

GREEN ECONOMY PANEL

**MEETING TO BE HELD AT 4.00 PM ON TUESDAY, 9 APRIL 2019
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**
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- 5. CHAIR'S UPDATE**

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11. PANEL WORK PROGRAMME 2019/20

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Signed:

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font. A horizontal line is drawn underneath the signature.

**Managing Director
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE
GREEN ECONOMY PANEL
HELD ON TUESDAY, 29 JANUARY 2019 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Andrew Waller	City of York Council
William Firth	European Metal Recycling (EMR) Ltd
Dr Alice Owen	University of Leeds
Councillor Sarah Ferriby	Bradford Council
Councillor Jenny Lynn	Calderdale Council
Rosa Foster (Advisory Representative)	Environment Agency

In attendance:

Wallace Sampson	Harrogate Borough Council
Keith Owen	Northern Gas Networks
Jonathan Busch	University of Leeds
Tim Frenneux	York, North Yorkshire and East Riding LEP
Katie Thomas	York, North Yorkshire and East Riding LEP
Alan Reiss	West Yorkshire Combined Authority
Ian Smyth	West Yorkshire Combined Authority
Jacqui Warren	West Yorkshire Combined Authority
Jelena Covic	West Yorkshire Combined Authority
Kiran Parmar	West Yorkshire Combined Authority
James Brass	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

21. Apologies for Absence

Apologies for absence were received from Simon Pringle, Natasha Luther-Jones, Jim Cardwell, David Gill and John Williams.

22. Declarations of Disclosable Pecuniary Interests

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

23. Exempt Information - Possible Exclusion of the Press and Public

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

24. Minutes of the Meeting of the Green Economy Panel held on 23 October 2018

The Chair updated the Panel on the progress of items raised in the previous minutes, including that the proposed name change of the Panel had been deferred due to the LEP review. The Chair also introduced Kiran Parmar, the new LCR Energy Hub officer, to the Panel.

Resolved: That the minutes of the Green Economy Panel held on the 23 October be approved.

25. Chair's Update

There was no Chair's update at the meeting.

26. Clean Growth and Knowledge Exchange

The Panel considered a report regarding a knowledge exchange to Graz and set out proposals for a clean growth audit.

The Panel was informed about the knowledge exchange and four key points of learning had been identified. The Panel was also given insight into the formation of industrial clusters to accelerate innovation and sector growth. It was identified that a greater level of sector knowledge was needed in order to ascertain the conditions for industrial clean clusters.

The Panel discussed the proposed clean growth audit which would form a robust evidence base which could help to identify the strategic priorities for clean growth in the Local Inclusive Industrial Strategy.

The Panel expressed support for the clean growth audit. Panel members also discussed the possibility of issuing a call for action to ascertain more immediate opportunities around the clean growth agenda. The Panel emphasised the importance of identifying good practice in order to demonstrate the value and further the potential for clean growth projects.

The Panel noted that the clean growth audit would be completed by May 2019 and the opportunities identified would be integrated in the Local Inclusive Industrial Strategy by September 2019. The Panel was encouraged to feed ideas into the Local Inclusive Industrial Strategy which was intended be inclusive and co-owned.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the Panel provided comments on the emerging finding, especially in relation to the information outlined in Sections 3 and 4.

27. Energy Strategy and Delivery Plan Update

The Panel was updated on the progress of the Leeds City Region Energy Strategy and Delivery Plan.

The Energy Strategy and Delivery Plan proposed a carbon emission reduction trajectory which would need to be delivered in order to comply with the Paris Climate Change Agreement. The report set out the ongoing and further work necessary to meet this proposed target which included feeding projects through the Energy Accelerator and the Energy Hub for immediate support as well as organising a Leeds City Region Summit.

The Panel discussed the more ambitious IPPC target of limiting temperature rise to 1.5°C instead of the 2°C target required by the Paris climate change agreement. The Panel was informed that part of the planned work would involve mapping out what a 2°C target would look like and what a more ambitious 1.5°C target would require.

The panel discussed the ongoing work required to meet the proposed target. Measures already identified would mean that the Leeds City Region advanced two thirds of the way toward the Paris climate change agreement with the remaining third still to be identified.

The Panel discussed the proposed regional summit and it was suggested that civil society experts should be included. The Panel also discussed the motions passed in Bradford, Kirklees and Calderdale councils regarding a climate change emergency and it was agreed that more information would be circulated to Panel members.

Resolved: That the ongoing work relating to the Energy Strategy and Delivery Plan as well as the next steps be noted.

28. Energy Accelerator Advisory Board Update

The Panel considered a report which provided an update on the Energy Accelerator Advisory Board.

The Panel noted the work to date completed by the Combined Authority on behalf of the LEP, including the appointment of a new programme delivery team and the appointment of advisors.

The Panel was also informed of changes to the governance which had been updated to better align the governance of projects within the Combined Authority, including amendments to the governance process to ensure swift decision making.

The Panel was informed of some of the types of applications and projects which had been received. The Panel thanked the previous Board for their input, steer and support. It was agreed that regular updates regarding the Energy Accelerator would be brought to the Panel.

Resolved: That the Panel note the progress and next steps for the ESDP.

29. Hydrogen North of England

The Panel considered a report regarding the hydrogen for the north programme.

The Panel was provided with a presentation from Keith Owen, from Northern Gas Networks, about the programme.

Members questioned the need for investment in Carbon Capture and Storage in order for hydrogen to be a viable low carbon fuel source. Members also suggested that it would be helpful to have more clarity around the practical measures of the project and address common concerns, particularly around how a switch to hydrogen might affect appliances.

The Panel was informed of the H21 liaison group between the West Yorkshire Combined Authority, Leeds City Council, Tees Valley Combined Authority and with Northern Gas Networks to support the development of the initial H21 Leeds Citygate programme. It was agreed that regular updates would be brought back to the Panel

Resolved: That the Panel note the new programme and identify any support they would like to offer this new North of England programme

30. Circular Yorkshire

The Panel discussed a report which provided a summary of the York, North and East riding Local Enterprise Partnership's Circular Yorkshire programme. Katie Thomas, Low Carbon and Circular Economy Lead for York, North Yorkshire and East Riding Local Enterprise Partnership, provided the Panel with a presentation.

The Panel discussed the possible opportunities to widen the scope of Circular Yorkshire and work together towards a circular economy in the Leeds City Region. Planned works include piloting circular economy SME support through the forthcoming Resource Efficiency Fund 2, the opportunity of the Resource Efficiency Fund 2 and a focus on identifying circular economy opportunities through the Clean Growth Audit.

Resolved: To discuss feedback on the Circular Yorkshire work carried out by YNYER LEP and identify opportunities to explore in the Leeds City Region.

31. Strengthened Local Enterprise Partnerships

The Panel discussed a report regarding the implementation of the Government's recommendations for Strengthened Local Enterprise Partnerships.

This involved addressing areas of overlap in order to support the development of a West and North Yorkshire Local Enterprise Partnership. The Panel was informed that a Transition Subgroup had been established with members of both York, North Yorkshire and East Riding LEP and the Leeds City Region

LEP.

Resolved: That the report be noted

32. Major Projects Update

The Panel was provided with a major projects update. This included an update regarding the outcome of the Warm Homes bid which unfortunately was unsuccessful. The Panel was informed that another application may be made in a later round this year.

The Panel was updated regarding the progress of the Resource Efficiency Fund and a further application for Resource Efficiency Fund 2 which had been made on behalf of York, North Yorkshire and East Riding LEP.

Resolved: That the Panel note the progress against the Panel's major projects and programmes.

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Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Local Industrial Strategy Development**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Emma Longbottom

1. Purpose of this report

- 1.1 To update the Green Economy Panel on progress to develop a Local Industrial Strategy (LIS) for the proposed new LEP geography, which encompasses the areas of West and North Yorkshire, and seek input on the strengths and opportunities in the new geography.

2. Information

- 2.1 In early 2018, the LEP Board and Combined Authority agreed that work would begin on the development of a Local Industrial Strategy (LIS) for Leeds City Region. Sitting at the heart of a new, long-term strategic policy framework, the emerging LIS will focus on bold steps aimed at boosting productivity and driving both inclusive and clean growth living for a post-2030 economy.
- 2.2 Guidance in the form of a policy prospectus on Local Industrial Strategies was published by Government in early October¹ 2018. The guidance highlights that agreeing a Local Industrial Strategy will be a necessary condition for LEPs and Mayoral Combined Authorities to draw down any future local growth funding (or Shared Prosperity Funding) being deployed. The prospectus also states that Local Industrial Strategies should remain strategic documents and not contain any proposals that require new funding or have spending implications outside of existing budgets available to local areas.
- 2.3 The policy prospectus articulates that LISs should set out clearly defined objectives to increase the productivity of the local economy. So that all places:

¹ <https://www.gov.uk/government/publications/local-industrial-strategies-policy-prospectus>

- Are able to increase productivity and realise their potential, building on well-evidenced and distinctive strengths aligned to the national Industrial Strategy.
 - Set out spatial impacts of national and local policy across cities, towns and rural areas, informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity. This is seen as increasingly important due to the government's focus on areas that have been left behind.
- 2.4 The LEP Board away day in September 2018 helped to shape thinking on the development of the Leeds City Region LIS. Government representatives were invited to attend the event to update on the latest developments nationally and provide input and steer on the proposed approach.
- 2.5 Following the LEP Review (September 2018) there is now local consensus that supports the establishment of a new LEP encompassing the areas of West and North Yorkshire. Teams from the two LEPs are now working towards the development of a single LIS to cover the entire geography.
- 2.6 Timescales have been reduced since last reported, now with a target of December for a final version, to be signed off by Government by March 2020.
- 2.7 Work is underway to identify key priorities, which can be further developed, tested and supported by evidence over the coming months to ensure that the LIS is reflective of the proposed new geography.
- 2.8 The LIS will be co-produced with Government. Its ultimate endorsement by Government will mean it is a local expression of Government policy. This makes it a particularly powerful and influential strategy which will have an impact on future decisions about the region, for instance with regard to funding.
- 2.9 Clean Growth is one of the Government's four grand challenges (along with AI and Data, Future of Mobility and Ageing Society). LISs will demonstrate how and where they can contribute to one or more of these global challenges by identifying nationally significant strengths, assets and opportunities.

Process

- 2.10 Government guidance is clear on the need for LISs to be underpinned by robust evidence which draws out relative strengths and weaknesses, with an emphasis on productivity. A strong evidence base is already in existence and this will be developed and brought together into a full economic analysis, which will support the development of policy priorities.
- 2.11 A broad call for evidence is currently live, to allow stakeholders to help inform the development of the LIS. Interested parties are encouraged to submit evidence before 31 March 2019. <http://www.the-lep.com/about/projects/local-industrial-strategy/>

- 2.12 A second, more focused call for evidence will also be launched in April to delve into key areas, based on more specific questions.
- 2.13 Additional work is being undertaken where there is a gap in the existing knowledge base and a more intensive examination of the issues is required to address gaps in intelligence and determine areas of distinctiveness across the new geography. External consultancy and support has been commissioned to develop more detailed evidence around:
- *Productivity review*: greater analysis of productivity performance across the City Regions, including analysis of sectors that have significant levels of low productivity firms.
 - *Supply chain analysis*: identifying areas where there are opportunities to improve processes and develop new opportunities for businesses.
 - *Understanding innovation in the region*: culture, capacity and potential for innovation across our business base.
 - *Sector/cluster deep dive*: health-tech and clean tech to understand tech strengths and cluster opportunities.
 - *Inclusive growth* – understanding approaches across the new geography and working towards a set of indicators in the context of the LIS.
 - *Clean Growth Audit* - identify the current clean growth sectors and develop new areas of opportunity (a full update on the clean growth audit was provided to the Panel at the January meeting).
- 2.14 The initial economic analysis, and associated commissions will be complete in April 2019. Further detailed work may follow. The final data report will be produced in July 2019.
- 2.15 Consultation and engagement with a wide range of partners, stakeholders and individuals is planned to ensure the LIS encompasses the needs and distinctiveness of the new geography. A stakeholder mapping exercise was undertaken in March to fully understand key communication channels across the new geography.
- 2.16 An independent panel is being established to provide expert challenge and advice, and critical review of the evidence base and subsequent policy priorities. Members of the panel will be drawn from academia, business, the public sector (including large employers such as the NHS), and the voluntary and community sector. Invitations will be sent this week from both LEP chairs.
- 2.17 In addition engagement will take place with LEP Board Panels, businesses, universities, local authorities and community and citizen groups to best understand their priorities and the role that the new LEP can play in meeting these. This engagement will commence in earnest from May, with a range of methodologies being explored including online consultation, social media, workshops and roundtables, and place-based community engagement events.
- 2.18 To reflect the scale and long-term ambition of the LIS, we will also engage with young people on their views and input into shaping our proposals.

- 2.19 The process to develop the LIS will be iterative and will therefore evolve throughout the year. Engagement and co-production with Government will be undertaken throughout the development process to ensure that the LIS is completed and submitted to Government in December 2019.

3. Financial Implications

- 3.1 In addition to core staff resource to support research and intelligence and policy development activity, a budget of approximately £200,000 is available from Combined Authority / LEP internal budgets across the financial years 2018-19 and 2019-20 to support development of the evidence base for the LIS. In addition, both LEPs have been allocated funding identified in the 'Strengthened Local Enterprise Partnerships' guidance for capacity building. Officers from both teams are currently developing proposals for deploying this budget. The additional funding has been approved by Government.

4. Legal Implications

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

5. Staffing Implications

- 5.1 The LIS development forms a central component of the Combined Authority and LEP's programme of work to broaden its policy range. This will require capacity and expertise from the Combined Authority, local authorities and other partners. This can largely be provided within existing resources.

6. External Consultees

- 6.1 External engagement to inform the development of the LIS has been commissioned to review productivity and innovation.

7. Recommendations

- 7.1 That the Green Economy Panel:
- Notes progress made and endorses the proposed way forward on development of the evidence base.
 - Provides feedback on some of the strengths, assets and opportunities across the new geography, particularly on the Grand Challenge of Clean Growth.

8. Background Documents

- 8.1 There are no background documents.

9. Appendices

- 9.1 There are no appendices.

Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Energy Strategy and Delivery Plan**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

Author(s): Noel Collings

1. Purpose of this report

- 1.1. To give the Panel an update on the delivery of the Energy Strategy and Delivery Plan, including progress on the top ten actions identified.
- 1.2. To note the intention to establish closer ways of working between the Panel and the West Yorkshire Transport Committee with a view to reinforcing Transport Committee's involvement in achieving a City Region carbon emission reduction target.

2. Information

- 2.1. The Leeds City Region Energy Strategy and Delivery Plan (ESDP) was adopted by the West Yorkshire Combined Authority in December 2018.
- 2.2. The ESDP sets out how the ambition of the Strategic Economic Plan (SEP) for the City Region to become a resilient, zero carbon economy underpinned by high-quality green and blue infrastructure could be achieved.
- 2.3. This report gives an update on the work which has taken place since the ESDP was adopted and is split into four different elements:
 - Carbon reduction target, budgets and pathways
 - Energy Summit;
 - Energy Accelerator projects; and
 - North East, Yorkshire and Humber (NEYH) Energy Hub projects.
- 2.4. An update on each element is set out below.
- 2.5. A summary of the ESDP is set out at **Appendix 1** for reference.

Carbon reduction target and pathways

- 2.6. Stakeholders expressed an interest during the consultation on the ESDP to explore in detail the setting of a carbon reduction target for the City Region. This work responds to that request and builds on the carbon reduction work outlined in the ESDP.
- 2.7. The aims of this work are to:
- Identify a carbon reduction target and date for carbon neutrality¹ for the City Region.
 - Breakdown the carbon reduction target into five yearly carbon targets for the City Region.
 - Identify, taking into account the actions set out in the ESDP, potential carbon reduction pathways to achieving the carbon reduction target.
- 2.8. The Tyndall Centre will identify an overall and five yearly carbon targets for the City Region. The Tyndall Centre work is being funded through the University of Manchester at no cost to the Combined Authority.
- 2.9. The outputs of this work are to feed into the Towards a Zero Carbon City Region – Workshops and Event due to take place in June and July 2019.
- 2.10. In addition, the Combined Authority will commission a further piece of work to identify different potential ways in which the region could achieve the target identified by the Tyndall Centre. The benefits of each pathway will be defined e.g. GVA, jobs, cost, as part of the work.

Towards a Zero Carbon City Region – Workshops and Event

- 2.11. During consultation on the ESDP, Council Leaders and Chief Executives requested that a high profile event be held to raise awareness of the ESDP and gain commitment from regional stakeholders for its delivery. The LEP and Combined Authority agreed to this and plan to deliver the Towards a Zero Carbon City Region – Workshops and Event in June and July 2019.
- 2.12. The aims of the workshops and event are:
- Make Leeds City Region one of the first UK City Regions to publicly pledge its commitment to meeting the Paris Climate Change Agreement² targets.
 - Achieve national media coverage of the Towards a Zero Carbon City Region event in order to position the City Region nationally as a leading, innovative region on tackling climate change.
 - Raise awareness of the outputs of the ESDP with stakeholders.

¹ For the purposes of this piece of work carbon neutrality is defined as the point at which less than 5 percent of the total carbon budget for the City Region remains as residual emissions.

² The Paris Climate Change Agreement is the global agreement that brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects. The Agreement aims to keep global temperature rise this century to well below 2°C above pre-industrial levels

- Raise awareness of City Region overall and five-yearly carbon reduction targets.
 - Identify actions, which could enable a carbon reduction target.
 - Establish coalitions and collaborations between stakeholders to deliver transformational actions to achieve a regional carbon reduction target.
 - Gain commitment from key stakeholders to work with the Combined Authority and other partners to support the delivery of the City Region carbon reduction target.
- 2.13. The Towards a Zero Carbon City Region – Workshops and Event will be made up of four workshops and a stakeholder event. The workshops will be held in early June 2019, with the stakeholder event following in early July 2019.
- 2.14. To ensure the views and opinions of a wide cross-section of stakeholders are taken into consideration a stakeholder mapping exercise will take place. The mapping will be used as the basis for inviting stakeholders to the workshops and event. It is important that a balanced breadth of opinion is represented to ensure the outcomes of the workshops and event are inclusive to a wide range of stakeholders. The transition to a zero carbon City Region needs to be a ‘just transition’ limiting the impact on a wide range of stakeholders and groups.
- 2.15. Given the above we would hope to attract input from the energy sector, local, regional and national government, academia, industry, civic society, lobbying organisations, residents groups and the unions.
- 2.16. The stakeholder mapping will build on a similar exercise that was carried out for the Local Industrial Strategy, which identified stakeholders from across the City Region for engaging with on this important piece of work.
- 2.17. Stakeholders invited to the workshops will fall into two categories: those that are topic area experts and those who are local delivery experts. Topic area experts will be drawn from across the UK and must have expert knowledge on a specific subject area e.g. hydrogen, freight, solar PV. Local delivery experts will be drawn from the City Region and be experts in their ability to deliver projects and to make decisions on behalf of their organisation.
- 2.18. The workshops will be focussed around the key themes of power, buildings, industry and transport, with attendance by invite only to ensure key stakeholders are present at each.
- 2.19. The stakeholder event will take place after the workshops and is the opportunity for senior stakeholders to come together to discuss the proposed carbon reduction target for the City Region and pledge to work together to deliver it. The event will target local politicians and chief executives of City Region organisations e.g. local authorities, public sector organisations, large employers, universities and industry. Invites will be sent out by mid-April 2019.
- 2.20. A summary of the Towards a Zero Carbon City Region – Workshops and Event is set out in **Appendix 2**.

Energy Accelerator projects

- 2.21. A number of projects were identified in the ESDP which are suitable for development through the City Region Energy Accelerator³. These include district heat networks, street lighting and public sector energy efficiency retrofit schemes.
- 2.22. To date three district heat network projects highlighted in the ESDP are being progressed through the Energy Accelerator⁴. See agenda Item 12 for more information on these district heat network projects.

North East, Yorkshire and Humber Energy Hub projects

- 2.23. There are a number of projects identified in the ESDP which are suitable for development through the Hub⁵.
- 2.24. Three ESDP projects are currently being explored⁶ with Partners. They are:
- Leeds City Region low carbon transport policy review;
 - Financing mechanisms for upscaling domestic energy efficiency measures across the region; and
 - Leeds City Region green bonds and other financial instruments.

Low carbon transport policy review

- 2.25. This is a proposed project to help support current and future policy development when it comes to decarbonising surface transport (excluding aviation and shipping). The exact details of this proposed work are being developed with Partners.
- 2.26. The newly established joint West Yorkshire Transport Committee and Green Economy Panel working group (see 2.31 below) will oversee the development of this project.

Financing for domestic energy efficiency measures

- 2.27. There is currently a lack of funding available for domestic energy efficiency measures. Scaling up the Better Homes Yorkshire scheme was identified in the Energy Strategy and Delivery Plan as a key action to increase the levels of energy efficiency across the domestic stock in the City Region.
- 2.28. This proposed project will investigate the financial and business models that could be established to help the Better Homes Yorkshire scheme to be scaled

³ The Energy Accelerator is a team of expert advisors that support the development of low carbon projects. The Accelerator offers free support to the commercial and public sector in energy efficiency, district heat networks and street lighting.

⁴ All projects are subject to the approval by the Energy Accelerator Board

⁵ The Hub provides capacity to LEPs and local authorities to undertake the initial stages of development for priority local and regional energy projects and programmes up to a point where investment can be secured. A collaborative and coordinated approach across multiple LEP areas is encouraged through the Hub.

⁶ All projects are subject to approval by the Energy Hub Board.

up and deliver increased deployment of energy efficiency measures. The exact details of this proposed work will be developed with Better Homes Yorkshire Partners.

Green bonds and other financial instruments

- 2.29. Green bonds were identified in the Energy Strategy and Delivery Plan as a key mechanism in the financing of low carbon energy projects. This project would establish a green bond or other financial instrument model for the Leeds City Region which could be used to fund low carbon energy projects, e.g. those that have been supported through the Energy Accelerator.

ESDP top ten actions – progress update

- 2.30. The table below sets out current progress to deliver against the top ten actions identified in the ESDP.

Action	Description	Progress
Hydrogen vehicles	Hydrogen buses and refuelling stations on a key City Region bus route.	To be investigated as part of the low carbon transport review set out at 2.23 above.
Electric vehicle charging and infrastructure	Implementation of infrastructure allowing the roll-out of electric vehicles across the City Region, focussing on rapid charge technology.	Low carbon buses are being investigated as part of the Zero Carbon Bus Roadmap.
Industrial energy efficiency	Targeting the high-emission industrial sector with energy efficiency measures.	Clean Growth Audit (CGA) commissioned. The CGA will identify the location of high-emission industrial facilities, including those where CCUS may be of interest and waste heat is available.
Carbon Capture, Utilisation and Storage (CCUS)	Implementation of CCUS installations, building on the bioenergy CCUS project at Drax Power Station.	
Industrial waste heat recovery	Utilising the waste heat from energy from waste	

Action	Description	Progress
	facilities and energy intensive industries.	
Carbon budgets and carbon management plans	Support for businesses and public sector bodies in limiting their emissions.	Combined Authority has initiated a Corporate Clean Growth Programme. As part of this programme a baseline for resources including carbon will be calculated and ways in which use can be reduced will be investigated.
H21	Continued support for the development of this Northern Gas Networks led project to convert the existing natural gas network to 100 percent hydrogen.	Ongoing
Street lighting programmes	Improving the energy efficiency of street lighting through the use of LEDs and smart technologies.	Being explored through the Energy Accelerator.
Public estate renewables programme	Installation of renewable energy generation on and in public sector buildings.	Being progressed through the Energy Accelerator.
District Heat Networks	Continued development of 11 district heat network projects across the City Region.	Being progressed by individual local authorities or through the Energy Accelerator. See Item 12 for more information.

West Yorkshire Transport Committee

- 2.31. At their 15 March meeting Transport Committee requested that a working group be established, working with the Green Economy Panel, to consider the contribution of transport to achieving the regional low carbon ambitions. This was in light of the forecasted rise in transport related emissions over the next 20 years set out in the ESDP.
- 2.32. A joint Green Economy Panel and Transport Committee working group is currently being established in response to the request. The working group will explore how transport can contribute to the regional emission reduction target and oversee the development of specific actions relating to transport and emissions reduction e.g. the Low Carbon Transport Policy Review set out at 2.24 above.
- 2.33. In addition to the working group a member of Transport Committee will be invited to attend meetings of the Energy Steering Group. The group, made up of representatives of Northern Powergrid, the University of Leeds, and BEIS, oversee the delivery of the ESDP and act as a critical friend to the LEP and Combined Authority in delivering against this agenda.

3. Financial implications

- 3.1. There are no financial implications directly arising from this report. Any financial implications associated with the above will be the subject of separate reports.

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. That the Panel note the contents of the report.

8. Background documents

- 8.1. None

9. Appendices

- 9.1. Appendix 1 – ESDP Summary
- 9.2. Appendix 2 – Regional Summit Summary

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Leeds City Region Energy Strategy

Executive summary

1. Introduction

This Energy Strategy and delivery plan is the response of City Region partners to the global challenge of providing a secure, affordable energy supply for our residents and businesses, while also lowering carbon emissions to help the UK meet its national (Climate Change Act) and international (Paris Climate Change Agreement) carbon reduction targets.

With its long history of energy generation – historically producing a major share of the UK’s energy including 12% of electricity – Leeds City Region has the knowledge, skills and infrastructure to play a key role in meeting the UK’s future energy requirements.

In this strategy and delivery plan, we set out how we will target investment over the next 10 years to meet our ultimate goal of becoming a zero-carbon energy economy, while also taking advantage of unprecedented change within the global energy sector to grow our region’s economy and improve people’s lives.

2. Where we are now: our strengths and challenges

Given its long history of energy generation, Leeds City Region has a number of distinctive strengths that will enable it to play a leading role in the UK’s transition to a low carbon economy with the right investment.

Our strengths:

38%

reduction in carbon emissions since 2005

£918m

GVA value of City Region’s energy sector

7,900

people employed in energy

12%

of UK electricity generated here

31%

of electricity generated here from low carbon or renewable sources

Range of support available to help households and businesses become more energy efficient

The challenges we must address:

- **Continued reliance on fossil fuels** – only **8.8%** of energy consumed currently is provided by renewables
- **Estimated 13% increase in energy demand** over the next 20 years
- **12.5%** of households in the City Region in fuel poverty
- **Ensuring our energy-intensive industries** (including the UK’s largest manufacturing centre) remain productive and globally competitive
- **Keeping energy costs manageable** for businesses and households
- **Reducing carbon emissions** to meet national and international targets

3. Where we want to be: our vision

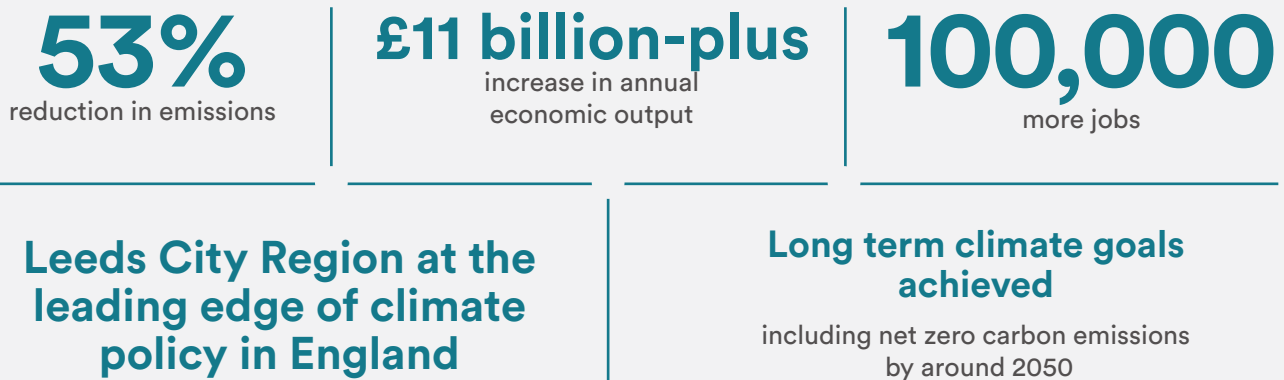
Our ultimate ambition – as set out in our Strategic Economic Plan – is to make Leeds City Region a zero-carbon energy economy.

In this Energy Strategy and its accompanying delivery plan we set out how we will target investment and innovation over the next 10 years and up to 2036 to make our region a world-leading centre for zero-carbon energy.

We will also make the most of our region’s significant natural assets to develop high quality green and blue infrastructure, that will improve our resilience to the effects of climate change, such as increased flooding. Our plans to achieve this are set out in our Green and Blue Infrastructure Strategy and delivery plan.

The major opportunity:

If our region were to reduce carbon emissions in line with the targets set in the Paris Climate Change Agreement by 2036, we would see:



4. How we will get there: our priorities

To achieve our zero-carbon energy economy ambitions we will focus on five priority action areas:



1. **Resource-efficient businesses and industry** – we will increase support to help companies reduce their energy costs and carbon emissions



2. **New energy generation** – we will develop an energy network that provides locally generated low-cost, low carbon energy to homes and businesses, including district heat networks and the landmark H21 hydrogen energy project in Leeds



3. **Energy efficiency and empowering consumers** – we will help households become more energy-efficient, lower their energy bills and reduce fuel poverty



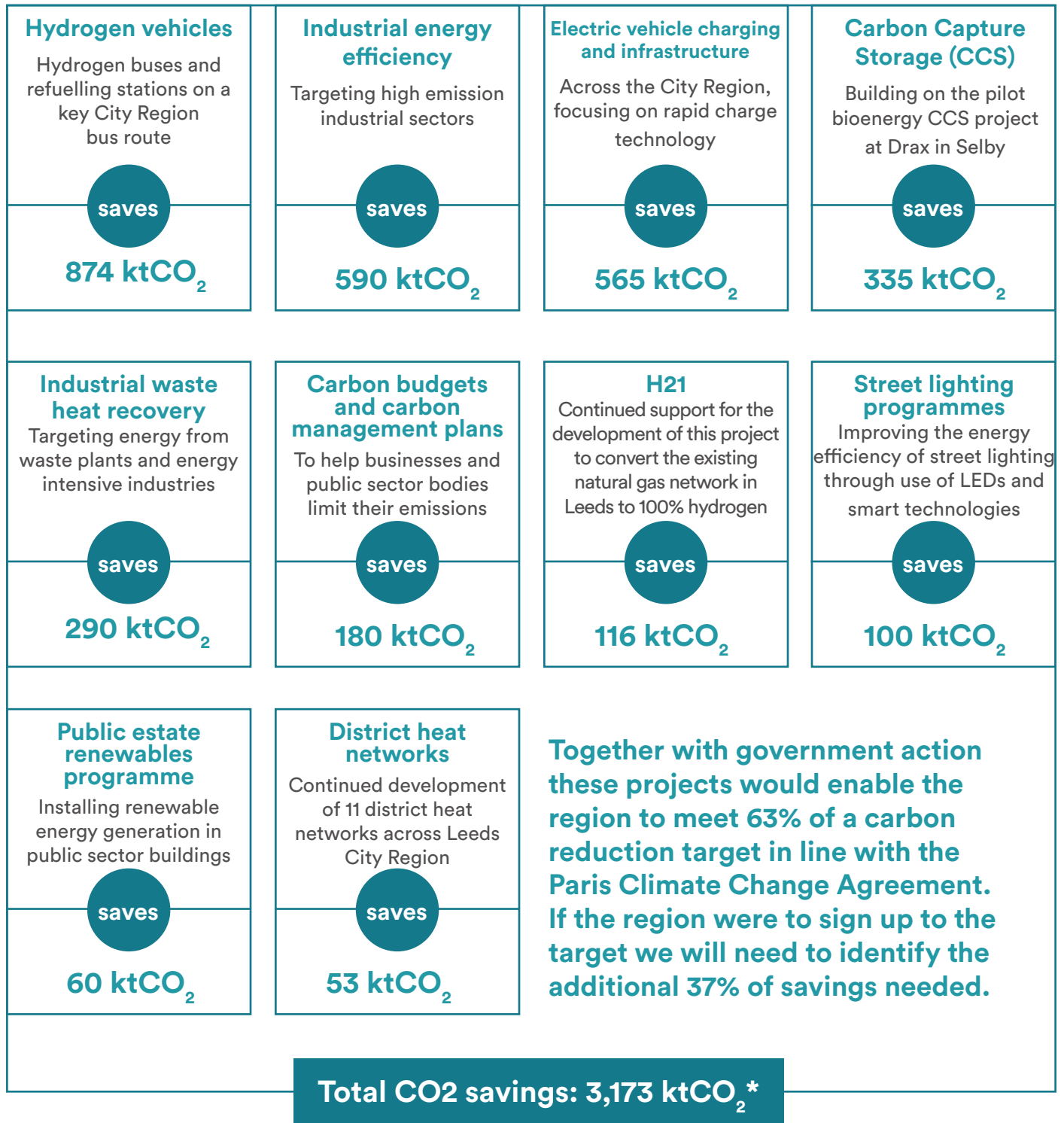
4. **Smart grid systems integration** – we will develop the technology and infrastructure that enables people and businesses to use energy more intelligently



5. **Efficient and integrated transport** – we will target investment and influence transport operators to develop a sustainable transport network, including a greater proportion of electric and hydrogen-powered vehicles and increased opportunities for cycling and walking

5. Top 10 projects and initiatives

Our zero carbon energy economy ambition will only be achieved through collective action. These are the key projects partners across Leeds City Region will explore together over the next 10 years, ranked by estimated carbon savings:

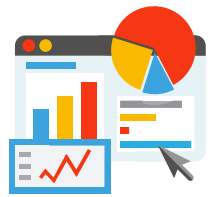


* The equivalent of taking 680,000 cars off the road for a year or driving a car to the moon and back over 16,000 times!



6. How the strategy will make a difference

Benefits of delivering this strategy for people and businesses in the region will include:



Increased economic growth and productivity

- Faster economic growth within the energy sector
- Improved ability to attract business investment and talent to the region
- Increased business efficiency and competitiveness



Inclusive growth that benefits everyone

- Lower energy costs for households and businesses
- More skilled jobs related to energy
- Significant reductions in fuel poverty



Reduced carbon emissions

- Reduction in carbon emissions and improved air quality
- Achievement of climate change targets
- Improved energy security with less reliance on imported fuel supplies

Find out more

Read our full Energy Strategy and delivery plan here

westyorks-ca.gov.uk

Twitter: @westyorkshireca

Enquiries: @westyorkshire-ca.gov.uk

Tel: +44 (0) 113 251 7272

[#zerocarbonlcr](https://twitter.com/westyorkshireca)

Appendix 2. Towards a Zero Carbon City Region – Workshops and Event

Summary

- 1.1. The Towards a Zero Carbon City Region – Workshops and Event will comprise of two elements – 1) four workshops and 2) an Event.
- 1.2. Prior to the Event, four workshops will be focussed around the themes of power, buildings, industry and surface transport and the transformational carbon reduction activities that could be implemented within the different themes.
- 1.3. The Towards a Zero Carbon City Region Event will take place over 3½ hours followed by lunch and will target the attendance of politicians and Chief Executives from key City Region stakeholders. The outputs of the workshops will be presented at the Event alongside additional work being undertaken to determine a carbon reduction target for the City Region.
- 1.4. A high-profile host will be sought to oversee the Event with key note speeches from a number of City Region stakeholders who are committed to achieving the carbon reduction target.
- 1.5. The Event will culminate in key leaders and partners pledging and signing up to work with the City Region to support delivery of the regional carbon reduction targets set.

Dates

- 1.6. The workshops will take place in early June 2019 and will be followed by the half-day Event on 10 July 2019. Exact dates for the workshops will be confirmed shortly.

Key ingredients for a successful event

- 1.7. If we are going to achieve positive media coverage and stakeholder buy-in for the event and what we're trying to achieve we need to differentiate the event from other conferences in this space. This could be achieved through:
 - Clear, measurable objectives
 - A venue that reflects the ambition / aims for the Towards a Zero Carbon City Region – Workshops and Event
 - A compelling keynote speaker
 - Young people's engagement, making it clear that we are focussed on the future of the City Region, and differentiate the event from every other conference
 - Partnership approach, giving partners a sense of ownership in the pledge and a platform to showcase the great work they are doing
 - An inventive format, doing things differently to again showcase the vibrancy of the City Region
 - Sustainability being embedded in all aspects of the event

Workshop Agenda (draft)

1. Welcome, introductions and purpose

Welcome to delegates and introductions. Overview of the purpose and outcomes of the session.

Who: Facilitator

Timings: 20 minutes

2. Key note speech

Overview of the theme which the workshop is focussed on and the current and emerging decarbonisation opportunities. Sets the context for the breakout session to come.

Who: Industry expert with the ability to enthuse delegates.

Timings: 20 minutes

3. Evidence base

Overview of the evidence base relating to the theme which the workshop is focussed on. Derived from a combination of findings from the Energy Strategy and Delivery Plan and other relevant sources.

Who: Either Policy and Strategy Team or consultants

Timings: 20 minutes

4. Breakout sessions

Multiple mini-sessions focussed on different sub-themes relevant to the theme of the workshop. Sub-themes are selected according to the evidence base. Purpose of the sessions is to begin the process of developing the transformational actions and partnerships / coalitions that will deliver the carbon reduction target.

Who: Sub-theme experts; Local delivery experts.

Timings: 2 hours 15 minutes

5. Summing up and next steps

Summing up of the key discussion and action points from each of the breakout sessions and identification of next steps.

Who: Facilitator

Timings: 15 minutes

Event Agenda (draft)

1. Welcome, introductions and purpose

Overview of the purpose and outcomes of the session.

Who: Summit Chair

Timings: 5 minutes

The Leeds City Region ambition

Why zero carbon energy is central to the City Region's inclusive growth ambitions

Who: LEP Chair / City Region Leader / Chief Executive

Timings: 10 minutes

2. Key note speech and Q&A

A keynote speech from a high-profile figure on the climate change agenda which sets the context for the event, emphasising the importance of reducing emissions and the opportunity it presents for the UK and Leeds City Region.

Who: High-profile speaker

Timings: 30 minutes

3. The evidence behind the ambition

Overview of the evidence base relating to the zero carbon energy ambition and the target for carbon neutrality for the City Region.

Who: Tyndall Centre for Climate Change

Timings: 25 minutes

4. Perspectives on the pledge

A panel discussion and Q&A from various key stakeholders on why they are signing up to the City Region pledge and the actions they will take to contribute.

Who: City Region Council Leader / Chief Executive; a City Region business; an anchor institution

Timings: 30 minutes

5. Young person's keynote

A rallying keynote address from a young person on why taking action on climate change is important for them and the action they want to see decision-makers take to secure young people's future.

Who: Young person (ideally from the City Region)

Timings: 10 minutes

6. Pledge ceremony and celebration event

A pledge ceremony and celebration event to mark the City Region's adoption of a target aligned with the Paris Climate Change Agreement. To include a photocall with all key stakeholders; a showcase of clean technologies /

*innovations from the City Region; young people's art display; street performers;
and sustainable food and drink.*

Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Clean Growth Funding Review**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren

1. Purpose of this report

1.1. To give an overview of the existing and forthcoming funding opportunities relating to the Green Economy Panel's areas of interest. The Panel is also asked to:

- Promote the BEIS Industrial Energy Efficiency Accelerator (IEEA) opportunities across their networks.
- Consider the new forthcoming Detailed Designs of Smart, Local Energy Systems (DDSLES) competition.
- Highlight other funding opportunities they may wish to consider.

2. Information

2.1. This paper outlines existing and forthcoming funding opportunities relating to the transition to a zero carbon economy and the protection and enhancement of the natural environment. This paper is not a full assessment. It is meant to highlight a few forthcoming opportunities for the Green Economy Panel (Panel) to consider.

Current GEP major projects

2.2 The following table highlights the currently funded Panel projects and their funding streams and funding timescales. It also identifies where new funding is planned to support these projects post 2019.

Major Projects	Funder	Funding timescales	New funding being explored
REF I	ERDF PA3 ¹ Local Growth Deal	October 2019	ERDF PA4 ² – November 2018
Better Homes / Warm Homes	ECO3 ³ , Warm Homes, Local Authorities	December 2019	Energy Hub
Energy Accelerator	EIB- ELENA ⁴ Local Growth Deal	August 2021	
District Heat Networks	HNDU ⁵ – various rounds 1 - 7	Various	Energy Accelerator
Energy Hub	BEIS	Sept 2018 – Sept 2020	n/a

New funding opportunities

BEIS Industrial Energy Efficiency Accelerator

- 2.2. The BEIS (The Department for Business, Energy and Industrial Strategy) IEEA provides funding for innovative energy efficiency technology demonstrator projects in UK industry.
- 2.3. The key objectives of the programme are:
- Strengthen the global competitiveness of UK industry while simultaneously delivering decarbonisation targets.

¹ European Regional Development Funding – Priority Axis 3: Enhancing the competitiveness of small and medium sized enterprises.

² European Regional Development Funding – Priority Axis 4: Supporting the shift towards a low carbon economy

³ Energy Companies Obligation (ECO)

⁴ European Investment Bank (EIB) European Local ENergy Assistance (ELENA)

⁵ Heat Networks Delivery Unit (HNDU)

- Deploy industrial energy efficiency technology demonstration projects by working with project partners to mitigate risks.
 - Commercialise innovative industrial energy efficiency technologies (and processes) through incubation support.
 - Unlock large scale private sector investment in energy efficiency technologies.
- 2.4. The key focus of the programme are innovations with large cross-sector energy and carbon reduction impact, from novel technologies or known technologies in new sectors.
- 2.5. Through the programme a total of £9.2 million is available over four years and is allocated on a competitive basis. BEIS expect funding awards of up to £1 million for 10-15 projects and will typically provide 40-60% of eligible costs.
- 2.6. The themes that are within scope are process heating, process control, automation and optimisation, process equipment, alternative materials and energy sources.
- 2.7. The programme is open to private sector companies and universities / research organisations. Other public sector bodies are not eligible.
- 2.8. Phase 2 is open until 30 April 2019 for the remaining funding (approximately £5 million). The Panel are asked to promote the BEIS IEEA opportunities across their networks.

Heat Networks Investment Project

- 2.9. The BEIS Heat Networks Investment Project (HNIP) will invest up to £320 million of capital funding into district heat network projects. HNIP compliments the long-standing project development funding and support provided by BEIS through the Heat Networks Delivery Unit (HNDU).
- 2.10. HNIP provides gap funding support for district heat network projects. Funding will be provided in the form of grants and loans from April 2019 for a period of up to three years. BEIS hopes that the funding will leverage around £1 billion of private sector and other investment support for the commercialisation and construction of district heat networks.
- 2.11. The objectives of HNIP are:
- Increasing the volume of strategic, optimised and low-carbon heat networks built through provision of central Government funding which will draw in significant additional investment.
 - Improving the quality of heat networks that meet local infrastructure and consumer needs.
 - Building the capability of project sponsors and the supply chain to develop heat networks of the right type and quality.

- 2.12. HNIP is a competitive process and applications will be invited through quarterly funding rounds.
- 2.13. HNIP will provide grants of between £0 and £5 million and loans between £25,000 and £10 million. Funding awarded through HNIP must not exceed 50% of the construction capital expenditure of a heat network project.
- 2.14. A number of the City Region's district heat network projects are expected to apply for HNIP funding over the coming year. Including some that are also considering support through the Energy Accelerator (See item 12).

Zero emissions transport

- 2.15. The Government's long term ambition is to become a global leader in design and manufacture of zero emission vehicles and infrastructure. It has set an interim target of 50 percent of new cars, and 40 percent of new vans to be zero emissions by 2030.
- 2.16. Direct government subsidies for vehicles and electric vehicle charging infrastructure is being scaled back, with grants for plug in cars, vans, taxis and motorcycles due to end by 2020. The home-charging scheme closed in March 2019, while the Workplace Charging scheme is set to continue along with the residential on-street charging scheme. Both are due to close in 2020.
- 2.17. The Future of Mobility Challenge set out in the UK Industrial Strategy will be supported through the 246 million pound Faraday Battery Challenge fund⁶. 40 million pound in Government funding will support trials for innovative low cost wireless charging and public on-street charging solutions that can be deployed in residential streets.
- 2.18. The Government aims to develop the electric vehicle charging network, launching a £400 million charging infrastructure investment fund. The fund will be managed by Zouk Capital, with the intention to raise half the fund from private investors. The fund is expected to be launched in spring 2019.
- 2.19. The West Yorkshire Bus Alliance is working to a short term goal to ensure buses are compliant with clean air zone standards with a long term aim to transition to zero emissions. In February 2019 the Combined Authority were awarded funds to invest in five electric buses to operate at the Stourton Park and Ride sites, while First Bus West Yorkshire were awarded 1.77 million pounds to introduce nine electric buses. The learning from these schemes will influence the current development of Low Emissions Bus Roadmap. This will set out options and recommendations to enable the region's bus fleet to transition to zero emissions.

Transforming Cities Fund

- 2.20. The Transforming Cities Fund (TCF) was announced in the Budget of November 2017 as a fund to support within city transport. It will target projects

⁶ Government's programme to develop cost-effective, high-performance, durable, safe, low-weight and recyclable batteries.

to drive productivity by improving how well connected places are, reducing congestion and using new services that will allow people to move freely and technology. Over £1 billion pounds of funding is available for non-mayoral authorities in England to bid for. It is subject to a two stage application process.

- 2.21. Following a successful Stage 1 Leeds City Region submission in June 2018, the City Region was selected to take part in the Stage 2 'co-development' phase with the Department for Transport (DfT). As part of this the Combined Authority was eligible to submit a 'small bid' for up to £10 million (submitted 4 January 2019) in addition to a Stage 2 'big bid' which will be submitted in June 2019.
- 2.22. On 13 March 2019, as part of the Spring Statement, the Combined Authority was notified that two of its 'small bid' projects – Kirklees Cycling and Walking Early Gateway Transformation Package and York Station Gateway Cycle Route Enhancements – were successful. These packages amount to £2.2 million.
- 2.23. The Stage 1 bid outlined three key themes for the City Region TCF bid submission and Stage 2 will build on these themes. The three themes are:
 - Strand 1: Transforming connectivity on four transport corridors in greatest need.
 - Strand 2: Creating transformed 21st Century Transport Gateways.
 - Strand 3: Transforming mobility for future generations.
- 2.24. Combined Authority officers are currently working with district partners, stakeholders and DfT to pull together the Stage 2 submission.
- 2.25. In addition, the Combined Authority can bid for a share of a £90 million fund for Future Mobility pilots. The Future Mobility pilots will trail new transport modes, services, and digital payments and ticketing as part of TCF. This is subject to a separate bidding process and guidance is yet to be issued by DfT.
- 2.26. The City Region's Stage 1 submission is published on the website [here](#).
[Detailed Designs of Smart, Local Energy Systems competition](#)
- 2.25. The United Kingdom Research and Innovation (UKRI) will be launching a 28 million pound detailed designs of smart, local energy systems competition this summer as part of the Industrial Strategy Challenge Fund, Prospering from the Energy Revolution Programme.
- 2.26. The Prospering from the Energy Revolution Challenge Fund will support industry, academia, public bodies, and local communities to develop a world-leading, smart local energy systems industry in the UK.
- 2.27. This competition will fund the development of detailed designs for smart, local energy systems which integrate heat, power and transport in an intelligent

way. Projects will be eligible to apply for up to 2 million pound grant, with matched funding. More details are yet to be published. The competition is expected to open in summer 2019. The Combined Authority is keen to explore this opportunities with Partners across the Panel.

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. Should the Panel want to explore new funding opportunities then this will be subject to a review of available resources to carry out this additional work.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Panel note the contents of the report.

7.2 That the Panel promote the BEIS IEEA opportunities across their networks.

7.3 The Panel consider the new forthcoming DDSLES funding opportunity.

7.4 The Panel highlight other funding opportunities they may wish to consider.

8. Background Documents

8.1 None.

9. Appendices

9.1 None.

Report to: Green Economy Panel

Date: 4 April 2019

Subject: **European Structural and Investment Funds (ESIF) and the UK Shared Prosperity Fund (SPF)**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Heather Waddington

1. Purpose of this report

- 1.1. To outline current progress of the ESIF programme and share the emerging key principles for its replacement, the UK Shared Prosperity Fund (UKSPF).
- 1.2. To seek feedback from the Panel on the shape of the new UKSPF.
- 1.3. To seek feedback from the Panel on how the remaining Priority Axis 4 uncommitted funds could be spent.

2. Information

Background

- 2.1. LEPs were asked to develop strategies for the use of European Structural and Investment Funds (ESIF) 2014-2020 in their localities. The €392m (to be matched with a further €392m) Leeds City Region final ESIF Strategy was submitted at the end of January 2014. A refreshed ESIF Strategy was completed in February 2016.
- 2.2. The ESIF budget (2014-2020) as at summer 2018, for the Leeds City Region, is £345.48 million with £179.43 million allocated to the European Regional Development Fund (ERDF funds projects which stimulate regional economic development) and £166.04 million allocated to the European Social Fund (ESF funds projects supporting jobs, helping people get better jobs).
- 2.3. The ESIF programme also includes a small amount of funding from the European Agricultural Fund for Rural Development (EAFRD) to support rural businesses to grow (approx. £5.46 million). All ESI Funds need to be matched 50:50 – therefore overall the programme value is circa £700 million to support local business and communities.

- 2.4. In June 2016 as a result of the outcome of the EU Referendum Government immediately implemented a series of progressive changes to the way the ESIF programme would continue to be implemented during this period of change and up to the point the UK leaves the EU. In its place, post 2020, the Government made a commitment to create a new UKSPF *“designed to reduce inequalities between communities,” delivering “sustainable, inclusive growth”*.

ERDF Progress to date (at 24 January 2019)

- 2.5. Progress overall is good with approximately £76.4 million of funding now contracted and a further £45.47 million of projects at the appraisal stage, plus a further £18.02 million ring-fenced for Sustainable Urban Development purposes. Total pipeline commitments currently represent 78 percent of the total notional Leeds City Region ERDF allocation.

- 2.6. The funding awarded to ERDF projects as at November 2018 will provide support to over 10,000 SME's and help to deliver, for example:

- 8,170 jobs created
- 400 enterprises supported in bringing new products to the market
- 1,000 businesses receiving improved protection from flooding

- 4,000 businesses receiving improved broadband access

- 2.7. Outputs of particular interest to the Panel as at November 2018 include:

- A reduction of 525,000 tonnes of greenhouse gases
- 1,008 businesses with reduced flooding risk
- 212 hectares of habitats supported to better conservation status
- 2,944 households with improved energy efficiency
- 122 hectares of land rehabilitated

- 2,338,856 KW per year decrease in annual primary energy consumption of public buildings

- 2.8. Calls for projects to date include Innovation, SME competitiveness, ICT, low carbon, flood mitigation, environmental mitigation and social inclusion. It is anticipated the final call for projects issued locally will be spring 2019.

- 2.9. The final local Priority 4 Low Carbon call will be based on that already published to date. The call will seek projects supporting the following areas:

- Promoting the production and distribution of energy derived from renewable resources
- Promoting energy efficiency and renewable energy use in enterprises.
- Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.

- Promoting research and innovation in, and adoption of, low carbon technologies

ESF Progress to date (at 24 January 2019)

- 2.10. Progress to date has been slower than anticipated. £71.42 million of funding has now been contracted or is at contract stage with a further £7.85 million of projects at the appraisal stage. Total pipeline commitments represent 48 percent of the total notional Leeds City Region ESF allocation.
- 2.11. The funding awarded to ESF projects as at November 2018 will provide support to over 48,000 individuals by helping them to enter and stay in employment with a further 23,000, already in employment, receiving support to progress by increasing their skills levels and earnings.
- 2.12. Further ESF Calls for projects have been published or are planned over the next six months in the areas of mental health support for young people, funding for an improved skills and employment campaign working with business to raise awareness of graduate internship programmes, funding to support skill levels and earnings as well as supporting our inclusive growth ambitions to reach those most removed from the labour market.

Progress to date (EAFRD)

- 2.13. The Leeds City Region EAFRD monies aim to support small and micro business in the rural areas of the City Region. Currently Expressions of Interest (EOIs), in response to the May 2018 Calls, have exceeded the amount of funding available (£7 million EOIs against an allocation of £5.2 million). Projects are now being appraised.

Summary

- 2.14. Overall the total pipeline commitments for both ERDF and ESF (not including EAFRD) represent 63% (£219.16 million), as at January 2019, of the total notional Leeds City Region ESIF allocation.
- 2.15. Any uncommitted ESIF after final Calls have been published, across the 39 LEPs, is expected to be pooled into a national Reserve Fund for redistribution. This will help to manage the risks of any funding being lost to the England programme and help manage exchange rate fluctuations to the end of the programming period (2023). It is therefore critical that all local ESIF is utilised as originally planned to help deliver the aims and objectives of the City Region's Strategic Economic Plan.
- 2.16. Of interest to the Panel is the funding which remains uncommitted under Priority Axis 4: Supporting the Shift towards a Low Carbon Economy in all sectors. Of the notional priority axis allocation of £33.58 million, 39 percent is currently allocated to the project pipeline. This leaves £14.27 million unallocated and at risk of being pooled into the national Reserve Fund for redistribution if additional projects do not come forward. There are also funds still available under ESF to support skills development and people to gain,

sustain and progress in work. Approximately £86m is still available, with calls planned in a number of areas outlined in 2.8 and 2.12.

A number of other options have also been considered for committing the remaining allocation by the ESIF Local Sub-Committee. Given the remaining funds available, particularly in ESF, the following have been considered:

- **Develop Calls to extend existing provision** – this is possible for some ERDF projects that are near to completion but has now been exhausted for ESF projects. Any ‘phase 2’ projects must ensure they demonstrate that lessons learnt from the first phase have been taken in to account in the development of a revised model of delivery. Regardless all applicants will still have to reapply for further funding under a published call.
- **Republish recent Calls** – in some Call areas, especially ESF, the response has been disappointing. Some of these calls will be republished, in tandem with further awareness raising (see below).
- **Develop a number of more general/speculative Calls at a lower value (ESF only)** - due to the challenge of finding match funding under ESF, whilst speculative, it could generate a number of smaller more niche pilot projects matched to smaller pockets of available funding. Feedback from stakeholders suggests different partners to those who have applied to date may be interested and more suited to apply for smaller and niche activity, which could add value to those approved to date.
- **Moving funds between Priority Axes (PA)** – unfortunately it is not possible to move the allocation of funding to a different PA under ESF. However consideration is being given to ‘trading’ money between PAs with other LEP areas for ERDF. In addition, where the national Performance Reserve targets have not been met (the targets between Government and the European Commission which relate to 6% of the monies in a PA) monies will be automatically decommitted and moved to a better performing PA. PA4 Low Carbon is one of the areas where the target has not been met nationally. It is expected that in Leeds City Region monies will be moved in to priority axes which support innovation and business competitiveness which are performing better.
- **Improve support to applicants** - applicant workshops have been arranged for 8 April 2019 (ESF) and 16 May 2019 (ERDF). At the workshops the Calls that have been published will be discussed further with potential applicants and partners to aid understanding. There will be an opportunity to look at how to present a good application, including technical advice on applying for ESIF, as well as an opportunity to help partners come together and develop partnership/consortia bids. Further to this, an applicant’s surgery day has been arranged for 8 April for applicants to discuss project ideas with the LEP ESIF lead.
- **Decommit funds to the Reserve Fund** – in the event that the allocation remains uncommitted, remaining funds would be pooled into the national

Reserve Fund. Details on the operation of the Fund is still to be confirmed. The funds can still be accessed through this route if needed.

- 2.17. The Panel are asked to provide guidance on how the remaining Priority Axis 4 funds could be spent, as well as the significant ESF funds available, noting that the final local Priority Axis 4 Call will be published in April 2019.

UK Shared Prosperity Fund (UKSPF): Next Steps

- 2.18. Following the EU Referendum May 2016, the Government committed to create a new UKSPF to replace ESIF, *“designed to reduce inequalities between communities,” delivering “sustainable, inclusive growth”*.
- 2.19. Work is ongoing in helping government give consideration to how the fund could work when addressing the need to raise both productivity and drive inclusive growth.
- 2.20. It should be noted that LEPs and Combined Authorities will play a key role in working with government to ensure that any future funding model is aligned and supports the delivery of Local Industrial Strategies, which will help prioritise and maximise the long term impact of the UKSPF.
- 2.21. A key task for the LEP is to ensure continuity, with EU funds ending in December 2020 and UKSPF starting in 2021. LEPs will have a key role in shaping and influencing the design of the new fund over the next year.
- 2.22. As part of the work to support Government in their initial thinking and shaping of the UKSPF, a number of soft consultations have taken place over the last two years. The LEP has contributed to all consultations and calls for evidence and, in partnership with the Combined Authority, have developed the following headline suggestions:
- That the value of the UKSPF is of at least equal value to EU and other domestic funding provision (e.g. Local Growth Fund) currently in place, to support the City Region’s growth ambitions.
 - Acknowledging that ESIF funding has been difficult to access and that EU regulations have stopped placed co-ordinating investments, the UKSPF should have a simplified administration to ensure that investments are targeted effectively at the local level.
 - The UKSPF needs to responsive to local needs and to be different and flexible compared to the existing ESIF programme. UKSPF funding should be allocated at a strategic level, allowing local areas to allocate funding to programmes and projects as determined by local need. This could be a key instrument in strengthening and accelerating devolution.
 - The UKSPF should break down the institutional and operational silos seen in the ESIF programme to integrate people, place and business-driven funding. This should also address unnecessary complexity,

bureaucracy, rules and eligibility issues with the aim of delivering the funding within a 'single pot' approach.

- The UKSPF enables long-term objectives for sustainable growth and inclusion through adopting multi-annual financial frameworks and be set over a seven to ten year funding period.

2.23. Government is expected to consult with stakeholders in spring 2019, ahead of announcing the design, structure and quantum of funding in the Budget in the autumn. With the Green Paper expected soon, the Panel are asked to consider the questions included at **Appendix 1** on the shape of the new UKSPF. These questions are based on what we know to date and on principles listed in paragraph 2.22, and will help develop our response to the Green Paper when it is published.

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. That the Panel note the progress made to date and provide any comments.

7.2. That the Panel provide feedback on the shape of the new UKSPF.

7.3. That the Panel provide feedback on how the uncommitted funding under Priority Axis 4 could be spent.

8. Background documents

8.1. None.

9. Appendices

9.1. **Appendix 1** – UK Shared Prosperity Fund: Discussion Questions

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United Kingdom Shared Prosperity Fund

DISCUSSION QUESTIONS

The Conservative manifesto promises a United Kingdom Shared Prosperity Fund (UK SPF). It will be “designed to reduce inequalities between communities,” delivering “sustainable, inclusive growth.” The government has identified disparities in productivity between regions (and the UK’s underperformance internationally) as a priority for the future fund. Promoting productivity and inclusive growth will therefore be at the forefront of UK SPF goals and objectives.

Work is taking place to consider the most effective means to raise both productivity and inclusive growth as well as how a future model is aligned and contributes to the Government’s Industrial Strategy.

Appendix 1. UK Shared Prosperity Fund: Discussion Questions

Question 1 : The LEP and West Yorkshire Combined Authority's design principles

- Do you agree with the headline principles? If not why not?

Question 2 : The fund – breadth and scope

- What types of intervention do you think are the most effective in support of productivity and inclusive growth in Leeds City Region (LCR)?
- Are there important activities which should be part of a LCR SPF which you see as falling outside of productivity and inclusive growth?
- What sort of outcomes/metrics should be used in delivering inclusive growth and shared prosperity at a local level?

Question 3 : Accountability to local partners and Government

- If Government were to devolve the implementation and distribution of the SPF funding to, for example, LEPs/Combined Authority's/Mayoral Combined Authorities, how can we best ensure local partners are engaged and equipped to deliver effectively, using structures and mechanisms which provide both value for money and deliver against key policy outcomes?
- What characteristics should any Lead Body have in order to best deliver the future fund?
- Should there be different levels of discretion for local delivery partners for different policy areas?

Question 4 : Distributing the Funding

- What have been the best examples of how delivery institutions receive funds (e.g. grants, borrowing, commissioning, delegated grants, financial instruments, payment by results)?
- How can we confidently say local is best – do you have any evidence to support effective local delivery mechanisms which we can draw on?

Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Clean Growth Policy Review**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren, Noel Collings

1. Purpose of this report

- 1.1. To update the Green Economy Panel on forthcoming major national policies, consultations, legislation and influential reports.

2. Information

- 2.1. This paper summarises a range of recent and forthcoming major national policies, consultations, legislation and influential reports relating to clean growth and the protection and enhancement of the natural environment.

Delivering Clean Growth

- 2.2. In 2017 the Government launched its Clean Growth Strategy. The strategy sets out the interventions that will support the Government meeting its Climate Change Act¹ targets up to 2032. This will equate to a 57 percent reduction in greenhouse gas emissions (a variety of gases that when emitted into our atmosphere contribute to a warming of our planet and cause climate change) below 1990 levels. It aims to:
- Accelerate clean growth
 - Improve business and industry efficiency
 - Improve our homes
 - Accelerate the shift to low carbon transport
 - Deliver clean, smart and flexible power
 - Enhance the benefits and value of our natural resources

 - Make the public sector and Government lead by example

¹ The Climate Change Act commits the UK to reducing greenhouse gas (including carbon dioxide) emissions by 80 percent by 2050.

- 2.3. In October 2018 the Government published a progress report outlining the progress made to date in delivering the Clean Growth Strategy. See **Appendix 1** which contains an overall summary of progress. The full document can be access [here](#).
- 2.4. Drawn from this report and the Clean Growth Strategy, Table 1 highlights anticipated clean growth priority policy/action areas for 2019.

Clean Growth priority policy / action area	Status / Government response
Results of the Call for evidence on building a market for energy efficiency	Awaiting further announcements
Review of Energy Performance standards in Building Regulations	Awaiting further announcements
Proposed Action Plan to build the market for Energy Efficiency (able to pay market)	Awaiting further announcements
Results of the Call for Evidence on a future Framework for Heat in Buildings	<p>The Government will develop a comprehensive policy framework to support this transition, building on the progress made by the Renewable Heat Incentive (RHI). The Government will continue to support market growth, backed by standards.</p> <p>The Government propose to consult in 2019 on regulations, skills and training, and Part L of the Building Regulations for England.</p>
Results of the Call for evidence on helping businesses to improve the way they use energy (including 20% improvement target by 2030)	Awaiting further announcements
New Streamlined energy and carbon reporting (SECR) framework	From April 2019

Clean Growth priority policy / action area	Status / Government response
Agricultural Bill	See below.
Clean Air Strategy (2019)	<p>The strategy sets out how the Government will:</p> <ul style="list-style-type: none"> • protect the nation’s health • protect the environment • secure clean growth and innovation • reduce emissions from transport, homes, farming and industry • monitor our progress
Resources and Waste Strategy (2018)	<p>This strategy sets out how the Government plan to double resource productivity and eliminate avoidable waste of all kinds (including plastic waste) by 2050.</p> <p>The strategy sets out how the Government will:</p> <ul style="list-style-type: none"> • preserve the UKs stock of material resources by minimising waste, promoting resource efficiency and moving towards a circular economy • minimise the damage caused to the UKs natural environment by reducing and managing waste safely and carefully • deal with waste crime
Smart Export Guarantee	See below

2.5. The following are also expected to be areas of interest for the Panel to explore in 2019.

Draft Environment Bill

- 2.6. Section 16 of the European Union (withdrawal) Act 2018 requires the Government to publish a draft Bill by December 2018 containing particular provisions on the environmental principles and governance.
- 2.7. The Environment Bill will put environmental ambition and accountability at the very heart of government. It will help the natural world to be in a better condition and create a new environment body to ensure progress.
- 2.8. The Bill will focus on:
- air quality
 - the protection and enhancement of our landscapes
 - wildlife and habitats
 - more efficient handling of resources and waste

 - better management of our surface, ground and waste water.
- 2.9. It will:
- Establish a world-leading environmental body, the Office for Environmental Protection (OEP) to champion and uphold standards as we leave the European Union (UN).
 - Introduce a clear set of statutory environmental principles to guide policymaking.

 - Place the flagship 25 Year Environment Plan on a statutory footing.

Appendix 2 outlines the Bill in detail.

- 2.10. The European Union (EU) (Withdrawal) Act 2018 will make sure existing EU environmental law continues to have effect in UK law after the UK leaves the EU.
- 2.11. It requires that the environmental principles which currently guide EU policy making and development must be set out in UK legislation.
- 2.12. In a no deal scenario, the OEP will be in place as soon as possible, with the necessary powers to review, and if necessary take enforcement action, in respect of breaches of environmental law from when the jurisdiction of the Court of Justice of the European Union has ended.
- 2.13. Alongside this, under a no deal scenario the government will put in place a holding arrangement during the interim period and the launch of the OEP. This will provide a mechanism for the OEP to receive a report of any perceived or claimed breaches of environmental law made during this interim period.
- 2.14. See **Appendix 2** for more details.

Draft Agricultural Bill

- 2.15. The Agriculture Bill will provide the legal framework for the UK to leave the Common Agricultural Policy (CAP) and establish a new domestic system of agricultural and environmental policy based on public money for public goods.
- 2.16. Via the CAP, the UK receives around four billion euros in support from the EU every year. CAP is split into two “pillars”. Pillar 1 provides Direct Payments and accounts for about 88 percent of total payments, with the vast majority being paid through the basic payment scheme, an area-based annual payment. Pillar 2 accounts for the remaining 12 percent and supports environmental outcomes, farming productivity, socio-economic outcomes and rural growth. As part of UK’s withdrawal from the EU this support will cease.
- 2.17. Under the Agriculture Bill farmers and land managers will be paid according to the work they do to enhance and protect the environment. It is proposed that this would replace the current system of Direct Payments.
- 2.18. Activities for which financial assistance through the Agriculture Bill could be provided include:
- Managing land or water in a way that protects or improves the environment.
 - Supporting public access to and enjoyment of the countryside, farmland or woodland and better understanding of the environment.
 - Managing land or water in a way that maintains, restores or enhances cultural or natural heritage.
 - Mitigating or adapting to climate change.
 - Preventing, reducing or protecting from environmental hazards.
 - Protecting or improving the health or welfare of livestock.

 - Protecting or improving the health of plants.
- 2.19. Financial assistance may also be provided for improvements in the productivity of an agricultural, horticultural or forestry activity.
- 2.20. The Agriculture Bill proposes a phased withdrawal of Direct Payments and transition to the new arrangements. This transition period will begin in 2021 and run for seven years, with the final Direct Payments being made in 2027.

Smart Export Guarantee

- 2.21. The Government has recently (5 March 2019) concluded a consultation on the future arrangements for supporting small-scale low-carbon generation.
- 2.22. The Smart Export Guarantee (SEG) would be a mandatory supplier-led route to market for small-scale low-carbon generation. SEG would replace the Feed-in Tariff²(FIT) which was phased out at the end of March 2019.

² Feed in Tariff – A programme designed to promote the uptake of renewable and low carbon electricity generation.

- 2.23. Under SEG government would legislate for suppliers to pay small-scale low-carbon generators (including householders) for the electricity they export to the grid. All technologies that were eligible for FIT would be eligible for SEG. The maximum capacity of technologies eligible for SEG would be five megawatts.
- 2.24. Government is currently reviewing the feedback it received from the consultation and provide an update during 2019.

UK Climate Targets

- 2.25. On 8 October 2018, the Intergovernmental Panel on Climate Change (IPCC) published a [special report on the impact of global warming of 1.5°C above pre-industrial levels](#). In response, the government has written to the [Committee on Climate Change \(CCC\)](#) asking whether further action is needed to meet the ambitious goals of the Paris Agreement.

The government is asking for advice on:

- setting a date for achieving net zero greenhouse gas emissions across the economy
 - whether we need to raise our 2050 target of cutting emissions by at least 80% relative to 1990 levels to meet international climate targets set out in the Paris Agreement
 - how emissions reductions might be achieved across the economy
 - the expected costs and benefits in comparison to current targets
- 2.26. The CCC is expected to report back to Government in May 2019. A likely outcome of the CCCs work is a recommendation to tighten the national emission reduction target set out in the Climate Change Act (please note this has not been confirmed as an outcome by the CCC to date) to align with the Paris Climate Change Agreement 1.5C and 2.0C emission trajectories.
- 2.27. While there are likely to be differences in the way in which a national emissions target recommended by the CCC and a regional target are set, both have the same aim of demonstrating how and when the Paris Climate Change Agreement could be met. In this respect both targets are working towards the same goal.
- 2.28. The recommendations and underpinning evidence produced by the CCC will feed into the regional Towards a Zero Carbon City Region event planned for July 2019. The CCCs findings will help to shape the actions which are taken forward in the region to enable its emission reduction target to be met.
- 2.29. The Panel are asked to consider the above and to identify areas they would like to explore in detail in 2019.

Spring Statement

2.30. On 13 March 2019 the Chancellor presented his Spring Statement to Parliament. A number of his announcements relate directly to Clean Growth of which the following are the most significant:

- **Review on the Economics of Biodiversity:** a major global review to assess the economic value of biodiversity and to identify actions that will both enhance biodiversity and deliver economic prosperity. The review will report in 2020. Ahead of the Review the Chancellor committed to introducing clauses in the Environment Bill which will require all developers to generate biodiversity net-gain through all projects in the UK and overseas territories³.
- **Future Homes Standard:** to be introduced by 2025, requiring all new homes to be heated by systems free from fossil fuels and including world-leading levels of energy efficiency.
- **Greening the Gas Grid:** accelerating the decarbonisation of our gas supplies by increasing the proportion of green gas in the grid e.g. biomethane. Government will consult on the appropriate mechanism to deliver this commitment later in 2019.

2.31. The full Spring Statement can be accessed [here](#).

UK Climate Projections 2018 (UKCP18)

2.32. In January 2019 UKCP18 was released. UKCP18 provides the most up-to-date assessment of how the climate of the UK may change over the 21st Century. UKCP18 were developed by the Met Office, Hadley Centre with support from BEIS and Defra.

2.33. UKCP18 updates previous projections (UKCP09) and translates global climate change statistics into changing seasonal weather characteristics for the UK.

2.34. Key findings from UKCP18 include:

- UK temperatures have been on average over the last decade (2008-2017) 0.8C warmer than the average for 1961-1990. All of the top ten warmest years have occurred since 1990.
- Average rainfall over the UK has increased e.g. Scotland has been on average 11 percent wetter than 1961-1990.
- Projected trends indicate a move towards warmer, wetter winters and hotter, drier summers. Summers like 2018 are expected to become much more common by mid-century.

³ Biodiversity net-gain can be defined as any damages from human activities and development to biodiversity need to be balanced by at least equivalent gains for biodiversity.

- Average temperatures⁴ in 2070 are projected to be 0.7C to 4.2C higher in winter and 0.9C to 5.4C in summer.
- Average changes in precipitation⁵ are -1 percent to +35 percent for winter and -47 percent to +2 percent for summer⁶.

2.35. A series of tools have been produced to accompany UKCP18. These tools allow organisations to begin to understand the potential impacts on / risks to their operations / projects from future changes in climate.

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. Should the Panel want to explore new area then this will be subject to a review of available resources to carry out this additional work.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 The Panel to consider and identify areas they would like to explore in detail in 2019.

8. Background Documents

8.1 None.

9. Appendices

9.1 Appendix 1 – Summary of the Clean Growth Strategy - Update

9.2 Appendix 2 – Summary of the Draft Environment Bill

⁴ Under a high emission scenario.

⁵ Under a high emissions scenario

⁶ Positive values indicate more precipitation and negative values indicate reduced precipitation

Appendix 1 [Summary of Delivering Clean Growth \(October 2018\)](#).

Table 1 illustrates the overall progress against delivering the Clean Growth Strategy for 2018.

Figure 9: Overall Progress	
Industrial Strategy	<ul style="list-style-type: none"> Clean Growth established as an Industrial Strategy Grand Challenge.
Power Page 14	<ul style="list-style-type: none"> Opened world's first floating demonstration wind farm. Announced next CFD allocation round will open by May 2019, and intention to run auctions every two years after that, signalling support of up to £557 million previously announced. This could see 1-2 gigawatts of new offshore wind every year in the 2020s. Achieved a record 76 hours of continuous coal free electricity generation. Announced new £200 million nuclear sector deal.
Buildings Page 22	<ul style="list-style-type: none"> Grand Challenge Buildings Mission announced – to at least halve the energy use of new buildings by 2030. The Smart Meters Act 2018 received Royal Assent in May 2018. As of the end of June 2018, over 12 million smart and advanced meters were operating across Great Britain with more than 400,000 being installed every month, helping people to take control of their energy use and save money on their bills. Consulted on ECO3, 2018 to 2022. To date around 2.4 million measures have been installed in around 1.8 million unique properties as part of this Government scheme. Published a Call for Evidence on the Future Framework for Heat, reaffirming ambition to phase out installation of high carbon fossil fuel heating in new and existing buildings off the gas grid, during the 2020s. Published a Call for Evidence on improvements to Energy Performance Certificates, in line with the aspiration that as many homes as possible are improved to EPC Band C by 2035, where practical, cost-effective and affordable. Published a consultation to improve the effectiveness of the Private Rented Sector regulations, so that more of these properties can be brought up to EPC E. Completed reforms of the Renewable Heat Incentive, improving value for money, providing certainty to non-domestic projects, and enabling more households to access the domestic scheme.
Public Sector	<ul style="list-style-type: none"> Set new, ambitious GHG reduction target for central government, potentially delivering £340 million in savings. Announced Emissions Reductions Pledge for wider public and higher education sectors.
Industry Page 34	<ul style="list-style-type: none"> Published a Call For Evidence to help businesses improve the way they use energy. Consulted on the design of a new £18 million industrial heat recovery support programme. Set up a CCUS Council and established a CCUS Cost Challenge Taskforce who have reported to Government on progressing Carbon Capture, Usage and Storage in the UK.
Transport Page 42	<ul style="list-style-type: none"> Set out ambitious measures to reduce emissions from vehicles in the Road to Zero strategy. Increased support for transition to zero emission vehicles to nearly £1.5 billion. Announced an £80 million national battery scale-up facility, the UK Battery Industrialisation Centre, as part of the Automotive Sector Deal.
Agriculture, Land Use, Forestry, Waste & F-Gases Page 52	<ul style="list-style-type: none"> Set ambitious direction in 25 Year Environment Plan to leave the environment in a better state than we found it. Ratified the Kigali Amendment to the Montreal Protocol to reduce consumption of HFCs (the main group of F-gases) by 85 per cent by 2035 Published 'Health and Harmony' consultation on future for food, farming and the environment in a Green Brexit and subsequently introduced the Agriculture Bill to Parliament
Green Finance	<ul style="list-style-type: none"> First green mortgage offered. Green Finance Taskforce delivered recommendations on capturing the growth opportunity. Announced establishing a Green Finance Institute, as per the Taskforce's recommendations.

Source: [Summary of Delivering Clean Growth \(October 2018\)](#)

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Appendix 2 – Summary of the draft Environment Bill

Source: [Environment Bill: Policy Paper](#) December 2018

Our vision: World-leading law for a greener future

The Environment Bill will put environmental ambition and accountability at the very heart of government. It will help us make good on our commitment to leave the natural world in a better condition than we found it, and create a new environment body to make sure that we succeed. Around this new green governance, it could take direct action to address the biggest environmental priorities of our age: air quality; the protection and enhancement of our landscapes, wildlife and habitats; more efficient handling of resources and waste, and better management of our surface, ground and waste water.

This government is the first to commit to leaving the environment in a better state than we inherited it. In our [25 Year Environment Plan](#), published in January 2018, we set out our long-term approach to protecting and improving the natural world – our natural capital.

The Environment Bill, announced by the Prime Minister in July, will be an essential step. Through the Bill we will make the statutory changes needed to implement our new approach, and enshrine in law a transparent series of checks and balances to map our progress towards our goal.

Following the consultation document on '[Environmental Principles and Governance after the UK leaves the EU](#)' published in May 2018, we have now published a draft version of the corresponding clauses of the Environment Bill. This paper sets out the broader ambition of the Environment Bill, which will cover environmental principles and governance alongside four other key areas: air, wildlife, water and waste. More detail on all policy areas has been or will be published in due course.

The Environment Bill plots a course to:

1. establish a pioneering new system of green governance
2. improve air quality
3. restore and enhance nature
4. improve waste management and resource efficiency
5. improve surface water, ground water and waste water management

The Bill will set a new trajectory for environmental improvement. We recognise that a greener society is essential for national prosperity and for our good health and wellbeing – and it is our responsibility to treat the environment respectfully as an invaluable national asset in its own right.

The new approach set out here acknowledges that the environment is a complex, interlinking system. Where we intervene in one area, there will be multiple knock-on effects elsewhere. Our economically responsible environmental policy framework will provide clear long-term certainty for business and others. The Bill will set an

inspirational standard for effective leadership, demonstrating that an enhanced environment does not come at the expense of economic growth: the two go hand in hand.

The Bill will benefit society as a whole by improving environmental protection and restoration, managing the impact of human activity, creating a more sustainable and resilient economy, and enhancing wellbeing and quality of life. This will create a positive legacy for future generations of which we can all be proud.

Our ambitions are not only domestic. Pollution recognises no boundaries and the despoiling of habitats is happening worldwide. We are showing bold international leadership by spearheading environmental action on the urgent issues of our day – including protecting endangered species and tackling the illegal wildlife trade, and addressing the pandemic of plastic pollution in our oceans and landscapes. We want to make sure that we can live well within the Earth's natural limits. In 2020, there will be new global agreements on climate change and nature. We will ensure that we take the domestic action needed to set our own economy on a sustainable course. The UK has repeatedly shown our commitment to playing our part, and leading the world towards a cleaner, greener future. The Environment Bill will build on this legacy, and the goals we set out in the 25 Year Environment Plan.

Environment is a devolved matter, subject to a small number of areas that are reserved. In consequence, this Bill applies to England and to the UK for reserved matters. Overall, we recognise that protecting the environment is inherently an issue that cuts across boundaries, and we continue to welcome the opportunity to co-design with the Devolved Administrations, should they wish to join any proposals, to safeguard our shared natural environment.

Governance and accountability

At the heart of the Bill are the new foundations it will create for long-term environmental governance and accountability. Our policy of transparency commits us to measuring and reporting on our progress both in public and in Parliament. We will back this up with a regularly refreshed, credible plan of action. The Bill will allow us to take three important steps towards reaching our goal:

1. We will establish a world-leading environmental body, the Office for Environmental Protection (OEP) to champion and uphold standards as we leave the EU.

For decades, EU institutions and mechanisms have provided oversight over environmental law. After we leave the EU this will no longer be the case. We will retain our rigorous parliamentary scrutiny and strong domestic legal framework for environmental protection after EU exit – but we want to go further. Establishing the Office for Environmental Protection (OEP) will ensure that this and every future government benefits from the expertise vested in a consistent, long-term, independent body on the environment. The OEP will provide independent and impartial scrutiny, assessments and advice on environmental legislation and the government's Environmental Improvement Plan (EIP). It will also offer a strong system of accountability, taking enforcement action where needed to make sure that government is delivering on its obligations under environmental law.

2. We will introduce a clear set of statutory environmental principles to guide policymaking.

Environmental principles act as guidelines for policymakers to consider how the environment can be improved and environmental harm avoided or minimised. At present, policymakers are informed by environmental principles which are reflected in various international instruments and are set out in the EU treaties. However, a clear articulation of these principles has never been laid out clearly at a national level.

The Environment Bill will change this through requiring the publication of a statutory policy statement on the interpretation and application of the principles, to which Ministers will have a duty to have regard to when making policy. This duty will provide a clear basis to ensure that Ministers are considering the relevant environmental principles when making policy.

3. We will place the flagship 25 Year Environment Plan on a statutory footing.

The Plan set crucial changes in motion, but its success depends on sustained action over the next quarter of a century. Placing the current plan on a statutory footing and requiring future governments to develop Environmental Improvement Plans will firmly commit this and future governments to driving forward a positive environmental agenda now and in years to come, creating a strong, long-term, economy-wide incentive for taking action to protect and enhance the environment. The OEP will also have the task of publishing an independent, annual progress report on the implementation of the 25 Year Environment Plan following the government's annual report.

Overall, the new statutory cycle of environmental planning, monitoring and reporting will incentivise sustained improvement in our natural world and ensure that we deliver our commitments, now and in the future.

In addition, we will explore options for including additional cross-cutting targets for environmental improvement as part of this framework. Well-designed targets could offer greater certainty on the strength of the government's ambition and drive action by businesses and wider society.

Leaving the EU

The EU (Withdrawal) Act 2018 will make sure existing EU environmental law continues to have effect in UK law after the UK leaves the EU.

It requires that the environmental principles which currently guide EU policy making and development must be set out in UK legislation. The UK government must produce a statutory policy statement explaining how those principles will be interpreted and applied in the making and development of policies.

It also requires the establishment of a public authority which must be able to hold government to account on environmental standards by taking proportionate enforcement action.

We will work to make sure that the OEP is in place as soon as possible in a no deal scenario, with the necessary powers to review, and if necessary take enforcement action, in respect of breaches of environmental law from when the jurisdiction of the Court of Justice of the European Union has ended.

Alongside this, under a no deal scenario we will put in place a holding arrangement during the interim period between 30 March 2019 and the launch of the OEP. This will provide a mechanism for the OEP to receive a report of any perceived or claimed breaches of environmental law made during this interim period. This means that the OEP can consider any early action it may need to take upon its establishment.

The UK-EU Withdrawal Agreement that was endorsed by EU leaders on 25 November 2018 sets out the draft agreement between the government and the EU for the withdrawal of the UK from the EU. This is subject to agreement by the UK Parliament. A Political Declaration setting out the framework for the future economic partnership between the UK and the EU was also published.

As part of the Northern Ireland protocol (sometimes referred to as ‘the backstop’) in the Agreement, the UK and the EU have agreed commitments to maintain fair and open competition within the single customs territory, in the unlikely event that the protocol need ever come into force. These include obligations related to the environment, including a non-regression clause.

The text sets out that, if the protocol is required, the UK and EU will not reduce their respective levels of environmental protection below those in place at the end of the implementation period.

The intended approach of the draft Environment Bill is in line with the provisions of the Withdrawal Agreement concerning environmental principles and the domestic monitoring, reporting, oversight and enforcement of environmental obligations by an independent body or bodies. There are some environmental elements of the Withdrawal Agreement which our current proposals do not cover, namely those concerning the independent body’s scope to enforce implementation of the “non-regression” clause. We will consider these provisions of the Withdrawal Agreement ahead of publishing the final Bill.

Report to: Green Economy Panel

Date: 9 April 2019

Subject: **Panel Work Programme 2019**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren

1. Purpose of this report

- 1.1 To note the business plan for 2019/20 that sets out the services, activities and priorities for the West Yorkshire Combined Authority.
- 1.2 To consider and approve the proposed work programme for the Green Economy Panel.
- 1.3 To suggest topics for future meetings of the Panel.

2. Background

Business plan 2019/20

- 2.1. The Combined Authority continues to focus on its ambitious plans to deliver good inclusive growth for the region. Building on progress in recent years, which has seen the organisation reshaped to best support this aim, the last year has seen good progress on a number of fronts with successes including:
 - Good progress on West Yorkshire plus Transport Fund (WY+TF) schemes, including the regeneration of subways to Wakefield Kirkgate Station, further stages of the A629, consultation on a proposed new station at Elland, rail station park and ride schemes at Fitzwilliam and Mirfield stations and progress at York Central which will enable the development of up to 2,500 homes.
 - Approval for a natural flood management project in the Colne and Calder valleys that will protect 2,071 homes and 1,022 businesses.
 - Improvements through the Better Homes Yorkshire scheme to over 1,320 homes across the City Region to reduce their heating and hot water bills by an average of £300 a year.

- Work has started on the creation of the New Bolton Woods urban village near Shipley that will see 145 new homes created and enabling development bringing 1,000 new homes to the area.
 - Securing the regional headquarters for Channel 4, bringing opportunities for the independent production sector across the region and generating a £1 billion economic impact over the next decade.
 - Further investments in cycling and walking through the CityConnect programme, including the new Scarborough Bridge pedestrian and cycle crossing and canal towpaths in Bradford and Wakefield.
 - Introducing free Wi-Fi at bus stations across West Yorkshire.
 - Supporting over 1,000 businesses with free advice and guidance on growing their business.
 - Engaging with over 500 businesses as part of the Resource Efficiency Fund, to help them deliver carbon savings.
 - Launching the Energy Accelerator.
 - Establishing the North East, Yorkshire and Humber Energy Hub.
 - Opening the Springfield Centre in Dewsbury, providing high quality vocational programmes for students.
- 2.2. The focus for 2019/20 will continue to be on achieving inclusive economic growth, through improving the number of good quality jobs on offer, improving connectivity and increasing opportunities for young people to progress and for businesses to move to and grow within the City Region. Last year the Combined Authority agreed its three overarching priorities, to which its service provision is aligned – Productivity, inclusive growth and 21st century transport.
- 2.3. Progress has also been made this year on the Strategic Economic Plan objective of a zero carbon economy. This includes the approval in December 2018 of the City Region Energy Strategy and Delivery Plan which commits to reduce carbon emissions in line with the targets set in the Paris Climate Change Agreement by 2036. On 14 February 2019, the Combined Authority also approved ‘Enabling Clean Growth’ as a fourth corporate priority.
- 2.4. Work has been undertaken to produce a detailed business plan for 2019/20, maintaining the focus on its four objectives: Productivity, Inclusive Growth, 21st Century Transport and Enabling Clean Growth.
- 2.5. The full Business Plan is available [here](#) and for each directorate, demonstrating how they deliver against the corporate priorities and objectives and, at a summary level, the resources required to do so. Each directorate has defined key performance indicators to monitor performance throughout the year through regular reporting. These indicators build on current levels of

achievement to provide an element of stretch, as well as demonstrating efficiency and value for money.

- 2.6. A public facing corporate plan is being produced for April, drawing on the business plans and presenting this in an accessible way to show what the Combined Authority and LEP intend to deliver in the coming year.
- 2.7. **Appendix 1** draws out the work within the business plan related to the Panel's major projects and programmes. This is proposed as a work programme for the Panel to consider, review and approve.
- 2.8. The panel should also consider the recommendations in Items 8 and 10, and consider any additional areas of work they would like to explore in 2019/20.
- 2.9. In light of the above, the Panel are asked to review the forward plan for Panel meetings (**Appendix 2**) and suggest future topics for discussion.

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. Should the Panel want to explore additional objectives then this will be subject to a review of available resources to carry out this additional work.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 The Panel note the 2019/20 business plan for the Combined Authority.
- 7.2 That approval be given to the 2019/20 Green Economy Panel work programme.
- 1.1. That the Panel suggest topics for future meetings of the Panel.

8. Background Documents

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – DRAFT Green Economy Panel Work Programme 2019/20.
- 9.2 Appendix 2 – Green Economy Panel Meeting Topics Forward Plan.

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Panel Work Programme 2019/20

Task for delivery in 19/20	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Deliver an ambitious and deliverable Energy Strategy and Delivery Plan including Energy Summit															
Deliver an ambitious and deliverable Green Infrastructure Strategy and secure resources to deliver priority actions.															
Identify and maximise existing and new unique economic opportunities from clean growth strengths across the City Region and feed this into the LIIS, including the Clean Growth Audit															
Secure funding to continue to expand and enhance clean growth services provided to the City Region by the CA - including Resource Efficiency Fund															
Develop and deliver a new corporate approach to clean growth through policies and projects and integration within the Transformation Programme.															
Energy Hub - delivery															
REF 1 - delivery and close of the programme															
Better Homes Yorkshire - Warm Homes - delivery															
Energy Accelerator - delivery															

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Appendix 2. GEP Forward Plan for Future Meetings

FUTURE MEETINGS		
JULY		
REPORT TITLE	NOTES	OFFICER RESPONSIBLE FOR COMPILING REPORT
Energy Strategy and Delivery Plan Progress Report	July 2019	Jacqui Warren
Energy Accelerator Progress Report	July 2019	Patricia Davy
Review of District Heat Networks in City Region and Progress Report	July 2019	Noel Collings
Local Industrial Strategy, Clean Growth and Wider Policy Framework	July 2019	Emma Longbottom
North East, Yorkshire and Humber Energy Hub Progress Report	July 2019	Jacqui Warren
West Yorkshire Local Nature Partnership	July 2019	TBC
OCTOBER		
Energy Strategy and Delivery Plan Progress Report	October 2019	Jacqui Warren
Green and Blue Infrastructure Strategy and Delivery Plan Progress Report	October 2019	Noel Collings
Local Industrial Strategy, Clean Growth and Wider Policy Framework	October 2019	Emma Longbottom
North East, Yorkshire and Humber Energy Hub Progress Report	October 2019	Kiran Parmar
REF2 Progress Report	October 2019	James Brass
Funding and Policy Review	October 2019	Jacqui Warren
Better Homes Yorkshire Progress Report and Wider Energy Efficiency Policy and Funding Review	October 2019	James Brass / Vicky Dumbrell
Hydrogen North of England Progress Report	Invite Northern Gas Networks	TBC
Esholt Circular Economy Programme Progress Report	Invite Yorkshire Water	TBC
Northern Forest Progress Report	Invite Guy Thompson / Natural England	Guy Thompson

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Report to: Green Economy Panel

Date: 9 April 2019

Subject: Major Projects Update

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren

1. Purpose of this report

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

2 Information

Energy Accelerator

- 2.1 The Energy Accelerator (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. The Energy Accelerator is a team of expert advisors that are supporting the development of low carbon projects. The Accelerator offers free support to the commercial and public sector in the following areas:

- Energy efficiency and renewable energy (new and retrofitted)
- District heat networks
- Street lighting

- 2.2 A full update on the programme was given at the last Panel meeting. The pipeline of potential projects in need of support through the Accelerator continues to be developed and four projects have been approved through the initial application stages.

Better Homes Yorkshire

- 2.3 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. The projects within the programme are progressing well and to date almost 1,390 homes have had 1,469 measures installed during 2018/19, against the target of 1,320. This brings the total number of homes improved through the programme to 4,500.

- 2.4 The number of homes expected to be improved through the programme during 2019/20 has now been agreed by the programme board as 1,200. These works will be funded through a combination of Energy Company Obligation (ECO) and partner Council funds.
- 2.5 Projects within the Growth Deal funded Tackling Fuel Poverty programme in Kirklees and the four North Yorkshire councils have completed successfully. These projects have focused on standard and hard to treat measures in over 670 homes (included in the overall Better Homes KPI figures above). Kirklees have trained and expanded their internal delivery team and are continuing to roll out the measure across further areas with similar Council housing stock.

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.

Table 1: Progress as at 28 February 2019			
	Last Update (30/11/2018)	Current	Revised Programme Target (31/10/19)
Total Business Contacts	523	580	501
Assessments Commissioned	278	307	321
Businesses Supported	177	217	303
Businesses receiving non-financial support	154	192	200
Businesses receiving information, diagnostic and brokerage support	72	83	75
Grants Completed	95	109	133

- 2.8 Overall, businesses supported are at 92 percent of target to the end of March, and are expected to be broadly on target this quarter.

REF2

- 2.9 On 28 November 2018 the Combined Authority submitted a European Regional Development Fund (ERDF) Outline application to continue delivery of the REF post November 2019, across the Leeds City Region. The application was made under Priority Axis 4b: Supporting Energy Efficiency and Renewable Energy Use in Enterprise, and includes enhancements to the existing programme and new Circular Economy (CE) support for SMEs. CE is a new approach that challenges inefficient production, returning materials

back to the economy. On 13 February 2019 the Combined Authority was invited to submit a Full application for funding, with a deadline for submission of 13 May 2019.

- 2.10 The Combined Authority, on behalf of the York, North Yorkshire and East Riding (YNYER) LEP, submitted a complementary Outline application to the YNYER LEP area's ERDF PA 4b call to deliver the REF into four new areas of North Yorkshire - Richmondshire, Ryedale, Hambleton and Scarborough. If successful, the Combined Authority will act as the accountable body and delivery partner for this extended REF programme in North Yorkshire. This application was also successful and the Combined Authority was invited to submit a Full application. The deadline for this submission is 12 June 2019.

District Heat Network (DHN) Programme

- 2.11 The Programme continues to support the development of a number of active heat network projects in the City Region.
- 2.12 Since the last meeting of the Panel three projects have been successful in gaining initial approval through the Energy Accelerator. The projects are Barnsley, Bradford and Southbank, Leeds.
- 2.13 Since the last meeting of the Panel five projects have secured Heat Network Delivery Unit (HNDU) funding. The projects are Bradford, Barnsley, Huddersfield, Southbank, Leeds and a new project in Barnsley relating to social housing and mine water heat. In the case of Barnsley, Bradford and Southbank, Leeds, the Energy Accelerator will act as match funding to the HNDU funds.
- 2.14 The Leeds PIPES construction programme is now over 82 percent complete. All the underground pipework is now installed and over-ground pipework is nearing completion. The heat sales agreement with key commercial partners are progressing well, and the Combined Authority expects to transfer a four million pound contribution from its Growth Deal to the scheme early 2019/20.

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

- 2.15 At the November meeting of the Yorkshire West Local Nature Partnership (LNP) partners agreed to a proposal for a resource to assist in the delivery of the GBI Delivery Plan. A draft role profile for the resource is currently with the Combined Authority's HR Team for job evaluation and conversations are ongoing with partners to secure the funding for the resource.
- 2.16 Furthermore work has begun on the development of detailed work plans for each of the 12 actions identified in the Delivery Plan. Information on these work plans will be presented to a future meeting of the Panel.

Energy Strategy and Delivery Plan (ESDP)

- 2.17 See Item 7.

North East, Yorkshire and Humber Energy Hub

2.18 See item 7.

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 major projects and programmes.

8. Background Documents

8.1 None.

9. Appendices

None.