

GREEN ECONOMY PANEL

**MEETING TO BE HELD AT 4.00 PM ON TUESDAY, 17 APRIL 2018
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE GREEN ECONOMY PANEL HELD ON 20 FEBRUARY 2018**
Copy Attached
(Pages 1 - 8)

For information

- 5. MAJOR PROJECTS UPDATE**
Presented by Jacqui Warren
(Pages 9 - 14)

For Decision

- 6. ENERGY ACCELERATOR UPDATE**
Presented by Jacqui Warren
(Pages 15 - 18)
- 7. GREEN AND BLUE INFRASTRUCTURE**
Presented by Noel Collings
(Pages 19 - 26)
- 8. ENERGY STRATEGY AND DELIVERY PLAN**
Presented by Noel Collings
(Pages 27 - 34)

Signed:



**Managing Director
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE
GREEN ECONOMY PANEL
HELD ON TUESDAY, 20 FEBRUARY 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Simon Pringle (Chair)	Project Rome
Natasha Luther-Jones	DLA Piper LLC
Councillor Jenny Lynn	Calderdale Council
Dr Alice Owen	University of Leeds
Councillor Andrew Waller	City of York Council
Rosa Foster (Advisory Representative)	Environment Agency
David Gill (Advisory Representative)	Northern Gas Grid
Nevil Muncaster (Advisory Representative)	Yorkshire Water

In attendance:

Martin Farrington	West Yorkshire Local Nature Partnership
Jacqui Warren	West Yorkshire Combined Authority
David Walmsley	WYCA
Noel Collings	West Yorkshire Combined Authority
James Brass	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies were received from Jim Cardwell, William Firth, Wallace Sampson and John Williams.

2. Declarations of Disclosable Pecuniary Interests

None were declared.

3. Exempt Information - Possible Exclusion of the press and public

Resolved – That in accordance with paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, the public be excluded from the meeting during consideration of Agenda item 11 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the

report that all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. Minutes of the Meeting of the Green Economy Panel held on 21 November 2017

That the minutes of the Green Economy Panel held on 21 November 2017 be approved.

5. 25 Year Environment Plan

The Panel was presented with a report informing them of the key points in the government's new 25 Year Environment Plan

The 25 year Environment Plan, published in January 2018 sits alongside the Industrial Strategy and accompanying Clean Growth Strategy to set out the government's approach to safeguarding the environment and future proofing the economy.

The Plan includes:-

- Using and managing land sustainably.
- Connecting people with the environment to improve health and wellbeing.
- Increasing resource efficiency and reducing pollution and waste.
- Securing clean healthy, productive and biologically diverse seas and oceans.
- Protecting and Improving our natural environment.
- Putting the plan into practice.

The Panel was asked to note the information provided in the report and the intention to provide a further report at the next Green Economy Panel analysing any significant implications for the Combined Authority within the 25 Year Environment Plan.

The Panel was asked to provide comments and steer on the areas in which it feels the Combined Authority's efforts and resources should be focussed.

Resolved:

- (i) That the information provided in the report on the government's 25 Year Environment Plan be noted.
- (ii) That the Panel provided a steer on the areas in which it feels the Combined Authority's efforts and resources should be focussed.
- (iii) That the intention to provide a further report at the next Green Economy Panel analysing any significant implications for the Combined Authority of the proposals within the 25 year Environment Plan be noted.

6. Local Inclusive Industrial Strategy and Clean Growth Strategy Update

The Panel was presented with a report to update on the development of the Leeds City Region Inclusive Industrial Strategy and further refinement of opportunities to explore linked to the recent Clean Growth Strategy.

At the LEP Board on 29 November 2017, it was agreed to begin the development of a local, inclusive industrial strategy (LIIS) as a replacement for the Strategic Economic Plan (SEP). The decision was endorsed by West Yorkshire Combined Authority (the Combined Authority) on 14 December 2017. Building on the SEP, this will form a key component on an agile, long term strategic framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy.

There is an ambition to deliver at pace with the intention to present a compelling plan that further transforms the City Region. The aim is to position the City Region so that it forms part of the first wave of Local Industrial Strategies agreed by government by March 2019.

The Panel was asked to give their views and comments on the following areas:-

- An updated Leeds City Region strategic framework.
- The draft vision statement and the intention to develop further 'expressions' for different audiences.
- Initial priorities and proposals that could form the core building blocks of our Inclusive Industrial Strategy, including emerging priorities and opportunities from the Clean Growth Strategy 25 year Environment Plan and the Leeds City Region's Green and Blue infrastructure Strategy and Energy Strategy.
- The suggested approach to developing the Inclusive Industrial Strategy that will harness the views and influence of stakeholders and partners, including the Panel, in co-producing a compelling, bold region proposition, including how the Panel would like to be involved in its development.

Resolved:

- (i) That the comments and views of the Panel on the Proposed 'new' Leeds City Region strategic framework be noted.
- (ii) That the comments and views of the Panel on the draft vision statement and the intention to develop further 'expressions' for different audiences be noted.
- (iii) That the comments and views for the initial priorities and proposals that could form the core building blocks of the local inclusive industrial strategy, including the priorities from the Clean Growth Strategy, 25

year Environment Plan and the Leeds City Region's Green and Blue infrastructure Strategy and Energy Strategy be noted.

- (iv) That the suggested approach to the development of the inclusive Industrial Strategy so that it harnesses the views and influence of partners in co-producing a compelling bold city region proposition, including how the Panel would like to be involved in its development be noted.
- (v) A GEP working group to be established to support the ongoing development of the 'new' Leeds City Region strategic framework and to help ensure clean growth and the wider environment ambitions of the GEP are fully integrated into this work.

7. Leeds City Region Energy Strategy and Delivery Plan

The Panel was provided with an update and slide presentation on the delivery of the Energy Strategy and Delivery Plan (ESDP) and asked to comment in response to the update.

The Strategic Economic Plan (SEP) under Pillar 3 (Energy and Environmental Resilience) sets out the ambition of becoming a 'resilient' zero carbon energy economy by 2036.

To understand how West Yorkshire Combined Authority and the Leeds City Region could achieve the ambition, an Energy Strategy and Delivery Plan (ESDP) has been commissioned with support from the Department of Business, Energy and Industrial Strategy (DBEIS). The ESDP is a named delivery plan of the Strategic Economic Plan (SEP). The ESDP has been split into four work packages:-

- Energy State of the Leeds City Region – Work Package 1
- Technology Options Appraisal – Work Package 2
- Energy Opportunity Areas – Work Package 3
- Delivery Plan – Work Package 4

The ESDP, in accordance with the requirements of the funding provided by DBEIS, is to be completed by the end of March 2018. Final sign-off by the Combined Authority is currently planned for end-June 2018.

The slide presentation updated the Panel on the final outputs of Work Packages One and Two. The presentation also highlighted current progress and outputs related to Work Packages Three and Four.

The proposal is that the ESDP will adhere to the following socialisation and approval process:

- Green Economy Panel 17 April 2018
- LCR Directors of Development 4 May 2018
- West Yorkshire and York Chief Executives 24 May 2018
- West Yorkshire Leaders 31 May 2018

- LEP Board 13 June 2018
- Combined Authority 28 June 2018

Resolved: That the comments on the emerging outputs of the Energy Strategy and Delivery Plan be noted.

8. Energy Accelerator Update

The Panel was presented with a report to update on the Green Accelerator (EA) including

- The Contract for Funding of the Project Development Services between the EIB (European Investment Bank) and West Yorkshire Combined Authority (the Combined Authority)
- Key corporate risks for the Combined Authority and Project Sponsors if the Combined Authority choose to sign the contract.

The Energy Accelerator is a key initiative under Priority 3 of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a programme providing a new project development support service that will remove the barriers relating to lack of project development funding and expertise that are currently preventing investment in low carbon capital projects in the City Region. The Energy Accelerator will provide a service to the public, private, academic and community sectors to develop projects around three key themes:

- Commercial and Domestic Retrofit including integration of renewable energy into the built environment.
- District Heat Networks.
- Street Lighting

The EIB requires the Combined Authority, as the final beneficiary, to sign the Contract of Funding. In order to do this, the Green Economy Panel, LEP and Combined Authority need to be aware of the significant risks, mitigations and residual risk.

Subject to consideration, the Panel was asked to make recommendations to the LEP Board about the Combined Authority signing the EIB contract.

Resolved:

- (i) That a refresh of the pipeline was welcomed and the results of the refreshed pipeline to be shared with the Chair of the Panel.
- (ii) That subject to a healthy pipeline of projects existing, the Panel agreed to make recommendations to the LEP Board about the Combined Authority signing the EIB contract.

9. Major Projects Update

The Panel was presented with an update on the progress against the Green Economy Panel's major projects and programmes including:-

- Energy Accelerator – a new innovative project development programme that will offer specialist expertise to local low carbon energy projects.
- Better Homes Yorkshire – a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes.
- Resource Efficiency Fund – offers free expert advice and business support to small and medium sized enterprises to help them to implement energy and water efficiency and waste reduction measures.
- District Heat Network (DHN) Programme – the programme continues to support twelve active schemes in the Leeds City Region.
- Green and Blue Infrastructure (GBI) Strategy and Delivery Plan – 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.
- Zero Carbon Energy Strategy and Delivery Plan – sets out the ambition of becoming a resilient, zero carbon energy economy by 2036.
- H21- the Northern Gas Network innovative programme aims to convert the gas grid from natural gas (methane) to hydrogen, starting with the Leeds city region and then for conversion to take place incrementally across the country.
- BEIS Local Capacity Support – the Department for Business, Energy and Industrial Strategy (BEIS), as part of the BEIS Local Energy programme, is funding 5 new energy hubs

The Panel was asked to note progress against the Green Economy Panel's major projects and programmes.

Resolved: That progress against the Green Economy Panel's major projects and programmes be noted.

10. Business Planning and Budget 2018/19

The Panel was presented with a report to advise on the progress of the Combined Authority's business planning and budget setting for 2018/19

The Combined Authority brought together the organisations and teams responsible for public transport, economic growth, research and intelligence and inward investment for the Leeds City Region and who are united around a shared agreed focus on good economic growth for the region. Following the appointment of the Managing Director in February 2016 the One Organisation programme was established and has made significant progress in delivery a number of work streams covering new delivery processes, changes to organisational culture and structure, governance, policy, strategy and services. New directorates were created and directors and heads of service appointed

to take forward new ways of working and improved processes and systems to ensure that resources are all best aligned towards good inclusive growth.

Resolved: That the approach to the corporate plan and all budgetary information for 2018/19 be noted.

11. Future Development of SME Resource Efficiency Support

In private session the Panel was provided with options for the future development of SME Resource Efficiency Support.

12. Date of Next Meeting

Tuesday 17 April 2018, 16:00 PM, Committee Room A, Wellington House, Leeds.

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Report to: Green Economy Panel

Date: 17 April 2018

Subject: Major Projects Update

Director(s): Liz Hunter, Interim Director of Policy and Strategy

Author(s): Jacqui Warren

1 Purpose of this report

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

2 Information

Energy Accelerator

- 2.1 This is a new innovative project development programme that will offer specialist expertise to local low carbon energy projects. The West Yorkshire Combined Authority (the Combined Authority) has recently been awarded 3.5 million euros from the European Investment Bank's (EIB) ELENA technical assistance programme (a fund that provides technical assistance for energy efficiency and renewable energy projects) to establish the Energy Accelerator. Item 6 will provide a full update on this programme.

Better Homes Yorkshire

- 2.2 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. Data measuring performance against key performance indicators for 2017/18 is being collated and verified. This will be reported to a future meeting of the Panel.
- 2.3 The Leeds City Region Tackling Fuel Poverty project, delivered through the Better Homes programme, is now in delivery. The schemes are delivering measures in areas at high risk of fuel poverty in every district. Barnsley and Bradford schemes are both complete, and schemes in Leeds, Wakefield and Calderdale are progressing well. Take up of the offer in the four North Yorkshire authorities has picked up in response to a sustained marketing

campaign by those authorities, however further actions are to be implemented to ensure the scheme is delivered.

- 2.4 Improvement works have now commenced through the Leeds City Region Warm Homes project, which launched at the end of December 2017. This is a £2.9 million scheme delivering efficient central heating systems, and often a gas connection to fuel poor households who do not use mains gas as their primary heating fuel. The project was set up in response to a National Grid funding opportunity. Wakefield, Leeds and Barnsley have now submitted bids for development of partnerships with health partners, softer measures (for example advice) and emergency heating, which lend themselves to a local level approach.
- 2.5 As part of the work on our Energy Strategy and Delivery Plan, the evidence in relation to the scale of the fuel poverty problem in the Leeds City Region will be developed further. This will allow future policy and possible interventions to address the issue to be considered.

Resource Efficiency Fund

- 2.6 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 Leeds City Region Growth Deal and the European Regional Development Fund (ERDF) 2014-2020 programme.
- 2.7 As of 28 February 2018 the REF had engaged with 320 clients. Of these, 172 businesses have had technical assessments by external consultants commissioned and 50 have undergone an in-house review by the Resource Efficiency Managers (REMs). The combined figure of 222 is well ahead of expectations.

Table 1: Progress of business contacts as at 28 February 2018		
	Actual	Target to March '18
Total Business Contacts	320	
Businesses Visited	311	
Assessments Commissioned	172	
Type I/II ¹ Assessments Completed	159	
Type III ² Reviews Completed	50	
Businesses Completed	117	

¹ A Type I assessment is a one day review of energy, water and waste by an external specialist consultant. A Type II assessment is a more in depth two day review.

² A Type III review is one undertaken by the Combined Authority Resource Efficiency Manager, usually based on an existing audit or improvement plan.

12 Hour Assists ³	90	76
Grants Approved & Pending	83	
Grants Completed	35	58
Grants Rejected	2	

- 2.8 The programme continues to progress. The 12 hour assist output is well ahead of target while the grant output (expected to be 44 by the end of March) is currently behind target. Grant spend is also behind target but rapidly improving having gone from 32% to 58% in the previous two quarters. Based on the approved grants pipeline, it is expected that grant outputs will catch up and spend will be on approximately 85-90% of target by the end of March 2018, and well ahead of target by June 2018. The overall businesses supported output is currently 99, which is below target to the end of March 2018 (134). This is because there are a higher number of businesses which are receiving both 12 hours assistance and a grant than expected.
- 2.9 A project budget review is currently being undertaken which will result in a project change request being submitted to the managing authority for ERDF (the Department for Communities & Local Government). The objective of this will be to roll-over current underspend and re-profile expenditure moving forward. The managing authority Contract Manager has indicated that the project may be able to request additional ERDF grant funding through this process if it can demonstrate sufficient demand from SMEs.

District Heat Network (DHN) Programme

- 2.10 The DHN Programme continues to support 11 active schemes in the Leeds City Region. These innovative schemes 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.
- 2.11 Since the last meeting Calderdale Council have been successful in their Heat Network Delivery Unit (HNDU) grant application for funding to develop the outline business case for the Halifax project. WSP have been appointed as the main contractor to deliver the work and a kick-off meeting was held in early March. Both Barnsley and Kirklees Councils are still waiting to see if their HNDU applications have been successful.
- 2.12 In addition work had now commenced on the Leeds PIPES (formerly Leeds District Heat Network led by Leeds City Council). This involves the construction of a 4.5km District Heating Network plus an energy centre and a heat transfer station, to connect the Recycling and Energy Recovery Facility operated by Veolia at Cross Green, to key customers across the city. The network will be wholly owned and operated by Leeds City Council or its

³ 12 hour assists represent 12 hours of business support provided to a client, which could include an assessment and a variety of additional support from the Combined Authority Resource Efficiency Manager.

subsidiaries. The total cost of the Spine project is £21.276 million, which includes a contribution from the Combined Authority of £4 million Growth Deal. Leeds City Council has appointed Vital Energi to deliver both the Design and Build and Operations and Maintenance elements of the project. The Housing project is a £15 million investment and will deliver the infrastructure to homes which will be connected to the network. The beneficiaries of this first phase of development will be West Yorkshire Playhouse, Leeds College of Music and the residents of 1,983 flats in 34 multi-storey blocks owned by the council in the Saxton Gardens, Lincoln Green and Ebor Gardens areas of the city. Modelling suggests that tenants will see fuel bills reduce by around £257 per annum, with a significant impact on reducing fuel poverty and carbon emissions.

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

- 2.13 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.
- 2.14 Item 7 will provide a full update on the Strategy and Delivery Plan for comment.

Zero Carbon Energy Strategy and Delivery Plan

- 2.15 The Strategic Economic Plan (SEP) under Pillar 3 (Energy and Environmental Resilience) sets out the ambition of becoming 'a resilient, zero carbon energy economy by 2036'. To understand how the Combined Authority and the Leeds City Region could achieve the ambition an Energy Strategy and Delivery Plan (ESDP) has been commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The ESDP is a named delivery plan of the SEP. The ESDP has been split into four discrete work packages:-

Work Package 1: Energy State of the Leeds City Region

Work Package 2: Technology Options Appraisal

Work Package 3: Energy Opportunities

Work Package 4: Delivery Plan including scenario modelling

- 2.16 Item 8 will present a full update on the project.

H21

- 2.17 This Northern Gas Network innovative programme aims to convert the gas grid from natural gas (methane) to hydrogen, starting with the Leeds city region and then for conversion to take place incrementally across the country.

- 2.18 Since securing £10 million from OFGEM's Gas NIC fund⁴, the Northern Gas Network (NGN) have begun field trials to test the safety case for 100% hydrogen in the gas network.
- 2.19 A new meeting is planned to provide a more detailed update on the H21 project to senior decision makers within Leeds City Council, the West Yorkshire Combined Authority and the Tees Valley Combined Authority. The meeting will also explore priority issues that Leeds and the Combined Authorities could lend their support to. This may include:
- Making the case for other elements of the hydrogen conversion programme to be based within the regions.
 - Leading the development of the associated conversion skills agenda.
 - Research centre.
 - Demonstration centre
- 2.20 NGN have also secured additional funding to identify a field trial site in the City Region and to plan the next phase of safety testing which will be in 'real world' conditions. Additional funding will be required to carry out the field trial testing.

BEIS Local Capacity Support

- 2.21 The Department for Business, Energy and Industrial Strategy (BEIS), as part of the BEIS Local Energy programme, is funding 5 new energy hubs. The hubs will:
- Identify and prioritise local energy projects.
 - Undertake the initial stages of development for priority projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured.
 - Take a collaborative and coordinated approach across multiple LEP areas.
- 2.22 A North East, Yorkshire and Humber Hub is being established covering the following LEP areas:
- Humber
 - Leeds City Region / West Yorkshire Combined Authority
 - North East
 - Sheffield
 - Tees Valley
 - York, North Yorkshire and East Riding
- 2.23 It is envisaged that the Hub will be established after May 2018. A full paper outlining the Hub and how it will work will be presented to the Panel at its May meeting.

⁴ The Gas NIC is an annual opportunity for Gas network companies to compete for funding for the development and demonstration of new technologies, operating and commercial arrangements

3 Financial Implications

3.1 There are no implications associated to this paper.

4 Legal Implications

4.1 There are no implications associated to this paper.

5 Staffing Implications

5.1 There are no implications associated to this paper.

6 External Consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That the Panel notes progress against the Green Economy Panel's major projects and programmes.

8 Background Documents

Item 9 – Green Economy Panel 20 February 2018.

9 Appendices

None.

Report to: Green Economy Panel

Date: 17 April 2018

Subject: **Energy Accelerator Update**

Director(s): Liz Hunter, Interim Director of Policy and Strategy

Author(s): Jacqui Warren

1 Purpose of this report

- 1.1 To update the Green Economy Panel on the Energy Accelerator (Accelerator) programme.

2 Information

- 2.1 The Accelerator is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. It will provide a project development support service to remove current barriers relating to a lack of project development funding and expertise. This current lack of support is preventing investment in low carbon capital projects across the Leeds City Region (City region). It will provide a service to the public, private, academic and community sectors to develop projects around three key themes:

- Commercial and domestic retrofit including integration of renewable energy into the built environment.
- District heat networks.
- Street lighting.

- 2.2 The Panel received an update on the Accelerator at their previous meeting on 20 February 2018. Subject to a positive refresh of the indicative pipeline of projects that will be supported by the Accelerator, it was agreed that the Panel recommend to the Local Enterprise Partnership (LEP) Board that the West Yorkshire Combined Authority (Combined Authority) consider and sign the European Investment Bank (EIB) ELENA contract for funding.

- 2.3 This will allow the Combined Authority to access EUR 3.513 million of EIB ELENA funding (a fund for technical assistance focused on the

implementation of energy efficiency, distributed renewable energy projects and programmes).

- 2.4 A refresh of the Accelerator’s indicative pipeline of projects was undertaken in March 2018. A summary of the refreshed pipeline is below:

	2017 pipeline	2018 refreshed pipeline
No. of projects	21	11
Capex	£65,871,154	£66,379,282
Overall Leverage Factor (1:20 is the overall target)	1:33	1:34

- 2.5. 11 projects remain in the refreshed pipeline. Some new projects have come forward. Some projects have developed without the Accelerator’s support and therefore removed from the pipeline. A few have also been removed as the project sponsors no longer wanted to develop the project. Over the entirety of the 3 year programme, it is estimated that these projects will achieve an estimated 1:34 leverage factor¹, which is above the 1:20 EIB target. The improved capital leverage comes via the inclusion of two new district heating projects.
- 2.6 As articulated in the previous Panel report (20 February 2018) there is a risk that the EIB could reduce their second payment of funding at the 18 month period, if less than 70 percent of the first payment has been spent. Based on the refreshed pipeline, as it currently stands, the anticipated spend at 18 months point is estimated to be over €1.6 million. This is well in excess of €980,000 (70 percent) spend target.
- 2.7 It will be the Accelerator’s new delivery team’s role to develop this indicative pipeline further and to devise and secure more projects. This is part of the innovative nature of the Accelerator. The current pipeline is meant to help deliver the programme, but is in no way a finalised, definitive list. The new team, when in place (subject to Combined Authority approval on 5 April 2018), will use their expertise to develop these projects and a wider pipeline of projects (keeping within the overall funding envelop for the programme as a whole). The procured advisors will be contracted to deliver projects within the 3 year period and to achieve as a minimum the 1:20 leverage requirement.
- 2.8 Based on the positive outcome of the refreshed pipeline, the GEP recommended to the LEP Board that they consider recommending to the Combined Authority that they sign the EIB contract. The LEP Board met on 27

¹ The EIB contract requires an investment programme to deliver investment (either actual investment in a project or a published procurement for a forthcoming investment) that is at least 20 times the bank’s contribution. This 1:20 leverage requirement translates into the Accelerator delivering EUR 70.276m (£59.93m) of capital investment over three years.

March 2018 and endorsed the recommendation to sign the EIB contract. Subsequently the Combined Authority Board met on 5 April 2018 and approved the signing of the EIB contract in light of the recommendations from the GEP and LEP Board. A full verbal update will be provided to the Panel at this meeting.

- 2.9 Post Combined Authority approval there are a range of actions that will need to be taken in order to establish the Accelerator by September 2018. The table below summarises the major activity and indicative milestones / timescales.

Activity	Timescales
1. Recruitment of 2 Combined Authority staff (1 – Programme Manager and Programme Assistant)	April – June 2018
2. Procure external Advisors	April – June 2018
3. Commence engagement with Project Sponsors and refresh the pipeline of projects for support	February 2018 – onwards
4. Final approvals through the Combined Authority’s assurance process to establish the EA	End of June 2018
5. Sign EIB Contract	End of April 2018
6. EIB and Combined Authority contract comes into force	August 2018
7. Launch	September 2018

- 2.10 There will also need to be a review of the current Advisory Group (made up of 3 Panel members) that has been supporting the development of the Accelerator. As the Accelerator enters into the implementation phases, new members with different skills sets may be needed. A further update on this will be provided to the Panel.

3 Financial Implications

- 3.1 There are no new implications associated to this paper.

4 Legal Implications

- 4.1 There are no new implications associated to this paper.

5 Staffing Implications

- 5.1 There are no new implications associated to this paper.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

7.1 The Panel are asked to note progress.

8 Background Documents

Green Economy Panel – 20 February 2018 - Item 8 Energy Accelerator

9 Appendices

Report to: Green Economy Panel

Date: 17 April 2018

Subject: **Green and Blue Infrastructure**

Director(s): Liz Hunter, Interim Director Policy and Strategy

Author(s): Noel Collings

1. Purpose of this report

- 1.1. The purpose of the report is to update the Panel on progress to develop a Green and Blue Infrastructure Strategy and Delivery Plan for the Leeds City Region.

2. Information

Background

- 2.1. The Leeds City Region Enterprise Partnership (LEP) Board provided a mandate in January 2016 to refresh the City Region approach to the delivery of green and blue infrastructure. The previous approach was adopted in 2010.
- 2.2. The Green and Blue Infrastructure Strategy and Delivery Plan (GBI Strategy and Delivery Plan) was requested in light of the 2015 Boxing Day floods that struck the City Region. The LEP Board, in providing the mandate for the refresh, acknowledged that while the primary focus was the mitigation and adaptation of future flood events, implementation of green and blue infrastructure measures can deliver multiple benefits across a wide range of areas.
- 2.3. The significance of the GBI Strategy and Delivery Plan to the City Region is reflected in it being a named delivery plan of the Leeds City Region Strategic Economic Plan (SEP). In addition to alignment with the existing SEP the GBI Strategy and Delivery Plan must contribute towards addressing the key challenges¹ identified for delivery by the emerging Local Inclusive Industrial Strategy and policy framework.

¹ The key challenges were identified as holding back the economy and constraining growth by the Leeds City Region Enterprise Partnership Board. The key challenges are: the productivity gap is

2.4. The environment and energy are identified in the emerging Leeds City Region Strategic Framework as a key policy area that will contribute to delivering against the key challenges identified. The table below sets out how the GBI Strategy and Delivery Plan will contribute to achieving the key challenges.

Key challenges for the City Region	How can the Green and Blue Infrastructure Strategy and Delivery Plan help to tackle these?
Productivity gap is increasing	<p>By supporting the key drivers of productivity including skills, innovation, investment and enterprise by creating new business and upskilling opportunities.</p> <p>By enhancing the City Region’s attractiveness and profile by raising the quality of developments and town / city centres, and improving an accessible green and blue infrastructure network.</p> <p>By providing the environment that enables businesses to attract talent and investment.</p>
Innovation and research and development are very low	By connecting green and blue infrastructure expertise in universities and other institutions to business growth and the development of key projects e.g. energy, planning, engineering, construction.
Living standards have stalled	<p>By boosting quality of place, leisure and amenity aspects of quality of life and living standards.</p> <p>By encouraging high quality development, reducing flood risk on businesses, and supporting business and jobs growth.</p>
Stubborn deprivation exists	<p>By prioritising access to, and improvement of, green and blue infrastructure in areas of deprivation and poor health.</p> <p>By creating opportunities for work experience, employment and apprenticeships.</p> <p>By improving air quality, mental health and physical activity.</p>

increasing; innovation and research and development are very low; living standards have stalled; stubborn deprivation persists.

- 2.5. Green and blue infrastructure continues to be of importance to the City Region and this is reflected in the emerging thinking around the Local Inclusive Industrial Strategy being developed by the Combined Authority.
- 2.6. The Strategy was approved by this Panel in February 2017 and the LEP Board in March 2017. The Delivery Plan is scheduled to be approved (subject to a recommendation for approval by this Panel) during 2018 at meetings of the LEP and Combined Authority Boards.

Strategy

- 2.7. The Strategy established a vision, five interconnected aims and seven priorities. These can be seen in Figure 1.

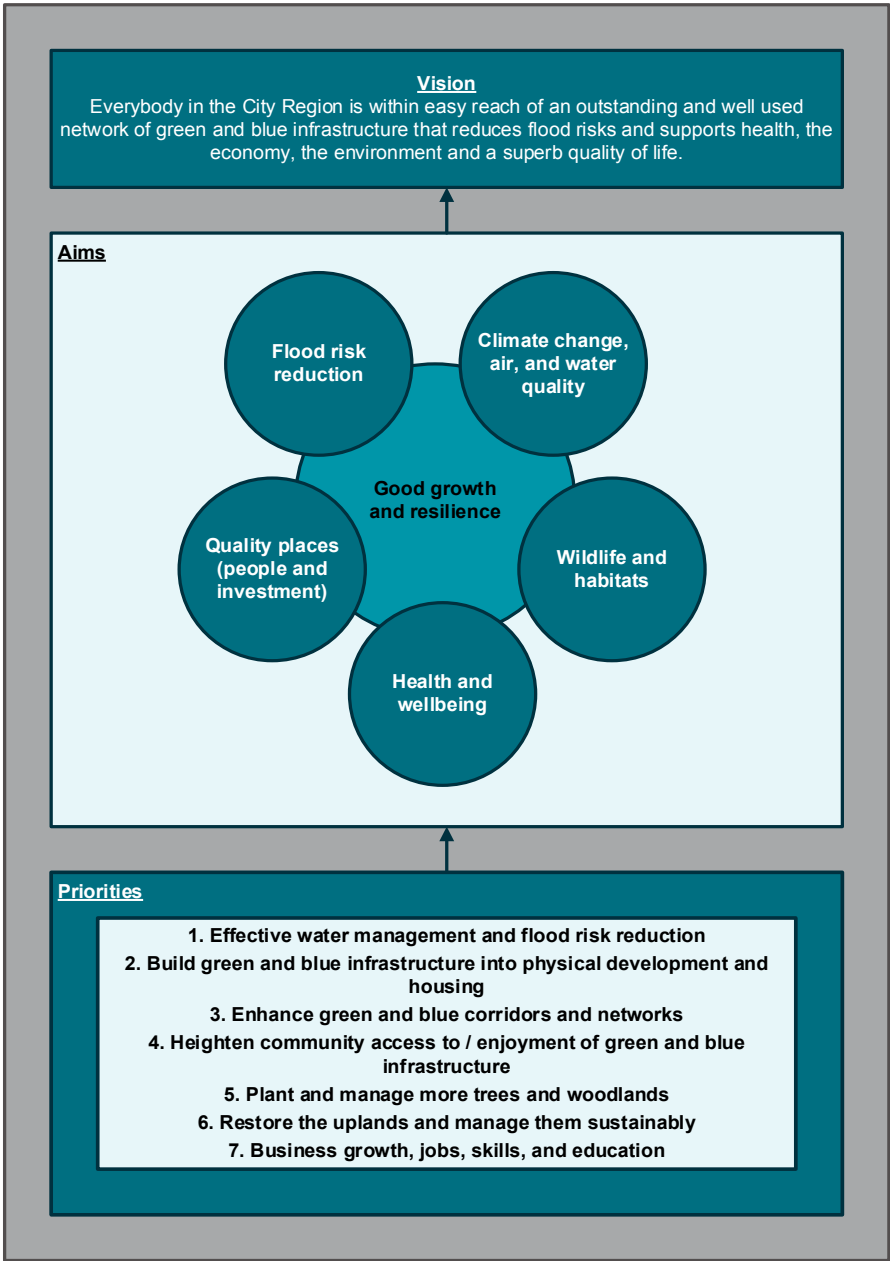


Figure 1. GBI Strategy vision, aims and priorities

- 2.8. The vision, interconnected aims, and priorities were developed in consultation with over 50 organisations from across the City Region with an interest or influence over the delivery of green and blue infrastructure measures.
- 2.9. From the priorities more detail is provided through 27 different action areas. These reflect specific areas where action will be focused and where specific actions will be developed within the Delivery Plan.
- 2.10. It is unrealistic to think that the Combined Authority will be able to deliver the entirety of the GBI Strategy and Delivery Plan. As such the successful delivery of the vision, aims and priorities will only be achieved with the buy-in and engagement from stakeholders from within and without the sector. This factor was acknowledged in the Strategy and as such the development of the Delivery Plan has been led by a convening partner for each priority.

Delivery Plan

- 2.11. The role of the convening partner for each of the Strategy's seven priorities was, to bring together the relevant partners, collate current and planned actions, and identify future interventions. This approach was designed to build and widen ownership and to break the task into manageable (but still connected) components. It has been successful in doing this for the majority of priorities and a wide range of stakeholders have been involved in the process. In areas where this approach has been less successful or slower than anticipated, we have used other approaches such as direct information requests to partners to gain information. More detail will continue to be added to the Delivery Plan over time in keeping with its role as a 'living document' that evolves as circumstances change and new interventions emerge.
- 2.12. The Delivery Plan is interconnected with the GBI Strategy and hence does not seek to repeat the information within the latter. It summarises overall headline actions and challenges (see 2.14 and 2.15 below) and will set out specific actions that will take forward the Strategy's seven priorities.
- 2.13. The interventions in the Delivery Plan will be split between those which are tangible projects, and those which are policies or processes that will deliver change. The Delivery Plan seeks to secure all the required information for all interventions, and to write this up succinctly. Where information gaps remain these will be closed as the Delivery Plan is updated and new information emerges. A summary of key interlinkages with other priorities and actions will be included at the end of each Priority.
- 2.14. While the content of the Delivery Plan is likely to be extensive some of the emerging interventions that have been identified and are committed for delivery include:
 - **Natural flood management:** Leeds Flood Alleviation Scheme Phase 2 will invest £10 million in natural flood management (NFM). A further 12 multi-benefit NFM schemes will invest over £9 million across the City Region.

- **Flagship development schemes:** Where green and blue infrastructure is a key feature. South Bank, Leeds which includes a new City Park, and the A62 smart corridor in Kirklees are two notable examples.
- **CityConnect:** £60 million towpath upgrade works to create multi-functional green corridors and cycle routes, including on the Leeds-Liverpool Canal, Huddersfield Narrow Canal, Rochdale Canal and Calder and Hebble Canal. Connected to the development of Local Cycling and Walking Infrastructure Plans.
- **Green and blue infrastructure to promote health:** A spread of actions including park trim trials, a new canal canoe trail, innovative 'story walks' and a phone app to promote park use in Wakefield, and over 20 volunteer led Park Runs which get over 5,000 people in the City Region running every week.
- **New woodland areas:** As part of the Northern Forest, such as in Wessenden Valley, Gorphey, Hardcastle Crag, Bradford, Dewsbury and the Yorkshire Dales. These will reduce flood risk, create attractive environments for people and habitats for wildlife.
- **Flood risk reduction:** £4 million naturalised flood storage reservoir at Killingbeck Meadows which will provide habitat creation and new planting to improve biodiversity and amenity value of the area within a strategic green corridor for Leeds. Scheme is supplemented by other catchment wide measures to reduce flood risk.
- **Upland peat restoration:** Over £20 million investment that will benefit water quality, flood risk, carbon reduction and biodiversity.
- **Large-scale sustainable drainage systems:** Including at flagship developments such as Olympia Park, Selby and City Fields, Wakefield.

2.15. Through consultation with stakeholders as part of the development of the Delivery Plan a number of areas where new or further interventions could be investigated has been identified to deliver the ambitions set out in the GBI Strategy. These are:

- **Investigate mapping and communicating the City Region green and blue infrastructure network:** This could look to build on local networks and key assets and proposals identified through the Delivery Plan.
- **Post-Brexit agricultural and environmental policy / support:** Investigating processes to influence proposals being developed by the Department for Environment, Food and Rural Affairs (DEFRA), and how this could potentially link to devolution proposals.
- **Consider stakeholder appetite to review planning policies on green and blue infrastructure and sustainable drainage systems:**

This could seek to raise their ambition and consistency through partnership approaches.

- **Identify further flagship new development schemes:** This could include investigating how high-quality and prominent green and blue infrastructure could be integrated into town and city centres, other Spatial Priority Areas and Inclusive Growth Corridors.
- **Consider the appetite to establishing a green and blue infrastructure and health programme:** Investigate with partners how further local action could be delivered that links green and blue infrastructure with health.
- **Investigate how green and blue infrastructure can be taken forward in transport schemes:** This could include how 'Green Streets' type design principles could be incorporated into future highway schemes and looking to engage with rail partners to identify green and blue infrastructure opportunities.
- **Explore a plan for future peatland restoration after 2020:** Including the potential for securing resources for this once major EU funding ceases.
- **Explore how the full economic benefits from green and blue infrastructure can be realised:** This could include alignment with the Local Inclusive Industrial Strategy, and exploiting opportunities for business growth, employment, skills and inclusion benefits across the Delivery Plan.

2.16. The GBI Strategy sets out a range of long-term targets, aspirations and indicators – quantitatively where possible (although this is not always possible). These were approved by the Leeds City Region Enterprise Partnership Board in March 2017. Long-term (2036) targets against which performance will be tracked include:

- Everybody in easy reach (one kilometre) of an outstanding and diverse green and blue infrastructure network.
- 1,000 miles of green and blue infrastructure rich corridors, including canals, rail, road, and cycle routes.
- Become a UK trailblazer in catchment planning and natural flood management (evidenced by increasing investment as a proportion of flood management expenditure, measuring and demonstrating impacts on flow rates, and increasing integration with other flood prevention measures).
- Create a 'White Rose Forest' and increase tree cover by more than a third (anticipated to equate to 3 million trees planted and tree canopy cover increasing to over 10 percent).

- Make quality green and blue infrastructure a defining feature of the way we do development (with exemplar green and blue infrastructure schemes in place in the largest town and city centres in each local authority area).
- Increase the proportion of Yorkshire blanket bog peatlands in good (favourable and recovering) condition to 50 percent or more.
- Growth in green and blue infrastructure based businesses, jobs and apprenticeships that outstrips the average City Region growth rates for other sectors.

2.17. A method is to be investigated as to how progress will be judged and monitored.

2.18. The green and blue infrastructure agenda is supported by many organisations in principle, but in practice, delivery of it can often fall between organisations or the teams and departments within them. Hence it will be vital to have the right leadership and co-ordinating resources to drive forward the Strategy and Delivery Plan long-term, including to ensure it is implemented, updated, monitored, and to identify and exploit opportunities for funding, collaboration and influence. In this respect, the following interventions could be developed:

- A leader or chief executive within the City Region is invited to champion the GBI Strategy and Delivery Plan and agenda.
- Individual local authorities are invited to specify named individuals as internal and local coordinating points for the green and blue infrastructure agenda.
- A designated resource specifically allocated to coordinate and drive forward this agenda across the City Region, including monitoring and updating the GBI Strategy and Delivery Plan.

2.19. In reviewing this report the Panel are asked to comment on the contents of 2.15 and 2.18.

Next steps

2.20. Noel Collings from the Economic Policy and Strategy Team will present the emerging findings of the Delivery Plan will take questions from the Panel.

2.21. A draft version of the Delivery Plan will undergo consultation both internally and externally, including Chief Executives, Leaders and Directors of Development. It is anticipated that the Strategy and Delivery Plan will be adopted by the Combined Authority later in 2018.

3. Financial Implications

3.1. There are no financial implications directly arising from this report.

4. Legal Implications

4.1. There are no legal implications directly arising from this report.

5. Staffing Implications

5.1. There are no staffing implications directly arising from this report.

6. External Consultees

6.1. Over 50 organisations have been consulted and engaged in the development of the Strategy and Delivery Plan. These include large utilities e.g. Yorkshire Water, local authorities, NGOs, community groups and government agencies.

7. Recommendations

7.1. The Panel are recommended to note the contents of the report and provide comments on the emerging findings, especially in relation to the information outlined in 2.15 and 2.18.

8. Background Documents

8.1. None.

9. Appendices

9.1. None.

Report to: Green Economy Panel

Date: 17 April 2018

Subject: **Energy Strategy and Delivery Plan**

Director(s): Liz Hunter, Interim Director Policy and Strategy

Author(s): Noel Collings

1. Purpose of this report

- 1.1. To present an update on progress to develop the Energy Strategy and Delivery Plan for the Leeds City Region and the emerging findings of Work Package 4 for comment.

2. Information

Background

- 2.1. The Leeds City Region Strategic Economic Plan (SEP) sets out the ambition of becoming a 'resilient, zero carbon energy economy'.
- 2.2. To understand how the Leeds City Region could achieve the SEP energy ambition, the Energy Strategy and Delivery Plan was commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The Energy Strategy and Delivery Plan is a named delivery plan of the SEP.
- 2.3. In addition to alignment with the existing SEP the Energy Strategy and Delivery Plan must contribute towards addressing the key challenges¹ identified for delivery by the emerging Local Inclusive Industrial Strategy and policy framework.
- 2.4. The environment and energy are identified in the emerging Leeds City Region Strategic Framework as a key policy area that will contribute to delivering

¹ The key challenges were identified as holding back the economy and constraining growth by the Leeds City Region Enterprise Partnership Board. The key challenges are: the productivity gap is increasing; innovation and research and development are very low; living standards have stalled; stubborn deprivation persists.

against the key challenges identified. The table below sets out how the Energy Strategy and Delivery Plan will contribute to achieving the key challenges.

Key challenges for the City Region	How can the Energy Strategy and Delivery Plan help to tackle these?
Productivity gap is increasing	<p>By providing opportunities for businesses to reduce costs, remain competitive and relocate to the City Region through the provision of lower cost energy.</p> <p>By providing opportunities for businesses to be better able to profit from the decentralisation of energy generation.</p>
Innovation and research and development are very low	<p>By providing and making businesses aware of the opportunities for innovation within the energy sector.</p> <p>By ensuring businesses have the opportunity to and are aware of developments in the energy sector that allow innovation and research and development to occur.</p>
Living standards have stalled	<p>By providing job opportunities for City Region residents in the energy sector.</p> <p>By ensuring all City Region residents have the opportunity to benefit from cleaner, cheaper energy.</p>
Stubborn deprivation exists	<p>By decreasing the number of City Region residents classed as in fuel poverty through lower energy bills and improved thermal comfort.</p> <p>By contributing to a reduction in respiratory related illnesses through the improvement of air quality.</p>

2.5. The Energy Strategy and Delivery Plan is split into four discrete work packages:

- Work Package 1: Energy state of the Leeds City Region
- Work Package 2: Technology options appraisal
- Work Package 3: Energy opportunity areas
- Work Package 4: Delivery plan

Consultation

- 2.6. The work to date has been shaped through consultation with a number of partners from across, and with an interest in, the energy sector. These include two of the big six energy companies, University of Leeds, Yorkshire Water and the Combined Authorities local authority partners.

Work Package 1

- 2.7. The purpose of Work Package 1 is to provide an understanding of the current and future energy demands, energy generation, and the jobs and skills associated with the sector.
- 2.8. Work to complete Work Package 1 is nearly complete and will be presented to a future meeting of the Panel.

Work Package 2

- 2.9. The purpose of Work Package 2 is to identify the technologies that are likely to make the most significant contribution to achieving the energy ambition set out in the SEP.
- 2.10. The energy technologies identified in Work Package 2 are: district heat networks; hydrogen for heat; renewable heat (heat pumps, waste heat, biomass, solar thermal); solar PV; onshore wind; offshore wind; biomass for electricity; hydropower; energy from waste; anaerobic digestion; gas CCGT; energy efficiency; energy storage; carbon capture, storage, and utilisation; demand side response; electric and plug-in hybrid vehicles; hydrogen for transport and efficiency of the transport network.
- 2.11. The final version of Work Package 2 was completed in December 2017.

Work Package 3

- 2.12. The purpose of Work Package 3 is to provide a high-level understanding of the geographical areas across the City Region which are most appropriate for the energy technologies identified in Work Package 2².
- 2.13. It is anticipated a draft version of Work Package 3 will be presented to a future meeting of the Panel.

Work Package 4

- 2.14. The purpose of Work Package 4 is to bring together the outputs of the three previous work packages and combine them to create an Energy Strategy and Delivery Plan for the City Region.
- 2.15. In addition to the outputs of the previous three work packages, Work Package 4 will:

²Please note offshore wind, demand side response and efficiency of the transport network are not part of the Work Package 3 analysis.

- Identify strategic energy priorities and action areas for the City Region.
 - Demonstrate energy pathways to achieving the City Region energy ambition.
 - Develop a Delivery Plan.
 - Identify organisational roles and delivery mechanisms for projects / actions / measures outlined in the Delivery Plan.
- 2.16. Noel Collings from the Economic Policy and Strategy Team will present the emerging findings of Work Package 4 and will take comments and questions from the Panel. A general update on progress will also be presented.
- 2.17. In addition to the above the Panel are also asked to review the draft, emerging strategic priorities and action areas (see Appendix 1) identified for the Energy Strategy and Delivery Plan and to provide comments.

Next steps

- 2.18. It is currently proposed that the final Energy Strategy and Delivery Plan will undergo consultation with Chief Executives, Leaders, Directors of Development, the LEP and Combined Authority Boards. It is anticipated that the Strategy and Delivery Plan will be adopted later in 2018.
- 2.19. On receiving comments from the above groups it is intended for the Energy Strategy and Delivery Plan to undergo a period of further consultation with a wider stakeholder group.

3. Financial Implications

- 3.1. There are no financial implications directly arising from this report.

4. Legal Implications

- 4.1. There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1. There are no staffing implications directly arising from this report.

6. External Consultees

- 6.1. No external consultations have been undertaken.

7. Recommendations

- 7.1. The Panel are recommended to provide comments on the emerging outputs of Work Package 4 and to note progress to develop an Energy Strategy and Delivery Plan for the City Region.

8. Background Documents

8.1. None.

9. Appendices

9.1. Appendix 1 – Energy Strategy and Delivery Plan strategic priorities and action areas (draft)

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Leeds City Region Energy Strategy & Delivery Plan

Draft Strategic Priorities

Strategy Headline

Ambition: To become a resilient zero carbon energy economy underpinned by high quality green infrastructure by 2036.

Carbon target: 2036 target which is aligned to the science.

Draft Clean Growth Priorities & Action Areas:-

Priority A: New Energy Generation

Action Areas:-

A1. Game changing, innovation technologies e.g. H21 Project.

A2. Distributed generation and low carbon energy projects e.g. solar, biomass, heat pumps, mine water heat recovery.

A3. Heat networks.

A4. Use Leeds City Region Energy Accelerator as a vehicle for project development.

A5. Energy innovation and supply chain development.

Priority B: Resource Efficient Business & Industry

Action Areas:-

B1. Advice and financial support to SMEs on resource efficiency

B2. Energy efficiency improvements across the large industrial sectors.

B3. Innovation and growth in energy intensive industries.

B4. Energy intensive sectors within the region.

Priority C: Energy Efficiency & Empowering Consumers

Action Areas:-

C1. Energy efficiency improvements to homes.

C2. Partnership and funding models to implement energy efficiency programmes.

C3. Municipal led energy supply.

C4. Better housing standards in new development.

Priority D: Smart Grid Systems Integration

Action Areas:-

D1. Transition to a smarter, more integrated energy economy.

D2. Deployment of smart grid technologies.

D3. Innovation through technology incubation. **Priority E: Efficient & Integrated Transport**

Action Areas:-

E1. More integrated transport system.

E2. Deployment of cleaner transport technologies.

E3. More efficient transport network and alternative transportation.