
Report to: Green Economy Panel

Date: 29 January 2019

Subject: **Major Projects Update**

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1. Purpose of this report

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

2 Information

Energy Accelerator (see Item 8 for a full update)

- 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

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 1,250 homes have received measures during 2018/19, against the target of 1,320. This brings the total number of homes improved through the programme to over 4,300.
- 2.4 The Combined Authority is working with partners to understand the funding streams available to continue delivery into 2019/20 and to establish Key

Performance targets accordingly. The third phase of the Energy Company Obligation (ECO3) has now been launched and Better Homes are progressing contracts to secure this funding into the programme. As with previous rounds, ECO3 is expected to make only a modest contribution towards the cost of measures.

Warm Homes Fund (WHF) bid Round 2a

- 2.5 The Panel endorsed the Combined Authority applying for Round 2a funding in September 2018.
- 2.6 The proposal included plans to install over 1000 first-time, full central heating systems to households in fuel poverty. Properties will be mixed tenure; both social and private rented, and owner occupied households. Funds will support the installation of a full gas central heating system and a gas mains connection where necessary.
- 2.7 Unfortunately the Combined Authority's application was unsuccessful. The Combined Authority and partners are now reviewing the application, including the levels of match funding and the overall value for money of the proposed programme, to inform the decision whether to apply for round 3 Warm Homes funding. This is currently open with applications due by 8 February 2019.

Resource Efficiency Fund

- 2.8 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.
- 2.9 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

Table 1: Progress as at 30 November 2018			
	Last Update (31/8/2018)	Current	Revised Programme Target (31/10/19)
Total Business Contacts	447	523	501
Assessments Commissioned	234	278	321
Businesses Supported	148	177	303
Businesses receiving non-financial support	127	154	200
Businesses receiving information, diagnostic and brokerage support	45	72	75
Grants Completed	84	95	133

- 2.10 Overall, businesses supported are at 94 percent of target to the end of December, and are expected to meet target this quarter.

REFII

- 2.12 On 28 November 2018 the Combined Authority submitted a European Regional Development Funding (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. It directly supports the aims of the national Industrial Strategy and new Waste Strategy. If successful, the new programme will run for three years.
- 2.13 In light of the LEP Review (see item 11), the Combined Authority, on behalf of the York, North Yorkshire and East Riding (YNYER) LEP, submitted an Outline complementary 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.

District Heat Network (DHN) Programme

- 2.14 The Programme continues to support the development of a number of active heat network projects in the City Region.
- 2.15 Since the last meeting of the Panel feasibility studies have been completed for Huddersfield Town Centre and Castleford Spatial Priority Area. Both studies indicate there is a case for the further development of heat networks in these areas.
- 2.16 For the Huddersfield Town Centre project Kirklees Council have indicated they will apply for Heat Networks Delivery Unit (HNDU) funding to progress to the detailed project development / outline business case stage of project development. The Council are considering whether to utilise the Energy Accelerator to undertake the work.
- 2.17 For the Castleford Spatial Priority Area project Wakefield Council have indicated they will provide the findings of the feasibility study to the housing developer of the main site within the Spatial Priority Area for further progression.
- 2.18 In addition to the completion of the two feasibility studies a high-level heat mapping / masterplanning study has been completed for Leeds Southbank. This work has investigated extending the in-construction Leeds PIPES scheme into the Southbank area of the city. A viable proposition has been identified and Leeds City Council will look to apply for HNDU funding to

progress to a feasibility study and detailed project development / outline business case. The Council are also working with the Combined Authority to understand how the project could be taken forward through the Energy Accelerator.

- 2.19 Bradford and Barnsley Councils are also applying for HNDU funding for detailed project development / outline business case (Bradford) and project management support (Barnsley). Both schemes are aiming to use the Energy Accelerator for further support.
- 2.20 The Leeds PIPES scheme construction programme is now 75% complete, planning consents are on track and the heat sales agreement with commercial partners are expected to be in place during Quarter four. The Combined Authority expect 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

- 2.21 The GBI Strategy and Delivery Plan was adopted by the LEP Board on 22 November 2018 and Combined Authority Board on 13 December 2018.
- 2.22 Since adoption work has started to explore a proposal for a shared regional resource to assist in the delivery of the Delivery Plan. A draft roles and responsibilities for the position was presented to the 17 January Yorkshire West Local Nature Partnership for comment.
- 2.23 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)

- 2.24 See Item 7.

North East, Yorkshire and Humber Energy Hub

- 2.25 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) is currently being established.
- 2.26 The Energy Hub will:
- Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local and regional energy projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured.
 - Take a collaborative and coordinated approach across multiple LEP areas.
- 2.27 An initial pipeline of projects suitable for Hub support is being developed. These have been identified through the Energy Strategy and Delivery Plan.

- 2.28 The Hub will provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund and Energy Accelerator.

Hydrogen 21 (H21)

- 2.29 See item 9 for a full update.

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 Panel's major projects and programmes.

8. Background Documents

- 8.1 None.

9. Appendices

None.