



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 13 June 2018

Subject: **Green Economy Panel update**

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Jacqui Warren

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

- 2.1 This is a new innovative project development programme that will offer specialist expertise to over 20 local low carbon energy projects. The West Yorkshire Combined Authority (the Combined Authority) has recently been awarded three million five hundred thousand euros from the European Investment Bank's (EIB) ELENA technical assistance programme (a fund that provides technical assistance for energy efficiency and renewable energy projects) to establish the Energy Accelerator. Work has commenced procuring the commercial and technical team that will operate the Accelerator.
- 2.2 The table below summarises the major activity and indicative milestones / timescales for the launch of the Accelerator.

Activity	Timescales
1. Sign EIB Contract	Late May 2018
2. Recruitment of 2 Combined Authority staff (1 – Programme Manager and Programme Assistant)	July 2018
3. Procure external Advisors	July 2018
4. Continue to develop the pipeline of projects for support	Ongoing
5. Final approvals through the Combined Authority's assurance process to establish the Accelerator	End of July 2018

6.EIB and Combined Authority contract comes into force	August 2018
7.Launch	September 2018

Better Homes Yorkshire

- 2.3 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. Data measuring performance against key performance indicators for 2017/18 is being collated and verified. This will be reported to a future meeting of the Board.
- 2.4 Improvement works have now commenced through the Leeds City Region Warm Homes project, which launched at the end of December 2017. This is a £2.9 million scheme delivering efficient central heating systems, and often a gas connection to fuel poor households who do not use mains gas as their primary heating fuel. The project was set up in response to a National Grid funding opportunity. Wakefield, Leeds and Barnsley have now submitted bids for development of partnerships with health partners, softer measures (for example advice) and emergency heating, which lend themselves to a local level approach.
- 2.5 As part of the work on our Energy Strategy and Delivery Plan, the evidence in relation to the scale of the fuel poverty problem in the Leeds City Region will be developed further. This will allow future policy and possible interventions to address the issue to be considered.

Resource Efficiency Fund

- 2.6 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.
- 2.7 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

	Last Quarter	Current	Programme Target
Total Business Contacts	280	347	501
Assessments Commissioned	157	188	321
Businesses Supported	94	114	303
Businesses receiving non-financial support	99	112	174
Businesses receiving information, diagnostic and brokerage support	12	45	18
Grants Completed	22	44	129

- 2.8 Overall, businesses supported are at 85 percent of target to date. This is because there are a higher number of businesses which are receiving both non-financial assistance and a grant than expected. There are 90 grant approvals to date.
- 2.9 A project change request is being submitted to the managing authority for ERDF to review the project budget which should result in a small increase in the funding available for grant support.

District Heat Network (DHN) Programme

- 2.10 The DHN Programme continues to support 11 active schemes in the Leeds City Region. These innovative schemes 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.
- 2.11 Since the last meeting Calderdale Council have been successful in their Heat Network Delivery Unit (HNDU) grant application for funding to develop the outline business case for the Halifax project. Barnsley Council have been successful with their application to HNDU for outline business case funding for the town centre scheme. Kirklees were not successful under this round due to not being sufficiently advanced in their feasibility work.
- 2.12 In addition work had now commenced on the Leeds PIPES (formerly Leeds district heat network led by Leeds City Council). This involves the construction of a four kilometre district heating network plus an energy centre and a heat transfer station, to connect the recycling and energy recovery facility operated by Veolia at Cross Green, to key customers across the city. The network will be wholly owned and operated by Leeds City Council or its subsidiaries. The total cost of the spine project is £21 million, which includes a contribution from the Combined Authority of four million pounds Growth Deal. Leeds City Council has appointed Vital Energi to deliver both the design and build and operations and maintenance elements of the project. The housing project is a £15 million investment and will deliver the infrastructure to homes which will be connected to the network. The beneficiaries of this first phase of development will be West Yorkshire Playhouse, Leeds College of Music and the residents of 1,983 flats in 34 multi-storey blocks owned by the council in the Saxton Gardens, Lincoln Green and Ebor Gardens areas of the city. Modelling suggests that, depending on their property and energy use, tenants will see fuel bills reduce by between 11 and 30 percent around £257 per annum. This will make a significant impact on reducing fuel poverty and carbon emissions.

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan

- 2.13 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.

- 2.14 Work continues to develop a finalised draft delivery plan. This will bring together relevant partners, collate current and planned actions and identify future interventions. This approach was designed to build and widen ownership and to break the task into manageable (but still connected) components. The draft version of the delivery plan will undergo further consultation with partner councils and the Green Economy Panel and Local Enterprise Partnership Board. It is anticipated that the Strategy and Delivery Plan will be adopted by the Combined Authority later in 2018.

Zero Carbon Energy Strategy and Delivery Plan

- 2.15 The Strategic Economic Plan (SEP) under Pillar three (Energy and Environmental Resilience) sets out the ambition of becoming 'a resilient, zero carbon energy economy by 2036'. To understand how the Combined Authority and the Leeds City Region 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.
- 2.16 A draft version of the Delivery Plan will undergo consultation with partner councils, the Green Economy Panel and Local Enterprise Partnership Board. It is anticipated that a draft of the Strategy and Delivery Plan will be considered and adopted by the Combined Authority later in 2018.

H21

- 2.17 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.
- 2.18 Since securing £10m from OFGEM's Gas NIC fund¹, the Northern Gas Network (NGN) have begun field trials to test the safety case for 100 percent hydrogen in the gas network.
- 2.19 A H21 stakeholder meeting is planned to provide a more detailed update on the H21 project to senior decision makers within Leeds City Council, the West Yorkshire Combined Authority and the Tees Valley Combined Authority. The meeting (anticipated to be held in June 2018) will also explore priority issues that Leeds and the Combined Authorities could lend their support to. This may include:
- Making the case for other elements of the hydrogen conversion programme to be based within the regions.
 - Leading the development of the associated conversion skills agenda.
 - Research centre.
 - Demonstration centre

¹ 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

2.20 NGN have also secured additional funding to identify a field trial site in the City Region and to plan the next phase of safety testing which will be in 'real world' conditions. Additional funding will be required to carry out the field trial testing.

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 LEP Board note the progress against the GEP's major projects and programmes.

8 Background Documents

8.1 None.

9 Appendices

9.1 None.