> <li>Key features: SEP required procurement, legal, and financial resources. Small team is good due to capacity constraints. Lots of resource required for setting up community fund, governance arrangements and contract with potentially multiple partners.</li> </ul>	Moderate	4	Ideal to take from existing city team if possible. Small team is good due to capacity constraints. Lots of resource required for setting up community fund, governance arrangements and contract with potentially multiple partners.	4	Ideal to take from existing city team if possible. Small team is good due to capacity constraints. Lots of resource required for setting up community fund, governance arrangements and contract with potentially multiple partners.	4	Ideal to take from existing city team if possible. Small team is good due to capacity constraints. Lots of resource required for setting up community fund, governance arrangements and contract with potentially multiple partners.	4	4	4	12
	The degree of asset handover required by the LA to the private partner (e.g. ownership, lease model).	<ul style="list-style-type: none"> <li>YNY can determine levels of asset handover on a project-by-project basis.</li> <li>The model is inherently more flexible than the BCL (operational model) in allowing asset class expansion due to limited contractual constraints to the partnership parameters. (Example: E.ON Coventry Partner) was granted exclusivity over several defined Anchor Projects for a defined period of time, but did not receive exclusivity over all of the authority's land and assets.</li> </ul>	<ul style="list-style-type: none"> <li>Key features: SEP granted exclusivity over several defined Anchor Projects for a defined period of time, but model is inherently more flexible than the BCL (operational model). YNY can determine levels of asset handover on a project-by-project basis due to limited contractual constraints on partnership parameters.</li> </ul>	Moderate (Variable by Project)	5	Not against longer contract and flexibility on case-by-case basis to allow control of assets which require more levels of control as per above and so on.	4	Not against longer contract and flexibility on case-by-case basis may allow cost-benefit analysis more easily. Asset hand-over of anchor project would require more exploration to ensure benefits in contract are elsewhere and sufficient.	3	Case by case basis on decisions desirable but long term contract for certain projects may be a con and need for more exploration.	5	4	3	12
Total Model Score (Max 60%)											57	52	46	155

Measure	Description
Very low	In reference to the corresponding assessment criteria the scenario has a very low level of the ability/requirement of that criteria.
Low	In reference to the corresponding assessment criteria the scenario has a low level of the ability/requirement of that criteria.
Moderate	In reference to the corresponding assessment criteria the scenario has a moderate level of the ability/requirement of that criteria.
High	In reference to the corresponding assessment criteria the scenario has a high level of the ability/requirement of that criteria.
Very High	In reference to the corresponding assessment criteria the scenario has a very high level of the ability/requirement of that criteria.
Variable	In reference to the corresponding assessment criteria the scenario level of the ability/requirement of that criteria can vary dependent on contract details/decision making.

Rank	Description
1	Unacceptable scenario, this is a red line.
2	May face resistance politically or strategically (little acceptability) for this scenario, but not impossible.
3	No preference for this scenario, requires further exploration to make decision.
4	Would accept this scenario but not ideal, would be fully accepted under certain circumstances.
5	Full acceptability for this scenario, this is a preferred way forward.





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# Dimensional Appraisal

	Do Minimum	Intermediate	Intermediate	Intermediate	Intermediate	Intermediate	Do Maximum
<b>1. Service Scope</b>	<b>1.1</b> Project Pipeline Development	<b>1.2</b> Community Energy Projects	<b>1.3</b> Commercially Viable Energy Generation	<b>1.4</b> Non-Commercial/Social Value Projects	<b>1.5</b> Public Sector Decarbonisation Projects		<b>1.6</b> Regional Decarbonisation
Assessment							
<b>2. Service Solution</b>	<b>2.1</b> LA Led Framework	<b>2.2</b> LA Led Combined Team	<b>2.3</b> Scaled-up APS	<b>2.4</b> Strategic partner led contractual JV	<b>2.5</b> Strategic partner led corporate JV	<b>2.6</b> Community Energy Mechanisms	<b>2.7</b> Regional delivery mechanism
Assessment							
<b>3. Service Delivery</b>	<b>3.1</b> Local Authorities (in-house)	<b>3.2</b> Joint in-house team	<b>3.3</b> APS/APP	<b>3.4</b> Private Sector	<b>3.5</b> Strategic Partner (JV)	<b>3.6</b> Community Sector	<b>3.7</b> New Regional delivery mechanism
Assessment							
<b>4. Implementation</b>	<b>4.1</b> Mobilisation Period	<b>4.2</b> Pilot/demonstrator projects	<b>4.3</b> Phased Approach	<b>4.4</b> TUPE/Secordment			<b>4.5</b> Immediate full scale launch
Assessment							
<b>5. Funding</b>	<b>5.1</b> LA Borrowing	<b>5.2</b> Public Grant Funding	<b>5.3</b> Private Sector Investment	<b>5.4</b> Community Investment	<b>5.5</b> Blended Finance	<b>5.6</b> Green Bonds	<b>5.7</b> Revolving Fund with Up Front Grant Seed Funding
Assessment							

# Short List Assessment

		BAU (Do Nothing)	Option 1 (Intermediate)	Option 2 (Do Maximum)
			Combined In-House Model	Regional delivery mechanism
	<b>Strategic Objectives</b>			
SO1	To accelerate the delivery of regional energy independence that promotes economic transformation and drives healthy and thriving communities – ensuring York and North Yorkshire leads the way to become England's first carbon negative region.			
SO2	To develop a strategically-driven pipeline of projects that enables funding & investment.			
SO3	To secure and optimise public funding and commercial investment, harnessing innovative approaches to maximise regional outcomes.			
SO4	To reduce carbon emissions in line with regional strategies and commitments.			
SO5	To enable wider social benefits to be felt within local communities.			
	<b>Critical Success Factors</b>			
CSF1	Strategic Fit and business needs			
CSF2	Potential value for money			
CSF3	Supplier capacity and capability			
CSF4	Potential affordability			
CSF5	Potential achievability			
		BAU	Option 1	Option 2
	<b>Scoring of Options</b>	2.5	5.5	8



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**Corporate Scrutiny Committee****6 July 2026**

Report of the Head of Democratic Services

**Draft Scrutiny Annual Report****Summary**

1. This report presents the Committee with a draft of the Annual Scrutiny Report for the municipal year 2025/26.

**Background**

2. Following the February 2024, Local Government Association (LGA) Peer Challenge of the City of York Council, the subsequent report presented to the Council's Executive in May 2024 stated: "Scrutiny arrangements at CYC would benefit from review. As a function of governance, it can be hugely beneficial for quality of decision-making if it is fully supported and empowered to be a positive and integral part of policy development. It is clear that this is recognised by the administration as an area where a fresh look at how improvements can be made would also be a good use of time and effort."
3. The Centre for Governance and Scrutiny (CfGS) was therefore commissioned to undertake a Scrutiny Impact Review of City of York Council. This review was conducted in November and December 2024.
4. The final CfGS recommendations were reported to the Corporate Services, Climate Change and Scrutiny Management Committee on 10 March 2025, with a proposed action plan to address each of the recommendations in full. All Scrutiny Chairs and Vice Chairs were invited to attend the meeting and contribute to the debate.
5. The CfGS's Recommendation 11, as reported to the above meeting, stated: 'Reinstate the process of having an annual scrutiny report but update the format to focus on the impact and difference that scrutiny has made.' The action plan proposed that this work be taken forward by the Scrutiny Officer in liaison with Scrutiny Chairs to produce an annual report detailing work undertaken throughout the year, benefits and

value realised etc, and a look forward to the coming year. The aim of this would be to demonstrate the impact of Scrutiny and share learning.

6. Following agreement by the Committee, the recommendations, action plan and the comments of the Committee were then presented to Executive on 11 March 2025.
7. Following approval by Executive, the recommendations and action plan were then presented to Full Council on 27 March 2025. Council endorsed the proposed actions, including the establishment of a cross-party working group, consisting of all Chairs and Vice-Chairs of Scrutiny Committees, to lead and oversee work to implement the recommendations.
8. This group was then established as the Scrutiny Review Working Group and held its first meeting on 16 April 2025, with Cllrs Fenton and Merrett respectively elected Chair and Vice-Chair of the Working Group. Following the introduction of a revised scrutiny committee structure in May 2025, new scrutiny Chairs and Vice-Chairs who were not already members of the Working Group were co-opted to its membership.
9. At its meeting on 7 January 2026, the Scrutiny Review Working Group considered examples of best practice from comparable local authorities to inform the development of an annual report. Draft documents were then developed and considered at the Working Group's meetings on 4 March and 25 June 2026 and revised to take members' comments into account.
10. The Working Group recommended that the draft annual report be referred to the Corporate Scrutiny Committee to note and agree to submit to Council for approval. This would meet the requirements of the recommendation previously agreed by Council and represent the first Annual Scrutiny Report at City of York Council since 2019.

## **Consultation**

17. Consultation on the draft Annual Scrutiny Report has been undertaken by the cross-party Scrutiny Review Working Group and with Democratic Services.

## **Implications**

18. The implications are as follows:
  - **Financial** – none directly arising from this report.

- **Human Resources (HR)** – none directly arising from this report.
- **Equalities** – none directly arising from this report.
- **Legal** – none directly arising from this report. The Council has a statutory duty to operate a scrutiny function.
- **Crime and Disorder** – none directly arising from this report.
- **Information Technology (IT)** – none directly arising from this report.
- **Property** – none directly arising from this report.
- **Other** – none directly arising from this report.

## Risk Management

19. There are no known risks associated with the recommendations of this report.

## Recommendations

20. Members are asked to agree the draft Annual Scrutiny Report, subject to any comments received at the meeting, and agree to its submission to the July Council meeting for final approval.

Reason: To strengthen the scrutiny function and to fulfil the recommendation endorsed by Council in March 2025 in relation to the reintroduction of an Annual Scrutiny Report.

## Contact Details

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**Chief Officer Responsible for the report:**  
Julie Gallagher  
Head of Democratic Services

**Report**  **Date** 26 June 2026  
**Approved**

**Wards Affected:** All

**For further information please contact the author of the report**

**Background Papers:**

- Centre for Governance and Scrutiny, Scrutiny Impact Report: City of York Council,  
<https://democracy.york.gov.uk/documents/s182228/Annex%20A%20York%20Scrutiny%20Impact%20Report.pdf>
- City of York Council Scrutiny Impact Review Action Plan,  
<https://democracy.york.gov.uk/documents/s182229/Annex%20B%20Scrutiny%20Impact%20Review%20Action%20Plan.pdf>

## **Annexes**

- Annex A: Draft Annual Scrutiny Report 2025-26

## **Abbreviations**

CfGS – Centre for Governance and Scrutiny

LGA – Local Government Association