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Report to: Green Economy Panel
Date: 14 September 2017
Subject: Green Economy Panel Projects Update

1 Purpose

- 1.1 To provide an update on progress against the Green Economy Panel's (GEP) major projects and programmes.

2 Overall Project Delivery

- 2.1 Overall delivery of the major GEP projects has continued. A summary of the overall delivery is summarised below:

Project	RAG Rating*
Energy Accelerator	Amber
Better Homes Yorkshire	Green
Resource Efficiency Fund	Green
District Heat Network (DHN)	Green
Green and Blue Infrastructure Strategy and Delivery Plan	Green
Zero Carbon Energy Strategy and Delivery Plan	Green

*This is a rating system using Red, Amber, and Green (RAG) to score how well overall a project's delivery is progressing. Red = major delays, amber = minor delays and Green = good delivery

- 2.2 A full update on each of these projects is provided below.

3 Energy Accelerator

- 3.1 This is a new innovative project development programme that will offer specialist expertise to local low carbon energy projects. WYCA submitted a revised application for 3.5 million euros to the European Investment Bank's (EIB) ELENA technical assistance programme (a fund that provides technical assistance for energy efficiency and renewable energy projects). The application has now been submitted for review by the EIB. WYCA has received some clarifications and responded accordingly. It is anticipated that WYCA may receive a decision from the EIB in September / October.
- 3.2 Subject to a successful application, and to enable the Energy Accelerator (EA) to launch quickly, indicative approval will be sought from WYCA on 5 October 2017 to accept the ELENA funding and proceed to set up and launch the EA. Recruitment of staff and suppliers will also re-commence. WYCA hope to be a position to launch the EA by January 2018.

3.3 In terms of the programmes overall delivery, it remains as an Amber rated programme due to ELENA funding still pending from the EIB.

4 Better Homes Yorkshire

4.1 This is a regional programme delivering energy efficiency improvements across the City Region's homes.

4.2 The Better Homes programme launched in March 2015. At the end of the second year of the Programme, 2,480 homes have received energy efficiency or renewable energy measures (747 in Year 2), with a contract value of £11.2m. Almost 75% of the value has been delivered by LCR supply chain, with a further 20% by contractors just outside (i.e. Doncaster). In total 35 different sub-contractors have been awarded work through the programme and 204 jobs have been sustained.

4.3 All LGF funding (£6m) has now been secured for the LCR Tackling Fuel Poverty project, fulfilling a key political ambition of a scheme in every district. The Barnsley scheme has completed over the summer, resulting in 41 fuel poor households improved; work is well underway to improve properties in the Holbeck area of Leeds, this is part of a wider Group Repair scheme; additional ECO funding has been secured for the Bradford scheme, which will allow a further 18 properties to receive measures, bringing the total to 138 properties improved when the scheme completes in September. Wakefield, York, Selby, Harrogate and Craven have now mobilised, and are progressing.

4.4 The final phase (Phase 4, £1m) projects were awarded funding by WYCA in June 2017. Kirklees is a mixed tenure scheme, in partnership with Kirklees Neighbourhood Housing and Kirklees Building Services; 290 hard to treat properties will benefit and is part of a wider KNH investment programme to upgrade the thermal efficiency of 750 'hard to treat' council owned properties in the Deighton/Brackenhall area of Huddersfield. The project in Calderdale will improve 115 hard to treat properties in some of the most deprived areas of the district; privately owned and rented properties will be targeted. The project is part of the Council's £1.4m Affordable Warmth programme which is also providing heating, insulation and energy advice and support for lower income households.

Warm Homes Fund

4.5 National Grid announced a £150m Warm Homes Fund on 18th July, to be managed through National Grid's CIC 'Affordable Warmth Solutions'.

4.6 Local Authorities, Housing Associations and other organisations are eligible to apply for funding for the installation of affordable heating solutions in fuel poor households, who do not use mains gas as their primary heating fuel. National Grid envisage that this fund will be used to supplement local strategic plans and funds blended with local support.

4.7 The fund is split into three broad categories:

- Category 1. Urban homes and communities; for example new gas heating systems, it could also include heat network solutions.
- Category 2. Rural homes and communities primarily focused on 'non-gas' solutions ie. heat pumps, oil and LPG.
- Category 3. Specific energy efficient/health related solutions – this may involve national or regional programmes which bring together relevant organisations and charities to promote energy efficiency and health related programmes in relation to fuel poverty.

4.8 The Fund will be run over a 3-year period with annual rounds of bids. Relating to the 1st year of funding available, Expressions of Interest were asked for by 31st July 2017.

4.9 Led by WYCA, the Leeds City Region (LCR) Local Authority partners have developed a bid that aims to deliver over 700 new heating systems to fuel poor homes, who do not use mains gas central heating systems as their primary heating fuel. An Expression of Interest was submitted to the Warm Home Fund (WHF) on 31st July 2017 and a full bid was submitted on 8th September.

5 Resource Efficiency Fund (REF)

5.1 This is a The Resource Efficiency Fund (REF) offers free expert advice and business support to small and medium sized enterprises (SMEs) to help them to implement energy and water efficiency and waste reduction measures. This is supported by a 50% capital grant of up to £10,000. The REF is funded through the Local Growth Fund and European Regional Development Fund (ERDF) 2014-2020 programme.

5.2 A full update on the REF will be covered in Item 5 of this meeting.

6 District Heat Network (DHN) Programme

6.1 The DHN Programme continues to support 12 active schemes in the LCR. These innovative scheme aim to produce heat (and or use waste heat) to create localised heat networks that heat homes and businesses. They can also help reduce carbon emissions and create fair priced energy locally.

6.2 A number of schemes are coming to the end of the feasibility stage of project development and their respective local authorities will be required to make a decision on whether to progress to the production of an Outline Business Case (OBC) in the near future. Heat Networks Delivery Unit (HNDU) funding is currently available from central government to assist local authorities in the development of their OBC. The Energy Accelerator could, once approval from the EIB is granted, also assist local

authorities in undertaking the work required to take district heat network projects through to financial close.

6.3 The overall delivery of the programme is ranked as green.

7 Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

7.1 This work aims to deliver a new regional strategy and delivery plan that aims to create high quality natural/green infrastructure and environments across the City Region including new woodlands, street trees, and open spaces.

7.2 Les Newby Associates have been appointed to work with WYCA to complete the GBI Delivery Plan. Between August to the end of September 2017 a student will temporarily support the GBI Delivery Plan work. This is through an agreement with the University of Leeds and their iClasp programme.

7.3 Stakeholder engagement will form a major part of developing the Delivery Plan. A number of events and meetings will be taking place between September – December 2017.

7.4 The overall delivery of the programme is green with a draft delivery plan anticipated to be completed by January 2018. A draft will be presented to GEP for comment in January 2018.

8 Zero Carbon Energy Strategy and Delivery Plan

8.1 This work aims to create a strategy and delivery plan to help the region create a resilient zero carbon energy economy. The Energy Strategy and Delivery Plan Steering Group met in July for the first time. The scope of the work was agreed.

8.2 WYCA / Leeds City Region Local Economic Partnership (LEP) continue to work with York, North Yorkshire and East Riding (YNYER) LEP developing shared methodologies for the work. Some of the work packages required will be jointly procured by WYCA for both the LCR and YNYER LEP.

8.3 The Energy Technology Appraisal work stream has commenced. A small procurement exercise was undertaken for this work. This work aims to identify the likely energy technologies which could enable the City Region to meet its energy ambition by 2036 and form the basis of the Energy Delivery Plan. Figure 1 illustrates the composition of this work.

Composition:

- Literature review, utilising relevant studies and reports, setting out the appropriate energy technologies that will enable WYCA and its partners to meet the SEP energy ambition. Technology choices should be categorised under the following headings:-
 - Energy generation and supply;
 - Demand-side management / energy efficiency;
 - Smart grids and transmission networks; and
 - Transport
- Analysis of the identified energy technologies with regard to their potential contribution to meeting the SEP energy ambition, maximising economic growth and reducing emissions. Each technology identified should be assessed and ranked according to its performance in the following categories:-
 - Current maturity;
 - Roll-out potential, including opportunities, barriers and constraints;
 - Value for money and affordability; and
 - Implementation benefits.

Figure 1: Composition of the Energy Technology Appraisal work stream

8.4 The overall delivery of the programme is green with a draft delivery plan anticipated for March 2018.

9 Recommendations

9.1 The Panel is asked to note and comment on the progress made.