
Report to: Green Economy Panel

Date: 7 July 2020

Subject: **Tackling the Climate Emergency - Major Projects Update**

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1. Purpose of this report

- 1.1 To give an update on the progress against the Green Economy Panel's major projects and programmes, all of which form part of the City Region's approach to tackling the Climate Emergency.

2. Information

- 2.1 This is an unprecedented time and the Combined Authority, and our staff, consultants, contractors and suppliers are all having to adapt to new ways of working. We are seeing the impacts of Covid-19 in our programmes and projects and a range of risks and mitigation actions are outlined below.

Operational programmes

Energy Accelerator

- 2.2 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 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
- 2.3 The Accelerator has been operating for 18 months and is on track to exceed the interim targets set by the European Investment Bank (EIB), funders of the programme. 16 low carbon projects are receiving support, including
- Energy efficiency retrofit projects
 - District heat projects

- Street lighting project
- 2.4 In recent months, the programme has experienced slowing down of engagement with Project Sponsors due to impact of COVID-19 and Brexit. The assessment of the Accelerator is currently being undertaken by reviewing various scenarios.
- 2.5 The Accelerator is on track to deliver against contractual targets set by the European Investment Bank (EIB), funders of the programme. A risk assessment is below and rates this project as amber. See paragraphs 2.23.

Better Homes Yorkshire

- 2.6 Various Council's within the City Region continue to deliver locally led energy efficiency and fuel poverty programmes including Warm Homes Funded projects, albeit work is currently on hold due to coronavirus restrictions. A total of 885 properties received measures during 2019/20, against the target of 1,200. The shortfall in properties is due to some delays in mobilisation of projects and will be carried forward into next year. This brings the total number of homes improved through the programme to 5,560. Contract management of the schemes and KPI reporting moving forward into 20/21 will continue at a local level. See Item 5 on the planned future work to accelerate city-region scale energy efficiency programmes.
- 2.7 In light of Covid-19 all work currently being delivered by Engie for the City Region is suspended including all site surveys, installation appointments and marketing.
- A risk assessment is below and rates this project as amber. See paragraphs 2.23

REBiz (formerly REF2)

- 2.8 RE-Biz is a new programme, starting 1 January 2020, that will build on and enhance the current Resource Efficiency Fund delivered by the Combined Authority. This project will increase energy efficiency and environmental resource efficiency (ERE), covering energy, energy efficiency water and waste, in SMEs through:
- Providing advice and support to deliver best practice in ERE in SMEs Over 170 grants (including small grants <£8000 and new large grants £8000 –£40,000) to support SMEs to implement tailored action plans
 - Investment in ERE and low carbon technologies
 - A circular economy pilot to explore business model innovation to support more resource efficient business
- 2.9 REBiz will support businesses across the whole of West and North Yorkshire, in partnership with the York & North Yorkshire Local Enterprise Partnership. European Regional Development Fund and Local Growth Deal support for the project is contracted, and recruitment of staff and procurement of consultancy support has commenced.

- 2.10 There have been 92 resource efficiency client contacts to date with 11 audits commissioned. Five business assists have been completed and 7 grant applications have been approved, with 3 completed saving 16 tCO₂ per year. In addition, there have been 6 circular economy client contacts, with two having progressed through the initial 2-day diagnostic stage.
- 2.11 Delivery of this new programme has been affected by Covid-19. All site visits have been suspended for the last two months and these provide vital information for the audits undertaken and the basis of the support and grants offered. Audits have now recommenced as of 1 June.

A risk assessment is below and rates this project as amber. See paragraphs 2.23.

District Heat Network (DHN) Programme

- 2.12 The Programme continues to support the development of several active heat network projects in the City Region. It is now being delivered through the Energy Accelerator. All future updates will be through the Energy Accelerator item and ad-hoc items as required by the Board.

Flooding

- 2.13 Fundamental to also tackling the climate emergency is preparing and building resilience in communities to more frequent extreme weather events, as our climate continues to change. Storm Ciara is the latest example of such an event, which has led to floods throughout West Yorkshire affecting homes, businesses, schools and infrastructure. The storm caused approximately £120m of direct economic damage to properties and infrastructure across West Yorkshire.
- 2.14 The West Yorkshire Devolution Deal makes specific reference to Flood Risk Management (FRM) which reinforces the existing strong partnerships in the Leeds City Region and provides the basis for collaboration moving forward. Paragraph 14 of the Devolution Deal states '*Schemes worth at least £101m will be taken forward in West Yorkshire over the course of the six-year programme*'. The Combined Authority is currently engaging with the Department for Food and Rural Affairs (DEFRA) to clarify this amount and outline what is needed across West Yorkshire in the future.
- 2.15 The Combined Authority is currently working with partners to update the £125m FRM 'ask' to Government which sets out funding requests to address the funding gap in 27 priority schemes along with a dedicated £6m Natural Flood Management (NFM) programme. The ask was previously submitted to Government as part of the Spending Review and Devolution processes. The update will reflect the new economic circumstances facing businesses, potential changes to identified priority schemes and revisions to the quantum of local funding that may be available.
- 2.16 The Yorkshire Integrated Catchment Solutions Programme (iCASP), Combined Authority and Environment Agency have contributed to a University of York Study (in partnership with the University of Leeds) to '*Close the*

knowledge gap between Local Authorities, insurers, lenders and surveyors on the economic impacts of flooding on Small and Medium Sized Enterprises (SMEs) and effective resilience measures'. The Study will assess the economic impacts of flooding on SMEs in the City Region, set out the effectiveness of resilience measures to reduce flood risk with the objective of leading to a City Region economy more resilient to flood risk.

- 2.17 £20 million from the Growth Deal was approved at programme level by the Combined Authority in 2017 for the Flood Alleviation for Growth programme, to reduce the flood risk of businesses (1,345 target), and safeguard jobs (11,000 target) within the city region. To date £17.85 million (£15 million spend) has been awarded to 8 projects, with a total value of £195 million. The remaining funds will be awarded during 2020/2021.

North East, Yorkshire and Humber Energy Hub

- 2.18 The Board received a full update on the Energy Hub at the last meeting. There are no major updates this quarter. Work continues to develop a domestic energy efficiency pipeline of projects, lead to date by the Combined Authority.

Strategic Programmes

Energy Strategy and Delivery Plan (ESDP)

- 2.19 In 2018 the Leeds City Region adopted the ESDP. In 2019 it declared a climate emergency and strengthened its target to be net zero carbon by 2038, with significant progress by 2030. Within the ESDP 20 projects are underway or completed. The remaining 19 projects are pending the results of the Emission Reduction Pathways work (see item 7)

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

- 2.20 The GBI Strategy and Delivery Plan was adopted by the Combined Authority in December 2018 and sets out how GBI can contribute to achieving a zero-carbon energy economy to be underpinned by high-quality GBI.
- 2.21 Work continues across a wide range of stakeholders to develop and deliver against the 12 key projects and actions.
- 2.22 There has been limited resources to assist in the delivery of the Strategy and Delivery Plan. A new policy officer will be created within the Combined Authority to help deliver some of the strategic actions required in the Delivery Plan and to deliver the new Green Infrastructure Standards Trial with Natural England. This role will also support delivery of the various zero emission planning related activities linked to the West Yorkshire Devolution Deal (see item 6)

COVID-19

2.23 In light of COVID-19 a high-level delivery risk assessment has been carried on the major operational schemes above and including the Emission Reduction Pathways strategic piece of work. All schemes are being regularly monitored for delivery impacts.

Scheme	Description	Risk RAG
Tackling the Climate Emergency – Emission Reduction Pathways (ERP)	Task 2 and 3 are being revised to ensure some level of stakeholder engagement and consultation can take place.	Delayed
ESDP and GBISDP	This is to be refreshed but is dependent on the completion of ERP	Delayed
Energy Accelerator	Project Sponsors have indicated the risk of delays and potential slippage due to restricted access to restrictions on site visits. At the same time, potential Project Sponsors are exhibiting caution when deciding on committing budget to capital investments.	Delayed
Better Homes Yorkshire	No access to homes for surveys and works to be carried out, works have been paused.	Delayed
RE-BIZ	Access to sites is still restricted although auditors have recommenced visits from 1 June. Business interest is starting to pick up.	Delayed

Flood Alleviation for Growth Programme	Projects delivering engineered solutions are largely on track, however natural flood management projects are heavily reliant on volunteers, and delivery is being impacted by Covid restrictions.	Amber
Delivery RAG risk rating - On track – Green, Delayed – Amber, Cancelled - Red		

Other Panel updates

- 2.24 An update paper on tackling the Climate Emergency work being undertaken by the Zero Emissions Transport Working Group went to the Transport Committee on 15 May 2020. See item 10 [here](#). This included:
1. Summaries of meetings of the Combined Authority’s Zero Emissions Transport Working Group;
 2. The Working Group meet on 22 My 2020 and reviewed the emerging findings of task 1 of the Emission Reduction Pathways study and revised engagement and consultation plans.
- 2.25 The LEP Board on 10 June 2020 received a substantial paper relating to how the LEP can play their role in tackling the Climate Emergency. This full paper is [here](#). A verbal update on the outcomes of the paper will be presented to the Panel at the meeting.

West Yorkshire Combined Authority Corporate Approach to tackling the climate emergency

- 2.26 In addition to this city-regional work, the Combined Authority developed a new corporate approach to embedding clean growth and tackling the climate emergency in September 2019. To reflect the urgency of this work, the combined authority changed its clean growth priority to tackling the climate emergency. Work is now ongoing to deliver the Action Plan approved by the Combined Authority in October 2019.
- 2.27 An immediate action the Combined Authority and LEP has taken is to ensure all decisions made include carbon and wider environmental impacts.
- 2.28 The Combined Authority has secured funding and is has just awarded the contract for consultancy support to develop a strengthened, robust, quantifiable methodology for assessing all new schemes predicted carbon emissions. This will include a review of all existing Combined Authority capital schemes and additional resources to support the development and

implementation of the new quantifiable assessments. A full update on this work and the proposed new methodology and assessments will return to the Panel for endorsement later in the year.

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 helping to tackle the Climate Emergency.

8. Background Documents

8.1 None.

9. Appendices