
Report to: Green Economy Panel

Date: 22 October 2019

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

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1. Purpose of this report

- 1.1 To provide the Green Economy Panel with an update on the North East, Yorkshire and Humber (NEYH) Energy Hub programme.

2 Information

BEIS Local Energy Hub Programme Recap

- 2.1 In 2017 the Department of Business, Energy and Industrial Strategy (BEIS) funded Local Enterprise Partnerships (LEPs) in England to develop and progress their local energy strategies. BEIS developed its Local Energy Programme and asked LEPs to work together to create a series of Local Energy Hubs to deliver local low carbon energy priorities, as set out in local energy strategies.
- 2.2 The objectives of the Local Energy Hubs are to:
- Increase the number, quality and scale of local energy projects.
 - Provide LEPs and local authorities with additional resources and capacity.
 - Raise awareness and enable local areas to attract private and/or public finance for energy projects.

Figure 1 illustrates the five regional Energy Hubs established:



Figure 1 - Local Energy Hub programme regional areas in England.

- 2.3 On 13 June 2018 the Leeds City Region (LCR) LEP Board endorsed the establishment of the NEYH Energy Hub which covers the following LEP areas:
- Humber
 - Leeds City Region (West Yorkshire Combined Authority)
 - North East
 - Sheffield
 - Tees Valley Combined Authority (lead accountable body)
 - York, North Yorkshire and East Riding
- 2.4 The NEYH Energy Hub has just under £750,000 from BEIS to deliver its objectives above over a 2 year period. Of this:
- £100,000 is allocated to each LEP for individual project development support, staffing and technical assistance.
 - Just under £150,000 is allocated to for pan-LEP / collaborative project development support.
 - To date the NEYH Hub has recruited six local Project Managers, finalised six Energy Strategies and begun to explore potential collaborative projects. They are also responsible for the new Rural Community Energy Fund (RECF) (see below).
- 2.5 The Combined Authority holds the LCR LEP's £100,000 budget allocation. See section 3.1 for more details.

Recent City Region Activity – Project Development Support

2.6 Two projects are currently being developed with key stakeholders:

- **Domestic Energy Efficiency Funding Models Study:** identifying new financial models to scale-up the delivery of energy efficiency measures (and energy generation and storage) for ‘able to pay’ market, private rented and social housing properties in the City Region. It will also build on the success of Better Homes Yorkshire Programmes. This commission will cost £10-15k
- **Zero Carbon Transport Roadmap Study:** The purpose of this project is to provide a clear understanding as to how the City Region will decarbonise its transport sector in order to meet carbon dioxide emission reduction ambitions. This will be done by; reviewing existing strategies; assessment of the opportunities and barriers of low carbon initiatives and technological solutions; development of a number of interventions through transport scenarios; a roadmap with milestones and high levels costings; providing a set of recommendations, roles and responsibilities and a clear communications and engagement approach. It is envisaged that this will be procured as part of a wider carbon abatement study that will provide a clear understanding as to how the City Region will decarbonise its power, industry, buildings and land-use sectors (value ~£50-60k).

2.7 Both studies aim to be completed by spring 2020.

Next Steps

2.8 Incorporate prioritised projects identified from the regional Towards Zero Carbon Workshops held in June / July 2019 (see item 7) into the ESDP.

2.9 These projects will also be assessed for their suitability for energy hub project development support and a paper summarising these proposals and how to spend the remaining LCR budget allocation by September 2020 will be bought back to the Panel for consideration.

Other Activities - Rural Community Energy Fund (RECF)

2.10 The Rural Community Energy Fund (RECF) is a £10 million programme supporting rural communities in England to develop renewable energy projects that provide economic and social benefits to the community.

2.11 RCEF has been operational for a number of years and was run by WRAP (Waste and Resources Action Programme) for DEFRA (Department for Environment, Food and Rural Affairs). It is now being delivered by the five Local Energy Hubs in England on behalf BEIS and DEFRA.

2.12 The support offered is in two stages.

- **STAGE 1 – Feasibility Grant:** Offers grants of up to a maximum of £40,000 to cover consultancy and professional costs for an initial investigation into the feasibility of a renewable energy project.

- **STAGE 2 – Business Development Grant:** Offers up to £100, 000 to support planning applications and develop a robust business case to attract further investment.
- 2.13 The NEYH Energy Hub will issue calls for on a quarterly basis. The next deadline dates for applications are 1 November 2019 followed by 1 February 2020. More details on the funding and eligibility can be found [here](#).

3. Financial Implications

- 3.1 The Combined Authority holds the LCR LEP's £100,000 Energy Hub budget allocation. The anticipated spend profile for this 2 year allocation is as follows:
- Approximately £40,000 to fund a part-time Energy Hub Project Manager.
 - Approximately £60,000 to support the development of low carbon projects in the LCR's Energy Strategy and Delivery Plan.
- 3.2 The two proposed studies will be funded from the £60,000 project development support element of the £100,000 allocation.

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.