

**Panel Chair:** Paul Hamer  
**Author:** Jacqui Warren

---

**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Green Economy Panel Projects Update

---

## **1 Purpose**

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

## **2 Energy Accelerator**

- 2.1 This is a new innovative project development programme that will offer specialist expertise to local low carbon energy projects. West Yorkshire Combined Authority (WYCA) submitted a revised application for 3.5 million euros to the European Investment Bank's (EIB) ELENA technical assistance programme (a fund that provides technical assistance for energy efficiency and renewable energy projects). The application has now been submitted for review by the EIB/European Commission. WYCA awaits a decision.
- 2.2 Subject to a successful ELENA application, and to enable the Energy Accelerator (EA) to launch quickly, indicative approval was given by WYCA on 5 October 2017 for WYCA to accept the ELENA funding and proceed to set up and launch the EA. Recruitment of staff and suppliers will also re-commence.
- 2.3 The EA's Advisory Board meet on 2 November 2017 and reviewed progress and next steps required to implement the EA once ELENA funding is secured.
- 2.4 WYCA hope to be a position to launch the EA in April 2018.

## **3 Better Homes Yorkshire**

- 3.1 This is a city region programme delivering energy efficiency improvements across the City Region's homes.
- 3.2 The Better Homes programme launched in March 2015. At the end of the second year of the Programme, 2,480 homes have received energy efficiency or renewable energy measures (747 in Year 2), with a contract value of £11.2m. Almost 75% of the value has been delivered by Leeds City Region (LCR) supply chain, with a further 20% by contractors just outside (i.e. Doncaster). In total 35 different sub-contractors have been awarded work through the programme and 204 jobs have been sustained.

3.3 All Local Growth funding (£6m) has now been secured for the LCR Tackling Fuel Poverty project, fulfilling a key political ambition of a scheme in every district. The Barnsley and Bradford schemes are now complete over the summer, resulting in 180 fuel poor households improved. Work is well underway to improve properties in the Holbeck area of Leeds, this is part of a wider Group Repair scheme. Schemes in Wakefield, Kirklees and Calderdale are progressing well. Projects in York, Selby, Harrogate and Craven are now mobilised, however the rate of take up is slower than expected.

#### Warm Homes Fund

3.4 National Grid announced a £150m Warm Homes Fund on 18th July, to be managed through National Grid's CIC 'Affordable Warmth Solutions'.

3.5 Local Authorities, Housing Associations and other organisations are eligible to apply for funding for the installation of affordable heating solutions in fuel poor households, who do not use mains gas as their primary heating fuel. National Grid have now confirmed a funding award of £1.6m to WYCA under Category 1 (urban homes and communities; for example new gas heating systems, it could also include heat network solutions).

3.6 The LCR Warm Homes Programme will be led by WYCA, with the LCR Local Authority partners referring / approving fuel poor households and engaging local stakeholders to refer. Over 700 new heating systems are expected to be delivered to fuel poor homes across all tenures, many will also receive a gas connection, supplied by Northern Gas Networks. 200 will be delivered through the Better Homes Yorkshire programme. Housing Leeds (part of Leeds City Council) are a key partner and are providing match funding of £750k (500 systems to be delivered through their existing contracting arrangements); this undoubtedly strengthened the bid for funding privately owned and renting households considerably.

3.7 Unfortunately the Category 2 bid of £200k for oil fired central heating in rural communities has been unsuccessful. Further rounds of funding are expected during 2018 and 2019.

#### **4 Resource Efficiency Fund (REF)**

4.1 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. This is supported by a 50% capital grant of up to £10,000. The REF is funded through the Local Growth Fund (LGF) and European Regional Development Fund (ERDF) 2014-2020 programme.

4.2 As of 30<sup>th</sup> September 2017 the REF has engaged with 226 clients, which is well ahead of projections. Of these, 130 businesses have had technical assessments by external consultants commissioned, and 39 have undergone an in-house review by the

Resource Efficiency Managers (REMs). The combined figure of 169 compares favourably with the target number of assessments for the 2017 calendar year (112).

**Table1:** Progress of business contacts as at 30<sup>th</sup> September 2017

Total Business Contacts	226
Businesses Visited	216
Businesses Completed	75
Businesses in Progress	151
Number of Assessments Commissioned	130
Assessment Reports Received	122
12 Hour Assists	16
Grants Approved & Pending	31
Grants Completed	7
Grants Rejected	1

- 4.3 As expected, two thirds of all clients receiving support are from the manufacturing and engineering sectors.
- 4.4 The total value of the approved and pending grants on 30<sup>th</sup> September was £244,162 (representing 30% of the grant budget for the project).
- 4.5 Spend and outputs have been slower to materialise than expected due to client inertia. Mitigating actions have been taken to encourage a more timely response from clients at key stages of the customer journey.
- 4.6 Given the pipeline of projects currently approved and applications expected, together with the amended guidance on outputs, confidence is high that the project will be back on track against expectations early in 2018.

## **5 District Heat Network (DHN) Programme**

- 5.1 The DHN Programme continues to support 12 active schemes in the LCR. These innovative scheme aim to produce heat (and or use waste heat) to create localised heat networks that heat homes and businesses. They can also help reduce carbon emissions and create fair priced energy locally.
- 5.2 Since the last update to the LEP, Calderdale Council have submitted an application to Heat Networks Delivery Unit for funding to undertake the next phase of work on the Halifax Town Centre scheme – Detailed Project Development and the development of an Outline Business Case for the scheme. In addition, the feasibility study for Barnsley Town Centre has recently completed and Barnsley Council are now determining their next steps for the scheme. This is likely to be an application to HNDU for funding to undertake Detailed Project Development and the development of an Outline Business Case.

5.3 During November 2017 the housing element of the Leeds District Heat Scheme in the Lincoln Green area of the city is due to begin construction work. Leeds are planning some promotional work surrounding this activity.

## **6 Green and Blue Infrastructure (GBI) Strategy and Delivery Plan**

6.1 This work aims to deliver a new regional strategy and delivery plan that aims to create high quality natural/green infrastructure and environments across the City Region including new woodlands, street trees, and open spaces.

6.2 Work is continuing to progress on developing the Delivery Plan. Convening partners have now been confirmed for six of the seven priorities with conversations progressing with the final potential convening partner (for Priority 4). The convening partners are:-

- **Priority 1 Effective water management:** Environment Agency
- **Priority 2 GI into the physical developments:** Leeds City Council
- **Priority 3 Green and Blue networks:** WYCA
- **Priority 5 Plant and manage more trees and woodlands:** White Rose Forest
- **Priority 6 Restore Uplands:** Natural England
- **Priority 7 Business growth, jobs and skills:** WYCA

6.3 The purpose of the convening partner role is to coordinate the production of the mini-delivery plan for the specific allocated priority. This includes organising priority specific meetings with key stakeholders, reviewing the information that was generated by partners on current activity in the LCR on GBI, and identification of projects / actions where activity is currently not occurring.

6.4 The programme is still on track to deliver a draft to the Green Economy Panel early in the New Year, and the LEP Board following this.

## **7 Zero Carbon Energy Strategy and Delivery Plan**

7.1 The Strategic Economic Plan (SEP) under Pillar 3 (Energy and Environmental Resilience) sets out the ambition of becoming '*a resilient, zero carbon energy economy by 2036*'. To understand how WYCA and the Leeds City Region (LCR) could achieve the ambition an Energy Strategy and Delivery Plan (ESDP) has been commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The ESDP is a named delivery plan of the SEP. The ESDP has been split into four discrete work packages:-

- **Work Package 1:** Energy State of the Leeds City Region
- **Work Package 2:** Technology Options Appraisal
- **Work Package 3:** Energy Opportunities

- **Work Package 4:** Delivery Plan including scenario modelling

- 7.2 Work packages 1 and 2 are now nearing completion.
- 7.3 Work Package 1 calculates both the current and future energy state of the Leeds City Region (LCR) in terms of demand, supply, energy efficiency, jobs, GVA and skills.
- 7.4 Work Package 2 includes a technology options appraisal which identifies the region's energy strengths and the likely energy technologies and opportunities that could enable the Region to meet the SEP's energy ambition by 2036. It will also form the basis of the Energy Delivery Plan.
- 7.5 Work Packages 3 and 4 will be procured shortly. A draft strategy and delivery plan will be completed by the end of March 2018 and presented to the GEP and LEP.

## **8 H21**

- 8.1 This Northern Gas Network innovative programme aims to convert the gas grid from natural gas (methane) to hydrogen, starting with the Leeds city region and then for conversion to take place incrementally across the country.
- 8.2 The Northern Gas Network have applied to OFGEM's Gas NIC fund. The Gas NIC is an annual opportunity for Gas network companies to compete for funding for the development and demonstration of new technologies, operating and commercial arrangements. If the bid is successful, this will fund the demonstration of the safety case for 100% hydrogen in the gas network through field trials. A decision from OFGEM is expected late November 2017.

## **9 Recommendations**

- 9.1 The LEP Board note the work of the Green Economy Panel.