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Report to: Green Economy Panel
Date: 21 November 2017
Subject: BEIS Local Energy Capacity Support

1 Purpose

- 1.1 To outline a new offer of support from BEIS relating to the development of new energy hubs to accelerate clean energy generation across England.

2 Information

- 2.1 Following a Local Enterprise Partnership's (LEP) Chief Executives meeting in London on 22 August, the Department for Business, Energy and Industrial Strategy (BEIS) wrote to all LEPs outlining proposals for local energy capacity support.
- 2.2 The purpose of this letter was to share BEIS' outline proposals for how this support in the form of additional resources could be used, and as a starting point for discussion.
- 2.3 The proposal is summarised below:

As part of the BEIS Local Energy programme, BEIS has allocated £2.7m in this financial year to support the capacity of LEPs and local authorities to:

- Identify and prioritise local energy projects
 - Undertake the initial stages of development for priority projects and programmes (eg feasibility studies and business cases), up to a point where investment can be secured
 - Take a collaborative and coordinated approach across multiple LEP areas
- 2.4 BEIS suggest that the most effective use of the available funds is to establish five local energy hubs to support the capacity of LEPs and local authorities to deliver energy projects. There will be some flexibility in how each hub operates in order to meet local needs, but BEIS are keen to ensure a coherent programme of support across England and clear lines of communication between local areas and central government. The resources available are estimated to be sufficient to fund around four full time equivalent posts per hub for an initial two years of operation.
- 2.5 Each hub would serve a number of LEP areas, and together they would cover the whole of England. A Yorkshire, Humber and North East Hub is proposed covering the following LEP areas:

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

2.6 **Appendix 1** outlines the full details of the letter and proposals.

2.7 Leeds City Region responded to BEIS initially on the proposal and based on conversations with neighbouring LEPs and local authority partners. A range of views were received including:

- Some local authorities welcomed this support and additional capacity, however, they raised concerns over the amount of money that would be available for each hub.
- The geographical area for the hub is very large for the amount of money available.
- Concern as to how the hub would be governed and how projects within the hubs could be prioritised whilst ensuring that support is given fairly across all 6 LEP areas.
- The hub could complement our region's Energy Accelerator Programme (due to launch 2018, subject to a successful ELENA application).
- The proposal is slightly premature and should wait till the results of the BEIS funded Energy Strategy and Delivery Plan is complete.
- Could the money available simply be devolved directly to each LEP, this could potential allow LEPs and Local Authorities to quickly assess and prioritise local projects leading to shorter timescales to implementation.
- If BEIS did consider a more flexible approach to the Hubs and devolve the funding to each LEP, we would propose to still work closely with neighbouring LEPs on a range of projects that come out of our energy strategies and plans.
- If BEIS are set on the local hub idea, any new energy hub in our region could potentially be hosted by the LCR and within the LCR's Energy Accelerator.

2.8 BEIS held a Yorkshire, Humber and North East LEP meeting on 9 November to discuss the feedback from their proposals and to agree next steps for the support available in our regions. A verbal update will be given at the meeting outlining the preferred support and next steps.

3 Recommendations

3.1 Panel members are recommended to note and provide comments on the proposal.