

## **GREEN ECONOMY PANEL**

**MEETING TO BE HELD AT 4.00 PM ON TUESDAY, 24 JULY 2018  
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON  
STREET, LEEDS**

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### **A G E N D A**

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. MINUTES OF THE MEETING OF THE GREEN ECONOMY  
PANEL HELD ON 17 APRIL 2018**  
(Pages 1 - 4)
- 4. GOVERNANCE ARRANGEMENTS**  
(Pages 5 - 8)  
  
**For discussion**
- 5. DEFRA CLEAN AIR STRATEGY CONSULTATION**  
(Pages 9 - 12)
- 6. CLEAN GROWTH KNOWLEDGE EXCHANGE**  
Presented by : Simon Pringle  
(Pages 13 - 28)
- 7. WARM HOME ROUND 2A**  
Presented by : James Brass  
(Pages 29 - 32)
- 8. GREEN ECONOMY PANEL MAJOR PROJECTS UPDATE**  
Presented by : Jacqui Warren  
(Pages 33 - 46)

**Signed:**



**Managing Director  
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE  
GREEN ECONOMY PANEL  
HELD ON TUESDAY, 17 APRIL 2018 AT COMMITTEE ROOM A -  
WELLINGTON HOUSE, LEEDS**

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**Present:**

Simon Pringle (Chair)	Project Rome
William Firth	Hargreaves Services PLC
Dr Alice Owen	University of Leeds
Councillor Andrew Waller	City of York Council
Jim Cardwell (Advisory Representative)	Northern Powergrid
David Gill (Advisory Representative)	Northern Gas Grid
Nevil Muncaster (Advisory Representative)	Yorkshire Water

**In attendance:**

Ben Still	West Yorkshire Combined Authority
Martin Farrington	West Yorkshire Local Nature Partnership
Wallace Sampson	Harrogate Borough Council
Jacqui Warren	West Yorkshire Combined Authority
Noel Collings	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

**1. Apologies for Absence**

Apologies for absence were received from Councillors Jenny Lynn, Andrew Cooper, Lucinda Yeadon and John Williams, Natasha Luther Jones, Rosa Foster, Mark Duncan.

**The meeting started inquorate. Councillor Andrew Waller was in attendance from Agenda item 5 and the meeting became quorate.**

**2. Declarations of Disclosable Pecuniary Interests**

There were no pecuniary interests declared by members at the meeting.

**3. Exempt Information - Possible Exclusion of the Press and Public**

There were no items on the agenda requiring the exclusion of the press and public.

#### 4. **Minutes of the meeting of the Green Economy Panel held on 20 February 2018**

**Resolved:** That the minutes of the Green Economy Panel held on 20 February 2018 be approved

#### 5. **Major Projects Update**

The Panel considered a report which provided an update on progress against the Green Economy Panel's major projects and programmes

- Energy Accelerator
- Better Homes Yorkshire
- Resource Efficiency Fund
- District Heat Network (DHN) Programme
- Green and Blue Infrastructure (GBI) Strategy and Delivery Plan
- Zero Carbon Energy Strategy and Delivery Plan
- H21
- BEIS Local Capacity Support

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

#### 6. **Energy Accelerator Update**

The Panel considered a report which provided an update on the Energy Accelerator (Accelerator) programme.

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. 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.

The Panel received an update on the Accelerator at the meeting on 20 February 2018. The refresh of the Pipeline estimated a positive indicative pipeline of projects was still in place and in need of the Accelerator. Based on this result, the Chair of the Panel was satisfied and the Panel recommend to the Local Enterprise Partnership (LEP) Board that the West Yorkshire Combined Authority (the Combined Authority) consider and sign the European Investment Bank (EIB) ELENA contract for funding. The LEP Board on 27 March 2018 approved the Combined Authority signing the Contract. The Combined Authority approved the signing of the Contract on 5 April 2018.

**Resolved:** That the progress on the Energy Accelerator programme be noted.

## **7. Green and Blue Infrastructure**

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.

The Green and Blue infrastructure 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.

The Panel considered a report and slide presentation which provided an update on progress to develop a Green and Blue infrastructure Strategy and Delivery Plan for the Leeds City Region and the Panel was asked to note the contents of the report and provide comments on the emerging findings,

**Resolved:**

- (i) That the contents of the report be noted.
- (ii) That the feedback and comments on the emerging findings, especially in relation to the information outlined in 2.15 and 2.18 of the report be noted.
- (iii) That the questions and thoughts of the Panel following the Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan slide presentation be noted.

## **8. Energy Strategy and Delivery Plan**

The Leeds City Region Strategic Economic Plan (SEP) sets out the ambition of becoming a 'resilient, zero carbon energy economy'. 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 of Business, Energy and Industrial Strategy (DBEIS). The Energy Strategy and Delivery Plan is the named delivery plan of the SEP.

The Panel considered a report and slide presentation which provided 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 and was asked 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 of the submitted report

The Panel was presented with the following questions and was asked for their comments and thoughts:

- Given the possible areas of new work, which areas should be prioritised?
- Are there any areas of possible new work which the Panel considered to be missing
- Did the Panel think the possible mechanisms for delivery are suitable and appropriate?
- Are there other possible mechanisms for delivery that the Panel think should be investigated?
- Of the possible delivery mechanisms (both identified and potential new ideas from the Panel) which should be prioritised?

**Resolved:**

- (i) That the contents of the report be noted.
- (ii) That the comments on the emerging outputs of Work Package 4 and progress to develop an Energy Strategy and Delivery Plan for the City Region be noted.
- (iii) That the questions and thoughts of the Panel following the Energy Strategy and Delivery Plan slide presentation be noted.

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**Report to:** Green Economy Panel

**Date:** 24 July 2018

**Subject:** **Governance arrangements**

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**Director(s):** Angela Taylor, Director of Resources

**Author(s):** Caroline Allen

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## 1. Purpose of this report

1.1 To note the governance arrangements for the Green Economy Panel.

## 2. Information

2.1 At its annual meeting on 28 June 2018, the Combined Authority resolved to appoint the Green Economy Panel as an advisory committee of the Combined Authority, which reports to the LEP Board, on the **terms of reference** attached as **Appendix 1** to this report. The terms of reference were revised from the last municipal year to include (as highlighted):

- A reference to supporting the ambition for inclusive growth.
- Clarification that the Panel may advise on bidding for funding.
- A footnote clarifying extent of the Panel's role in relation to any flood strategy or flood alleviation programme.

2.2 For this municipal year, a co-opted member from each West Yorkshire council has been appointed onto each advisory panel including the Green Economy Panel. The **quorum** for the Green Economy Panel remains 4 voting members, to include 1 member of the Combined Authority or other local authority member and 1 private sector representative.

2.3 The Combined Authority at its annual meeting also appointed Simon Pringle as Chair of the Green Economy Panel.

2.4 The Combined Authority also agreed dates for meetings of the Green Economy Panel, as follows:

- 24 July 2018
- 23 October 2018
- 29 January 2019
- 9 April 2019

### **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 Green Economy Panel is recommended to note the governance arrangements for the Panel approved by the Combined Authority at the annual meeting on 28 June 2018.

### **8. Background Documents**

None.

### **9. Appendices**

Appendix 1 – Terms of Reference for the Green Economy Panel



## Terms of Reference Green Economy Panel<sup>1</sup>

The Green Economy Panel is authorised to advise the Combined Authority and the Leeds City Region Enterprise Partnership in support of their ambition to secure inclusive growth in relation to:

- a) approving, reviewing or varying any policy or investment priorities, strategy or plan;
- b) identifying and promoting opportunities for obtaining devolved funding and bidding for other funding;
- c) developing and delivering new services;
- d) monitoring and reviewing the delivery of agreed outcomes and impact of any strategy, plan or service;
- e) aligning strategic priorities, strategies and plans,<sup>2</sup>

in respect of any function of the Combined Authority relating to **environmental sustainability**<sup>3</sup> and **achieving a zero carbon economy** in the Leeds City Region.

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<sup>1</sup> The Green Economy Panel is an advisory committee of the Combined Authority, appointed under S102(4) Local Government Act 1972.

<sup>2</sup> through liaison with other committees or sub-committees.

<sup>3</sup> Including green and blue infrastructure, and any flooding strategy or flood alleviation programme in so far as these relate to these functions.

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**Report to:** Green Economy Panel

**Date:** 24 July 2018

**Subject:** **DEFRA Clean Air Strategy Consultation**

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

**Author(s):** Alistair Ryder, Policy Officer

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## **Purpose of this report**

- 1.1 To provide an introduction to the Department for Environment, Food and Rural Affairs' Clean Air Strategy Consultation document published on 22 May 2018.
- 1.2 Officers to present an overview of the strategy and seek comments to incorporate into a Combined Authority response.
- 1.3 Recommend that endorsement of the final Combined Authority consultation is delegated to the Chair of the Green Economy Panel.

## **2 Information**

- 2.1 The Department for Environment, Food and Rural Affairs (DEFRA) published its draft Clean Air Strategy consultation document on 22 May 2018. The document has a wide remit to reduce harmful pollutants and emission from multiple sectors including transport, industry and energy. Deadline for consultation response is 14 August 2018.
- 2.2 The strategy sets out the Government's priorities for reducing public exposure to, and environmental damage caused by a range of pollutants including particulate matter, ammonia, nitrogen oxides and sulphur dioxide.
- 2.3 The document follows publication of the 'UK Plan for tackling roadside nitrogen dioxide concentrations' in July 2018 for tackling transport related nitrogen dioxide emissions, and the UK Clean Growth Strategy published in October 2018 that outlined proposals for delivering low carbon, energy efficient growth in support of the 'Industrial Strategy' white paper.
- 2.4 The online consultation comprises of 32 questions which seek comment on proposed actions and option to detail additional measures.

<https://consult.defra.gov.uk/environmental-quality/clean-air-strategy-consultation/>

2.5 The Strategy includes key actions for improving air quality from a range of sectors including the following;

- **Environmental Protection / Legislation;-**
  - Proposal to monitor impacts of air pollution on natural habitats to build stronger evidence case
  - New independent body to hold government to account after EU exit
  - Bringing forward clean air legislation
  
- **Energy / Industry;-**
  - Consultation on the exclusion of biomass plants from the 'Renewable Heat Incentive Scheme' if installed in urban areas already on gas grid
  - Making coal to biomass conversions ineligible for future allocation rounds of the 'contracts for difference' scheme
  - Legislation to ensure only the cleanest stoves are available from 2022
  - Consideration of tighter emission standards for 500kW – 1MW medium size combustion plants
  - Proposal to cut non-road mobile machinery emissions and give local authorities powers to control their use where air quality issues exist
  - Supporting UK industries to be leaders in clean technology
  
- **Transport;-**
  - Research to address non-exhaust based particulate emissions from tyre and break wear with the automotive industry
  - Set out plans for reducing emissions from shipping and aviation in forthcoming strategies. Ports to produce air quality strategies.
  - Rail – increased research and investment in alternative fuel technology, signposting measures to decarbonisation the network including a plan to remove diesel only trains by 2040, and identification of significant air quality concerns at rail stations
  
- **Farming;-**
  - National code of agricultural practise to control ammonia emissions
  - Support for farmers to reduce emissions of ammonia

2.6 As background information, the Combined Authority provided an update on local air quality issues and regional activities to the West Yorkshire Transport Committee meeting of 25 May 2018. The paper can be accessed here; <https://westyorkshire.moderngov.co.uk/documents/s7240/Item%209%20-%20Air%20Quality%20Update.pdf>. This paper set out various examples of how partners are taking positive action to improve air quality. Part of the response is a Clean Air Zone (CAZ) in Leeds. Leeds City Council are currently consulting on the CAZ proposals which will be presented to the government later this year. The public consultation will run from 28 June to 12 August 2018. Part of the challenge from businesses is the level of consistency between schemes across the country as cities are coming forward with

different proposals. Cities do share their plans but different solutions are being proposed for different places. For example, Birmingham are currently consulting on a Clean Air Zone where charges would apply to most vehicles whose engine does not meet specific pollution standards: including buses and coaches, lorries, vans, cars and taxis and specialist vehicles like bin lorries.

2.7 At the Panel meeting a Combined Authority officer will outline the Government's Clean Air Strategy Consultation and will seek input to a Combined Authority consultation response.

2.8 A formal draft will be shared with members ahead of the deadline. It is proposed that endorsement of a final consultation response is delegated to the Chair of the Panel.

### **3 Financial Implications**

3.1 There are no implications associated with this paper.

### **4 Legal Implications**

4.1 There are no implications associated with this paper.

### **5 Staffing Implications**

5.1 There are no implications associated with this paper.

### **6 External Consultees**

6.1 No external consultations have been undertaken.

### **7 Recommendations**

7.1 To note the consultation and to provide comment at Panel to help shape the formal Combined Authority response.

7.2 To approve delegated endorsement of a Combined Authority response to the Chair of the Panel.

### **8 Background Documents**

8.1 None.

### **9 Appendices**

9.1 None.

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**Report to:** Green Economy Panel

**Date:** 24 July 2018

**Subject:** **Clean Growth Knowledge Exchange**

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

**Author(s):** Jacqui Warren, James Brass

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## 1. Purpose of this report

- 1.1 To outline the progress being made on the Local Inclusive Industrial Strategy (LIIS) and Policy Framework, particularly the new Leeds City Region-Styria knowledge exchange.

## 2 Information

### Local Inclusive Industrial Strategy (LIIS) and Policy Framework

- 2.1 Work is progressing to replace the Strategic Economic Plan with a broader policy framework and Local, Inclusive Industrial Strategy providing a more flexible and agile approach to policy development. The Policy framework and Local Inclusive Industrial Strategy update (Appendix 1) provides a full update on progress.
- 2.2 Work is underway locally to define distinctiveness and future priorities. A Green Economy Panel working group has been set up to support this process. A series of meetings are planned over the next three months to explore local clean growth opportunities. This group will look at an array of opportunities including the findings of the Green and Blue Infrastructure Strategy and Energy Strategy and Delivery Plan.

### Local inclusive Industrial Strategy: Leeds City Region-Styria Knowledge Exchange

- 2.3 To further support the development of the LIIS and Policy Framework a knowledge exchange opportunity has also arisen through the University of Leeds.

2.4 The industrial economies of the Leeds City Region and the State of Styria, Austria share some important characteristics that could be the basis for fruitful knowledge exchange and future collaboration. Both regions have identified clean energy technologies and medical technology as important areas for innovation and growth, supported by strong capabilities in local Universities and research institutions. This project intends to bring together representatives from the Leeds City Region, the Styrian regional government, and the city government in Graz, in a workshop to achieve two outcomes:

- to facilitate knowledge exchange on the governance of local innovation and industrial development, in particular to support the creation of a Local Inclusive Industrial Strategy that the Leeds City Region Local Enterprise Partnership (the LEP) has been tasked with developing, and
- to identify opportunities for further collaboration between the two regions, particularly on the transition to a low carbon economy and the growth of the medical technology industry.

2.5 The project brief is attached in Appendix 2.

2.6 The exchange is to be held on 18 and 19 July 2018 in Graz, Styria, Austria. Simon Pringle and James Brass will update the Board on the exchange and the initial findings at the meeting.

### **3 Financial Implications**

3.1 The exchange was fully funded through a research grant secured by the University of Leeds. There are therefore no revenue implications for the CA – just staff time in attending exchange and dissemination of lessons learnt.

### **4 Legal Implications**

4.1 There are no implications associated with this paper.

### **5 Staffing Implications**

5.1 There are no implications associated with this paper.

### **6 External Consultees**

6.1 No external consultations have been undertaken.

### **7 Recommendations**

7.1 That the Panel note progress toward the Leeds City Region-Styria knowledge exchange and welcome the opportunity to discuss outputs from the workshop.

### **8 Background Documents**

8.1 None.



## **9 Appendices**

- 9.1 Appendix 1 – LIIS and policy Framework Update
- Appendix 2 – Knowledge Exchange Project Brief

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 13 June 2018

**Subject:** **Policy Framework and Local Inclusive Industrial Strategy Update**

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**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** March Eatough and Jo Barham

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## 1 Purpose of this report

1.1 This report provides an update to the LEP Board on:

- The emerging City Region policy framework and associated early draft outcome and impact measures.
- Work to identify how distinctive the Leeds City Region is from an Industrial Strategy perspective, including identifying areas of comparative advantage, such as key sector strengths, assets and growth opportunities.
- Work to further develop the proposed 'big ideas' that could form the basis of the City Region's Local, Inclusive Industrial Strategy, including partner engagement to help shape and test emerging proposals.

1.2 Members of the Board are invited to note the update and comment on progress of the work, in particular the outcome measures presented in the draft impact framework.

## 2 Information

### Context

2.1 As previously reported, work is progressing to replace the Strategic Economic Plan with a broader policy framework and Local, Inclusive Industrial Strategy (Appendix 1), providing a more flexible and agile approach to policy development.

2.2 This begins with the 2035 ambition for Leeds City Region to have a £100bn plus economy, becoming a positive, above average contributor to the UK economy. The policy framework extends across the full spectrum of activity

delivered by the LEP / Combined Authority and partners to tackle four key challenges agreed by the LEP Board:

- The City Region's productivity gap with national and international peers is too large and growing.
- Investment, particularly private sector investment in research and development is too low.
- Living standards in the City Region have stalled.
- Stubborn deprivation persists.

### Outcomes and Impact Framework

- 2.3 The City Region's new policy framework needs to set out what success looks like to drive productivity and inclusive growth. This will be built around a set of outcomes and measures, which can be used to target and evaluate potential future projects and initiatives.
- 2.4 It is proposed that there will be a small set of headline targets and associated indicators linked to priority policy themes, with a clear focus on delivering inclusive growth. These metrics do not just apply to Combined Authority / LEP programmes, but should be seen as metrics for collective partnership working across the City Region. The draft outcome and impact framework is included in Appendix Two of this report.
- 2.5 The proposed indicators presented in Appendix 2 draw upon the Strategic Economic Plan (2016) Good Growth Framework, and associated strategies and delivery plans for the policy areas (for example, the Employment and Skills Plan, the Innovation Strategy, the Transport Strategy and emerging Energy Strategy).
- 2.6 The metrics represent a first draft and will be subject to ongoing discussion with LEP / Combined Authority key Governance groups and partners to ensure these are the right metrics.
- 2.7 An exercise is underway to determine the baseline position for each headline outcome indicator and to map existing strategies and performance frameworks against the proposed metrics. This will help to address gaps and provide a basis for future projects and initiatives to be reviewed against, ensuring that overarching aims are being addressed. It will be important to ensure that the links between each of the policy areas within the framework are reflected and understood, with a clear overview of the level at which delivery is taking place. The draft baseline indicators for business and workforce policy areas are also included in Appendix 2.

### Leeds City Region's distinctiveness

- 2.8 As part of informal discussions with Government, it has become clear that local, industrial strategies need to demonstrate distinctive local economic strengths and should be focused on specific opportunities rather than being catch-all documents in the manner of Strategic Economic Plans.

- 2.9 Building on this steer, work has been developed to understand how distinctive Leeds City Region is from an Industrial Strategy perspective.

Distinctiveness can be considered in a number of ways including:

- Comparative advantage of sectors/ specialisms.
- Local assets and identified strengths/ areas of activity in niche sectors.
- Future plans for sectors.
- Wider place assets/ distinctiveness.

- 2.10 In terms of locally defined distinctiveness and future priorities, there is a clear opportunity for Leeds City Region in relation to Tech (e.g. medical technologies), and niche manufacturing (e.g. digital manufacturing), which is reflected in the importance for digital tech in the proposed ideas for Leeds City Region's local, inclusive industrial strategy and aligning with national priorities (see below). Further work is underway to progress these opportunities within the Leeds City Region Digital Framework for investment and a collective narrative/ ambition for 'digital' across the whole City Region.

- 2.11 The Leeds City Region Medtech Science and Innovation Audit sets out the strengths of the sector and provides a framework to apply learning from the sector (including a deeper understanding of innovation active companies behaviours). Further work on strengthening our evidence base including work on distinctive strengths, assets and opportunities will be undertaken in advance of the LEP Board Away Day in September.

#### Emerging proposals for the Local, Inclusive Industrial Strategy

- 2.12 While there is no official Government position on the approach that should be taken to local industrial strategies, there is an ambition to position the City Region so that it forms part of the first wave of local industrial strategies agreed by government by March 2019 and shapes the submission to the 2018 Budget.
- 2.13 Work has progressed to further develop the three concepts which could form the basis of the proposals for the Leeds City Region Local, Inclusive Industrial Strategy:
- Private sector-led productivity revolution.
  - Leeds City Region transformed by Digital Tech.
  - Inclusive Growth Corridors.

Progress on each of these ideas is set out below.

#### **Private sector-led productivity revolution**

- 2.14 The private sector-led productivity revolution aims to boost productivity and improve living standards. A workshop event was held in March, where proposals for the productivity revolution were discussed by a range of

stakeholders including universities, business representatives and local authorities. The proposals were also informed by the BIG Panel (March and May 2018 meetings), and following further analysis, there are also now links to emerging practical projects and programmes that can potentially boost productivity, namely:

- **Business Productivity Pilot;** pilot activity remove the requirement of businesses to create new jobs (although these would, of course, remain welcome), and instead award grants to businesses that make clear and measurable commitments to improving their productivity following capital investment.
- **Investment Readiness and Economic Resilience programmes:**
  - Tailoring advice and guidance to ensure that businesses are aware of the available range of options and are ready to access finance.
  - Supporting businesses to respond to significant changes to the economy identifying opportunities and mitigating potential risks from events including the impact of Brexit
- **Business Heroes:** Business heroes will be at the core of a private sector-led productivity revolution. Business heroes will be key spokespersons, advocates and ambassadors for business productivity and the City Region, its ambition and future plans. They will also contribute to ensuring messages are prominent at key industry forums and help define the strategic industry imperatives.

2.15 These projects and programmes build on existing programmes which also have a role in boosting the region's productivity, including: strategic business growth programme, manufacturing growth programme, access innovation and resource efficiency fund. Insights from all of these can support development of a more clear and detailed understanding of what productivity actually means to business, how it can be applied to business support programmes and what the best ways are to measure it at both a firm level and a city region. This work is contributing to the broader policy framework outcomes development, which is described in more detail above.

#### Leeds City Region transformed by Digital Tech

2.16 As previously reported, the Digital Framework is now being progressed alongside work to develop the new Local, Inclusive Industrial Strategy. Although these are separate strands of work with different timescales, the Digital Framework - once established - will contribute significantly to the narrative and objectives of the digital and tech focused Local, Inclusive Industrial Strategy. Activity is structured around five themes, and includes, supporting the Medtech Science and Innovation Audit, digital skills for all and digital infrastructure.

2.17 Since the last Board meeting, a series of small, facilitated pre-consultation workshops took place to test some of the emerging thinking. These followed

on from the Local Authority Officers working group and a series of other discussions and presentations. Feedback was positive the proposals are headed in the right direction and the draft framework has been refined to reflect the comments received.

- 2.18 To ensure as much buy-in and support to this Framework from the people who will be impacted by it, the plan is to launch the online consultation for the Digital Framework using our new Engagement Hub in May, following Chief Executives meeting in late May.
- 2.19 The Industrial Strategy's Strength in Places Fund is expected to be announced in late May. The Leeds City Region Medtech Science and Innovation Audit is likely to form the basis of a bid to the fund building on significant opportunities and networks within this sector for Leeds City Region.

#### Inclusive Growth Corridors

- 2.20 To maximise the benefits of transformational infrastructure projects such as High Speed 2 (HS2) and Northern Powerhouse Rail, a series of inclusive growth corridor plans for Leeds City Region are being developed. A key objective of these plans is ensure that all communities are able to benefit from the economic growth opportunities these schemes will bring to the City Region. Inclusive Growth Corridors are one of the key strands of the Leeds City Region Connectivity Strategy.
- 2.21 A range of connectivity options for the proposed corridor areas are in the process of being scoped through an options assessment which includes consideration of objectives including:
- Promoting accessibility to the most deprived areas and communities.
  - Improving accessibility to areas of employment.
  - Promoting options that align with planned commercial, industrial and housing growth.
- 2.22 Since the last LEP Board meeting, a series of workshops have been held with District partners and facilitated by Arup Further workshops are planned to review and refine stakeholder feedback, and to roll out the process to the rest of the corridors.

#### **Ongoing engagement**

- 2.23 In addition to regular meeting with universities and through the Business Communication Groups, existing groups are being developed to ensure their remit supports work on developing the policy framework and local, inclusive industrial strategy. An existing Heads of Policy group for local authorities is being refreshed with a renewed focus including members from across Leeds City Region on the industrial strategy and policy framework. This will provide a key opportunity for local authority input. The Heads of Policy group will run in parallel with a Heads of Economic Development group ensuring that activities are developing and aligning with activity delivered by local authorities.

### **3 Financial Implications**

3.1 There are no staffing implications in relation to this report.

### **4 Legal Implications**

4.1 There are no staffing implications in relation to this report.

### **5 Staffing Implications**

5.1 There are no staffing implications in relation to this report.

### **6 External Consultees**

6.1 Details of consultation activity included in paragraphs 2.14 - 2.25 above.

### **7 Recommendations**

7.1 Members of the LEP Board are invited to note progress on the development of this local, inclusive industrial strategy and policy framework. Board members are also invited to comment on the proposed themes impact framework attached at Appendix 2.

### **8 Background Documents**

8.1 None.

### **9 Appendices**

Appendix 1: Leeds City Region Policy Framework

Appendix 2: Leeds City Region Impact Framework



# VISION

“TO BE A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE”

*[range of expressions of this vision will be developed so that it speaks to our different audience in a language and format they understand]*

PRIORITIES

**BOOSTING PRODUCTIVITY & EARNING POWER  
&  
INCREASING LEVELS OF INNOVATION & R&D**

**TACKLING STUBBORN DEPRIVATION  
&  
IMPROVING LIVING STANDARDS**

**INTEGRATED POLICY FRAMEWORK TO ADDRESS THESE PRIORITIES  
(COVERING POWERS & FUNDING)**

EVIDENCE BASE / POLICY DEVELOPMENT - ONGOING

## BUSINESS & WORKFORCE

### GROWING & PRODUCTIVE ECONOMY

(Science & innovation, R&D, enterprise, digital, trade and investment)

### LIFELONG LEARNING

(Skills, opportunity, progression, young people, education)

### HEALTHY & INCLUSIVE WORKFORCE

(Good work, welfare, health & Wellbeing)

## INDUSTRIAL STRATEGY

3 BIG IDEAS TO BOOST PRODUCTIVITY & EARNING POWER

1. PRODUCTIVITY REVOLUTION
2. THE DIGITAL TECH REGION
3. INCLUSIVE GROWTH CORRIDORS

## PLACE & CONNECTIVITY

### TRANSPORT, CONNECTIVITY & MOBILITY

(World class connectivity)

### STRATEGIC HOUSING & EMPLOYMENT SITES

(Affordable housing, stronger communities)

### ENERGY, CLEAN GROWTH & THE ENVIRONMENT

(Green & sustainable city region)

### QUALITY OF LIFE

(High quality culture and citizen experience)

## PARTNER PLANS & STRATEGIES

**INCLUSIVE GROWTH**

**IMPROVING PRODUCTIVITY**

**PLACE LEADERSHIP**

**INTEGRATED INVESTMENT**

GOLDEN THREAD

IMPACT AREAS

GROWTH & PRODUCTIVITY

GOOD JOBS

INCREASED EARNINGS

SKILLS UPLIFT

REDUCED DEPRIVATION

ENVIRONMENTAL SUSTAINABILITY

**DIFFERENCE FOR WHOM (COHORTS/SEGMENTATION)**

CITY REGION PROJECTS / PROGRAMMES

# VISION

A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE

## AMBITION.....BY 2036....

- To have a £100bn plus economy, becoming a positive, above average contributor to the UK economy;
- To close the productivity gap with x (appropriate exemplar);
- To reduce the proportion of jobs that pay less than the real living wage by x
- To hit the 2.3% for private sector investment in innovation;
- To reduce the employment rate gap for all disadvantaged groups by x (including all disabled groups);
- To deliver 10,000 to 13,000 new homes per annum of which x will be affordable

### PERFORMANCE FRAMEWORK & KEY METRICS (BASELINE/INTERIMS & LONG TERM TARGETS BEING DEVELOPED)

BUSINESS & WORKFORCE		PLACE		TRANSPORT & CONNECTIVITY	
IMPACT AREA	METRIC	IMPACT AREA	METRIC	IMPACT AREA	METRIC
<b>GROWTH &amp; PRODUCTIVITY</b>	<ul style="list-style-type: none"> <li>• Economic output (£ billion per year)</li> <li>• Output per head (£ per hour worked)</li> <li>• Business birth, death and net rates</li> <li>• Exports as a % of GVA</li> </ul>	<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Absolute low income – children living in households with income below 60% of medium income</li> <li>• Residents satisfaction with their local area - % of people either satisfied/dissatisfied with their neighbourhood</li> <li>• Quality of life/place – Halifax quality of life survey</li> </ul>	<b>TRANSPORT</b>	<ul style="list-style-type: none"> <li>• Satisfaction with transport infrastructure National Highways &amp; Transport Survey</li> <li>• Satisfaction with public transport (WYCA customer survey)</li> <li>• Widening labour markets (deprived communities) – access to urban centres/employment within 20/40 mins using public transport/cycling, etc.</li> <li>• Mode share (Key route network speeds/Traffic volumes, Km of new cycle facilities)</li> <li>• % of smartcard/m-ticket transactions</li> </ul>
<b>INNOVATION</b>	<ul style="list-style-type: none"> <li>• R&amp;D expenditure (public/private)</li> <li>• Investments by British private sector equity &amp; venture capital association members</li> <li>• % of firms engaged in product &amp; process innovation (UK Innovation Survey)</li> </ul>	<b>ENERGY &amp; ENVIRONMENTAL SUSTAINABILITY</b>	<ul style="list-style-type: none"> <li>• CO2 emissions per capita</li> <li>• Air quality (% deaths attributed to air pollution)</li> <li>• % of households in fuel poverty</li> <li>• Area of land experiencing a reduction in flooding likelihood (hectares – EA stats)</li> </ul>	<b>BROADBAND</b>	<ul style="list-style-type: none"> <li>• Business premises with superfast broadband service made available</li> <li>• Households with superfast broadband service made available</li> <li>• Download speeds</li> <li>• Take-up</li> </ul>
<b>GOOD JOBS AND EARNINGS</b>	<ul style="list-style-type: none"> <li>• Employment rate (% of working population)</li> <li>• Economic inactivity rates (% of working age population)</li> <li>• 20% earn less than (£ per week) / real living wage</li> <li>• Weekly median wages (£)</li> </ul>	<b>SITE DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• Area of developed land (hectares)</li> <li>• Housing units completed by tenure/affordability</li> <li>• House price/land value/rental effects</li> <li>• Commercial floor space constructed/refurbished</li> </ul>		
<b>SKILLS &amp; TALENT</b>	<ul style="list-style-type: none"> <li>• % of working age population with NVQ Level 4 qualification</li> <li>• % of working age population with no qualifications</li> </ul>				

# Baseline position for business & workforce impact themes

Impact theme	Suggested metrics	Baseline (Source: SEP, 2016)	
		LCR	UK
Growth & productivity (2014 data)	Economic output (£ billion per year)	62.4	1,618
	Output per head (£ per hour worked)	27.2	31.0
	Business demography - net increase per 10k people	13.4	16.2
Improving levels of innovation & R&D	R&D spend per head Y&H figure	£243	£474
	Investments by British private sector equity & venture capital association members	TBC	TBC
	% of firms engaged in product & process innovation (UK Innovation Survey / LCR Business Survey)	TBC	TBC
Good jobs and earnings (2015 data)	Employment rate (% of working population)	72.2	73.2
	Economic inactivity rates (% of working age population)	22.8	22.5
	20% earn less than (£ per week)	214	219
	Weekly median wages (£)	400	426
Skills and talent (2014 data)	% of working age population with NVQ Level 4 qualification (degree level or equivalent)	30.6	35.8
	% of working age population with no qualifications	9.9	8.6

The baseline position for the connectivity and place clusters are being developed.

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## LOCAL INCLUSIVE INDUSTRIAL STRATEGY: LEEDS-STYRIA KNOWLEDGE EXCHANGE

# Project Outline

### Project Summary

The industrial economies of the Leeds City Region and the State of Styria share some important characteristics that could be the basis for fruitful knowledge exchange and future collaboration. Both regions have identified clean energy technologies and medical technology as important areas for innovation and growth, supported by strong capabilities in local Universities and research institutions. This project intends to bring together representatives from the Leeds City Region and Styria in a workshop to achieve two outcomes:

1. to facilitate knowledge exchange on the governance of local innovation and industrial development, in particular to support the creation of a *Local Inclusive Industrial Strategy* that the Leeds City Region Local Enterprise Partnership (the LEP) has been tasked with developing, and
2. to identify opportunities for further collaboration between the two regions, particularly on the transition to a low carbon economy and the growth of the medical technology industry.

Dr Jonathan Busch | j.busch@leeds.ac.uk | +44 (0)7974 804 888

### Key Facts

**Funding:** the University of Leeds has provided funding for the organisation and running of a knowledge exchange workshop that brings together project partners and participants from the Leeds City Region and Styria.

### Project Partners:

- University of Leeds
- West Yorkshire Combined Authority
- Green Tech Cluster Styria
- Styria Landesregierung

**Dates:** Workshop to be held in July 2018, with summary reports published by September.

### Project Background

The Centre for Climate Change Economics and Policy has been carrying out research on low carbon industrial strategies over the past two years. As part of that research, case studies have studied the governance of low carbon industrial development in different European regions. Styria and the Leeds City Region were identified as having the potential for

fruitful knowledge exchange and collaboration.

### Project Plan

**May-June:** The research team will gather data and prepare a *decision theatre* workshop in consultation with the other project partners.

**July:** A Decision Theatre workshop will be held in Graz. This style of workshop presents participants with a brief of key information available on a particular problem, and then asks them to collaborate on making a series of decisions related to solving the problem. In this case, the problems will be the key challenges that a Local Inclusive Industrial Strategy for the Leeds City Region should address.

The workshop will also have a session dedicated to identifying opportunities for future collaboration that emerge from the decision theatre process.

**September:** The research team will publish two summary reports on the outcomes of the research. The first will make key recommendations for the Local Inclusive Industrial Strategy. The second will identify opportunities for future collaboration and knowledge exchange between project partners.

### Project Outcomes

- Knowledge exchange on the governance of local industrial development
- Valuable relationships between two regions with common priorities and facing similar challenges
- Potential for wider economic collaboration and export markets for local industries

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**Report to:** Green Economy Panel

**Date:** 24 July 2018

**Subject:** Warm Homes Round 2a

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

**Author(s):** Jacqui Warren, James Brass

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## 1. Purpose of this report

- 1.1 To provide an outline of the City Region's Warm Homes Round 2a funding application.

## 2 Information

### Background

- 2.1 National Grid announced a £150 million Warm Homes Fund in 2017 to be managed through the National Grid's partner organisation; Affordable Warmth Solutions.
- 2.2 Local authorities and housing associations (social landlords) are eligible to apply for the fund, which is aimed at affordable heating solutions in fuel poor households, who do not use mains gas as their primary heating fuel.
- 2.3 The Leeds City Region has 156,000 fuel poor households, which represents an average fuel poverty rate of 11.5%, compared to 11.4% for England. However, there is considerable variation across the Leeds City Region with rates of 7% in Selby to over 18% within some areas in other local authorities.<sup>1</sup> This represents some of the worst in the country. Fuel poverty rates vary by tenure, such that the rate of fuel poverty in privately rented homes is twice that of owner-occupied homes.<sup>2</sup>
- 2.4 At national level, the Government has stated the intention to ensure that all fuel-poor homes achieve an Energy Performance Certificate level C by 2030. The main policy aimed at achieving this is the Energy Company Obligation (the ECO), which is now aimed exclusively at tackling fuel poverty. However,

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<sup>1</sup> Department for Business, Energy & Industrial Strategy. Sub-regional fuel poverty, 2018.

<sup>2</sup> Building Research Establishment. BRE Client report: Dwelling level Stock Modelling and Database for Leeds City Region, 2017.

despite some moderate progress in achieving its interim objectives, recent reports<sup>3</sup> find that ECO isn't working. The Committee on Fuel Poverty estimates that only 11 per cent of fuel-poor homes will have reached band C by 2017. Indeed as the estimates indicate, current levels of investment would not achieve the national target until 2091.

- 2.5 The Combined Authority has taken a prominent role in driving investment in energy efficiency and an active role in tackling fuel poverty through the Better Homes Yorkshire partnership. It has, since 2015 delivered measures in around 3,500 homes across both private and social sector housing. The partnership has sought to lever in local and national funding, and targeted households experiencing fuel poverty through locally set priorities.
- 2.6 The bid for funding will deliver against Priority 3 of the Strategic Economic Plan and tackle fuel poverty. The proposed scheme would build on the current Warm Homes Fund delivery to install 1700 first-time central heating systems. As mentioned above, there are an estimated 156,000 households in the City Region experiencing fuel poverty, therefore the programme has potential to improve 1% of the affected households over the next two years.
- 2.7 The bid aims to deliver heating systems across differing property tenure, including social housing, owner-occupied and privately rented properties. It will be delivered through local authorities and housing teams, providing referrals in conjunction with local stakeholders to target eligible households. One of the key local partnerships and route for referral is with local health partnerships. Public health teams and local GPs have been a source of individual referrals for householders experiencing poor health.
- 2.8 The Warm Homes Fund has entered the second year of a three year programme with approximately £63 million already allocated. The funding rounds are set out below:
  - Round 1 – September 2017
  - Round 2 – February 2018
  - Round 2a -September 2018
  - Round 3 – December 2018
- 2.9 The fund is split into three categories:
  - Category 1. Urban homes and communities: primarily aimed at new gas heating systems, it could also include heat network solutions.
  - Category 2. Rural homes and communities: primarily focused on non-gas solutions e.g. heat pumps, oil and LPG.
  - Category 3. Energy efficient/health related solutions – can 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.
- 2.10 The Combined Authority secured £1.6 million of funding under Category 1 in November 2017. This will deliver over 700 new gas central heating systems. The Better Homes Yorkshire Partnership has led delivery of this current

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<sup>3</sup> Institute for Public Policy Research. Beyond Eco: The Future of Fuel Poverty Support, 2018.



Round 1 Warm Homes tranche of funding. To date 102 homes have qualified for the scheme and demand is higher than expected in some areas. Installation of measures under this funding tranche will be completed by March 2019.

#### Round 2a proposed bid

- 2.11 Led by the Combined Authority, all Leeds City Region local authority partners have begun to develop a bid for Round 2a of the Warm Homes Fund. Currently the bid aims to deliver:
- over 1000 new gas heating systems in fuel poor homes,
  - approximately 447 new gas mains connections, and
  - run over two winters (up to February 2021).
- 2.12 Subject to a successful application to Warm Homes, the Combined Authority would be the accountable body and would manage the fund. The programme will continue to be delivered through the Better Homes Yorkshire contract and its delivery partner Engie. The associated programme management would continue to be resourced through the Combined Authority's Delivery Directorate. Dedicated resources will be funded to support delivery of the programme (see Section 5).
- 2.13 Local authority owned and housing association properties (social housing) are within the scope of the bid and, subject to their own internal approvals, will provide match funding from local budgets.

#### Next Steps

- 2.14 The next steps are to continue to develop the bid with partners.
- 2.15 A finalised bid will be submitted prior to Round 2a's submission deadline of 28 September 2018.
- 2.16 Subject to securing the funding, it is anticipated that this new programme could commence from February 2019.

### **3 Financial Implications**

- 3.1 There are no implications associated with this paper.

### **4 Legal Implications**

- 4.1 There are no implications associated with this paper.

### **5 Staffing Implications**

- 5.1 The Warm Homes Fund allows for up to 10 percent of administration and marketing costs to be claimed.

5.2 Project administration and programme support costs will be outlined in the final bid submission. These will include costs for a project manager (2 day/week) and programme manager (1 day/week) based in the Delivery Directorate.

**6 External Consultees**

6.1 The Better Homes Officer Group.

**7 Recommendations**

7.1 That the Panel note the new funding available and endorse a City Region Round 2a funding bid.

**8 Background Documents**

8.1 None.

**9 Appendices**

9.1 None.

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**Report to:** Green Economy Panel

**Date:** 24 July 2018

**Subject:** **Green Economy Panel Major Projects Update**

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

**Author(s):** Jacqui Warren

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## **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 over 20 local low carbon energy projects. The West Yorkshire Combined Authority (the Combined Authority) has recently been awarded three million five hundred thousand 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. The EIB contract for funding has been signed by the Combined Authority and work has commenced to procure the commercial and technical team that will operate the Accelerator.
- 2.2 The tender for the Accelerator's delivery services (four advisors and a wider consortium of advisors) went out on 15 May 2018 with a closing date for submission of 22 June 2018. Due to high-levels of interest in the tender a two week extension was granted. The revised deadline for tender submissions was 16 July 2018. The evaluation process is currently underway.

The table below summarises the remaining major activities and indicative milestones up to the launch of the Accelerator.

<b>Activity</b>	<b>Timescales</b>
2. Recruitment of 2 Combined Authority staff (1 – Programme Manager and Programme Assistant)	August - September 2018
3. Award the external Advisors	Mid – August 2018
4. Continue to develop the pipeline of projects for support	Ongoing
5. Final approvals through the Combined Authority’s assurance process to establish the Accelerator	Mid - August 2018
6. EIB and Combined Authority contract comes into force	August 2018
7. Launch	September - October 2018

### **Better Homes Yorkshire**

- 2.3 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region’s homes. During 2017/18 improvement works were carried out in 627 homes, bringing the total number of homes improved through the Programme to 3,107. This represents a decrease against the target for the year of 1,000 homes improved, action plans have now been developed to tackle this and a new target of 1,320 has been developed for 2018/19.

### **Warm Homes**

- 2.4 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. Around 103 properties (14% of target) have now been improved, and the programme has an end date of March 2019.
- 2.5 Another round of Warm Homes Funding is currently available. The Combined Authority and the City Region local authorities are currently developing a joint bid. This may include funding to deliver over 850 affordable heating solutions to fuel poor household without mains gas as their primary heating fuel. The deadline for bid submission is 28 September 2018. If successful the scheme could commence from February 2019 for up to 3 years, as a follow on to the existing programme.

### **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.
- 2.7 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

	Last Update	Current	Revised Programme Target
Total Business Contacts	347	379	501
Assessments Commissioned	188	198	321
Businesses Supported	114	133	303
Businesses receiving non-financial support	112	126	200
Businesses receiving information, diagnostic and brokerage support	45	45	75
Grants Completed	44	67	133

- 2.8 Overall, businesses supported are at 95 percent of target to the end of June. There have been 95 grant approvals to date, with 3 subsequently withdrawing.
- 2.9 A project change request has been approved by the managing authority for ERDF reviewing the project budget resulting in an increase in the funding available for grant support (to £931,695) and revised output targets.

### **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 the feasibility study work on the Castleford Spatial Priority Area (SPA) district heat network has restarted. There had been a hiatus pending the submission of a planning application for the main development site in the SPA. It is anticipated that the feasibility work will be completed by the end of July 2018.
- 2.12 The Leeds PIPES scheme is now on-site and is on track to complete by end of June 2019 as planned. The Combined Authority have established monthly monitoring of financial and project progress with the project team at Leeds City Council, spend of Growth Deal grant award of £4 million is expected in 2018/19.

### **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 Prioritisation of the 161 actions has now been completed and discussions are now taking place with partners to understand the level of commitment towards the prioritised actions. The final Strategy and Delivery Plan will be brought to the Panel at their next meeting for discussion and approval.

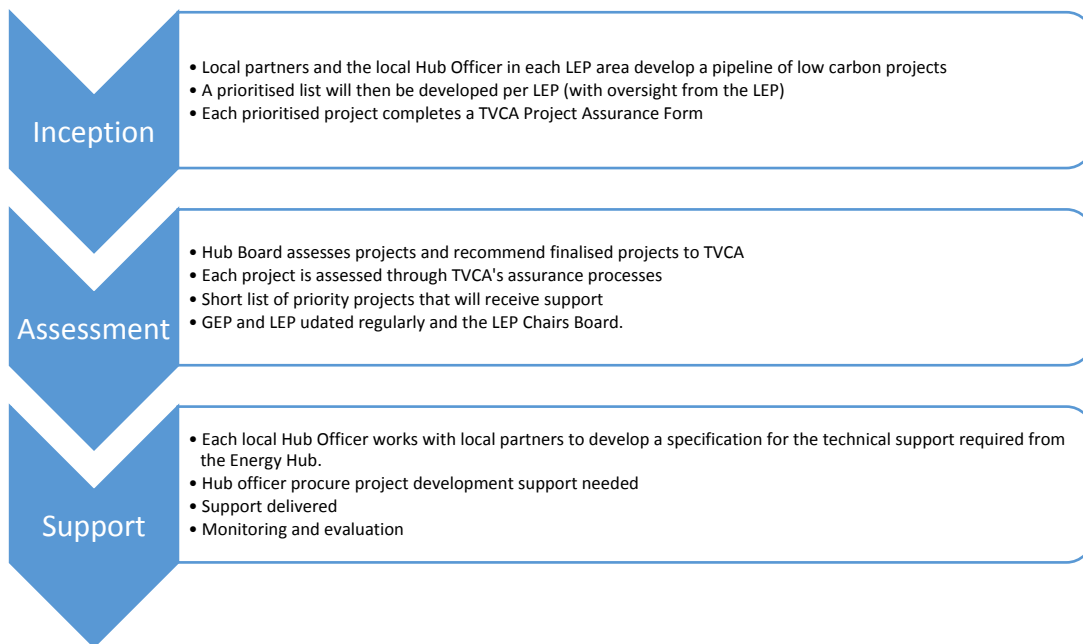
### **Zero Carbon Energy Strategy and Delivery Plan**

- 2.15 The Strategic Economic Plan (SEP) under Pillar three (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.
- 2.16 Since the last meeting a Delivery Plan Workshop was held with over 40 stakeholders from across the public, private and third sector. The aim was to identify current and future energy related projects for across the City Region. This work will inform the final Delivery Plan. Work is also ongoing to finalise the energy opportunity maps for the City Region with drafts now received for comment for the majority of technologies.
- 2.17 The final Strategy and Delivery Plan will be brought to the Panel at their next meeting for discussion and approval.

### **North East, Yorkshire and Humber Energy Hub**

- 2.18 As part of its local energy programme, the Department for Business, Energy and Industrial Strategy (BEIS) is funding energy strategies for all Local Enterprise Partnerships (LEP). The Combined Authority is currently developing its Energy Strategy and Delivery Plan (see above). To support delivery of these strategies, and to provide much needed local capacity, BEIS are also funding five new energy hubs. The Energy Hubs (Hubs) will:
- Identify and prioritise local energy projects
  - Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local energy 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
- 2.19 To date this capacity and support has been identified as a barrier to delivering local energy projects.

- 2.20 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) will be established covering the following LEP areas:
- Humber
  - Leeds City Region (West Yorkshire Combined Authority)
  - North East
  - Sheffield
  - Tees Valley Combined Authority
  - York, North Yorkshire and East Riding
- 2.21 The Combined Authority and the LEP Board have endorsed the establishment of the Hub. A new officer and project development support will be established in the City Region as part of the new pan- regional Hub.
- 2.22 The Energy Hub will be in operation from August 2018. The new regional resources will be in place from September 2018.
- 2.23 The Objectives of the Hub is:
1. Increase number, quality and scale of local energy projects being delivered.
  2. Raise local awareness of opportunity for and benefits of local energy investment.
  3. Enable local areas to attract private and/or public finance for energy projects.
  4. Identify working model for teams to be financially self-sustaining after first two years.
- 2.24 Projects that use the Hub's support will follow the journey outlined below. In the City Region the emerging energy strategy and delivery plan will be used to identify projects that are suitable for Hub funding. At this early stage in the development of the energy strategy, it is anticipated that the value of such support may cost up to £10,000 per project. Projects will be supplemented, if required, with projects deemed unsuitable for the City Region's Energy Accelerator (see below).



2.25 The Hub will complement the work of the Energy Accelerator (Accelerator). The Accelerator will support as a minimum 15 – 20 low carbon projects that meet strict funder criteria (please see item eight of the LEP Board meeting held on 27 March 2018). The new Hub will have more flexible project requirements when compared to the Energy Accelerator and therefore will be applicable to a wider range of local energy projects. The new Hub will:

- Explore outcomes of the LCR Energy Strategy and Delivery Plan (anticipated completion date for a draft June 2018 (approval from the Combined Authority autumn / winter 2018)).
- Support a wider range of local energy projects in the City Region
- Look at pan-LEP / regional opportunities.
- Link with the new Energy Prospectus - Leading Our Energy Future. This will articulate the energy opportunities across the combined Yorkshire LEPs areas.

2.26 The scheme will also provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund which supports SME competitiveness via support to reduce waste, energy and water consumption. Figure 1 below outlines the current/planned range of city region support to accelerate the transition to a zero carbon economy.

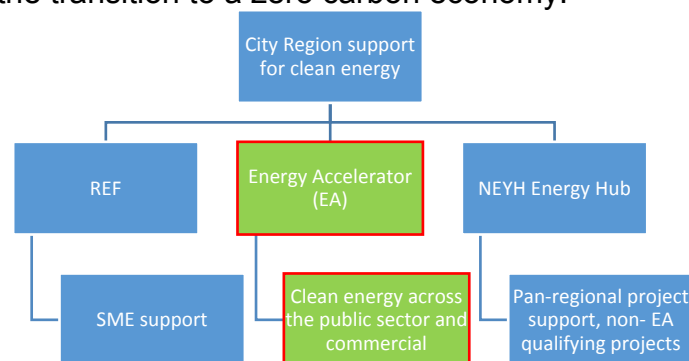


Figure 1. Current/planned range of city region support to accelerate the transition to a Zero carbon economy



- 2.27 Projects that are funded by the Leeds City Region's allocation will:
- Be developed by the new Policy Officer (Energy Hub) and overseen by the Combined Authority's Policy Manager
  - Internal approval to submit bids to the Hub with a value of zero to £10,000 will be through a recommendation to the Combined Authority's Managing Director
  - Bids over £10,000 will be approved through consultation with the Green Economy Panel members
  - All bids will be subject to approval by the Hub Board and will go through the Tees Valley Combined Authority's Assurance Processes
- 2.28 The North East, Yorkshire and Humber Energy Hub LEP Board Paper at Appendix 1 provides a comprehensive overview of the new Energy Hub.

### **3 Financial Implications**

- 3.1 There are no implications associated with this paper.

### **4 Legal Implications**

- 4.1 There are no implications associated with this paper.

### **5 Staffing Implications**

- 5.1 There are no implications associated with this paper.

### **6 External Consultees**

- 6.1 No external consultations have been undertaken.

### **7 Recommendations**

- 7.1 That the Panel note the progress against the GEP's major projects and programmes.

### **8 Background Documents**

- 8.1 None.

### **9 Appendices**

- 9.1 Appendix 1 – North East, Yorkshire and Humber Energy Hub

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 13 June 2018

**Subject:** **North East, Yorkshire and Humber Energy Hub**

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**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Jacqui Warren

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## 1. Purpose of this report

1.1 This report:

- Provides an outline of the new combined North East, Yorkshire and Humber Energy Hub
- Asks the LEP Board to endorse the establishment of the Hub
- Asks the LEP Board to delegate to the Combined Authority's Managing Director the authority to submit City Region bids under £10,000 to the Hub Board and Tees Valley CA for approval

## 2. Information

2.1 As part of its local energy programme, the Department for Business, Energy and Industrial Strategy (BEIS) is funding energy strategies for all Local Enterprise Partnerships (LEP). The West Yorkshire Combined Authority (Combined Authority) is currently developing its energy strategy and delivery plan. To support delivery of these strategies, and to provide much needed local capacity, BEIS are also funding five new energy hubs. The Energy Hubs (Hubs) will:

- Identify and prioritise local energy projects
- Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local energy 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

2.2 This additional capacity is intended to:

- Complement existing activity
- Provide LEPs and local authorities with additional resources and expertise

- Provide support to a point where a project is able to attract capital investment

To date this capacity and support has been identified as a barrier to delivering local energy projects.

### North East, Yorkshire and Humber Energy Hub

2.3 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) will be established covering the following LEP areas:

- Humber
- Leeds City Region (West Yorkshire Combined Authority)
- North East
- Sheffield
- Tees Valley Combined Authority
- York, North Yorkshire and East Riding

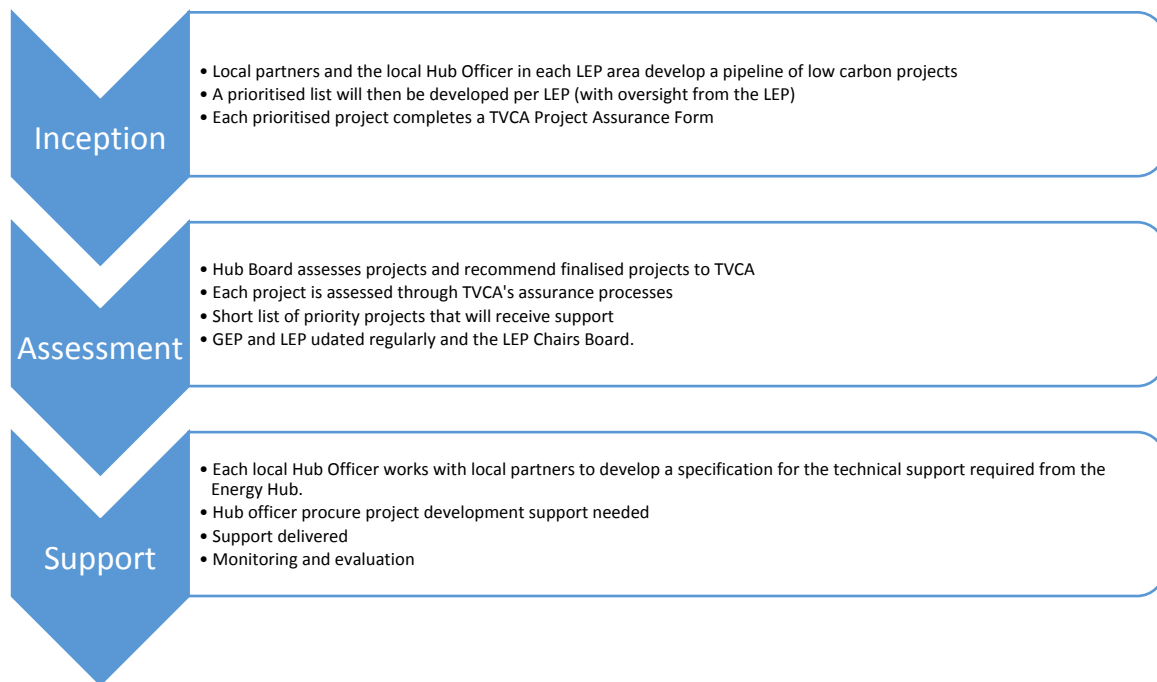
2.4 The Tees Valley Combined Authority will act as the lead accountable local Authority for the consortium of six LEPs. They will manage the Hub's two year budget. The Hub will include a core team which consists of:

- Programme Manager to manage the programme
- Project development support budget (for joint pan LEP energy projects)
- Six Local Project Managers (similar) to work in the LEPs at a local level

2.5 The Objectives of the Hub is:

1. Increase number, quality and scale of local energy projects being delivered.
2. Raise local awareness of opportunity for and benefits of local energy investment.
3. Enable local areas to attract private and/or public finance for energy projects.
4. Identify working model for teams to be financially self-sustaining after first two years.

2.6 Projects that use the Hub's support will follow the journey outlined below. In the City Region the emerging energy strategy and delivery plan will be used to identify projects that are suitable for Hub funding. At this early stage in the development of the energy strategy, it is anticipated that the value of such support may cost up to £10,000 per project. Projects will be supplemented, if required, with projects deemed unsuitable for the City Region's Energy Accelerator (see 2.15).



2.7 Projects that are funded by the Leeds City Region's allocation will:

- Be developed by the new Policy Officer (Energy Hub) and overseen by the Combined Authority's Policy Manager
- Internal approval to submit bids to the Hub with a value of zero to £10,000 will be through a recommendation to the Combined Authority's Managing Director
- Bids over £10,000 will be approved through consultation with the Green Economy Panel members
- All bids will be subject to approval by the Hub Board and will go through the Tees Valley Combined Authority's Assurance Processes

2.8 Day to day governance for the programme will be provided by a North East, Yorkshire and Humber Hub Board, this officer group will be chaired by the Innovation and Technology Manager at the Tees Valley Combined Authority (TVCA) with representatives from all LEPs present. This Board will recommend projects for approval and submit these projects through the TVCA assurance process for approval. Overarching oversight of the NEYH Hub will be provided by the North East, Yorkshire, and Humber LEP Chairs. In the LCR the Green Economy Panel and LEP Board will also receive regular updates on this programme.

Funding and Memorandum of Agreement

2.9 As the lead local authority, TVCA has signed a Memorandum of Understanding (MoU) with BEIS for two years.

2.10 A Memorandum of Agreement (MoA) has also been drafted by TVCA. All LEPs in the consortium will need to sign this. The MoA outlines what TVCA and the Hub are responsible for and what the partner LEPs will be responsible for.

- 2.11 The Combined Authority will receive £100,000 over two years from the Hub and be responsible for:
- Recruitment and all employment liabilities of a local Leeds City Region (LCR) Officer (estimated value ~£42,975 per year for a full time officer).
  - Consultancy project development budget to be spent on City Region projects identified in the Energy Strategy and Delivery Plan / other (estimated value ~£14,000).
  - Submission of local projects to the Programme Manager and Hub Board in line with TVCA's Assurance Framework.
- 2.12 A role profile has been developed and evaluated for a Policy Officer (Energy Hub). Subject to the Combined Authority signing the MoA, recruitment of this post is now needed in order to commence work in the City Region. At present the Combined Authority is also exploring the benefits of making the LCR Hub officer part time or a shared resource with a neighbouring LEP. This would allow a larger budget for the consultancy project development support.
- 2.13 It is anticipated that the Hub will be fully established by August 2018.

#### Energy Accelerator

- 2.14 The Hub will complement the work of the Energy Accelerator (Accelerator). The Accelerator will support as a minimum 15 – 20 low carbon projects that meet strict funder criteria (please see item eight of the LEP Board meeting held on 27 March 2018). The new Hub will have much less stringent project requirements and be applicable to a wider range of local energy projects. The new Hub will:
- Explore outcomes of the LCR Energy Strategy and Delivery Plan (anticipated completion date for a draft June 2018 (approval from the Combined Authority Autumn / Winter 2018)).
  - Support a wider range of local energy projects in the City Region
  - Look at pan-LEP / regional opportunities.
  - Link with the new Energy Prospectus - Leading Our Energy Future. This will articulate the energy opportunities across the combined Yorkshire LEPs areas (See 2.15).
- 2.15 An energy prospectus - Leading Our Energy Future is also being developed by the combined Yorkshire LEPs. This will articulate the energy opportunities across Yorkshire. Alongside the developing energy strategies that all LEPs are working on, this prospectus will form a framework of collaboration that will also help shape the work of the new energy hub.

### **3. Financial Implications**

- 3.1 To establish the Hub BEIS will provide TVCA with funding for two years.
- 3.2 Each LEP will receive £100,000 over the two years to fund a local energy hub

project officer and provide capacity in the form of a consultancy development support.

#### **4. Legal Implications**

4.1 There are no implications associated to this paper.

#### **5. Staffing Implications**

5.1 A new Policy Officer (Energy Hub) will be established to support delivery within each LEP.

#### **6. External Consultees**

6.1 Local Authority Partners and the Green Economy Panel have been updated over the development of the Hub.

#### **7. Recommendations**

7.1 The LEP Board is asked to:

- i. Note and endorse the development of the new Hub and the additional capacity and support it will offer the City Region in developing local energy projects.
- ii. Delegate to the Combined Authority's Managing Director the authority to submit City Region bids under £10,000 to the Hub Board and TVCA for approval.
- iii. Delegate to the Combined Authority's Managing Director the authority to submit City Region bids over £10,000 to the Hub Board and TVCA for approval, in consultation with the Green Economy Panel.

#### **8. Background Documents**

8.1 None.

#### **9. Appendices**

None.

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