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

Date: 13 June 2018

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

Director: Liz Hunter, Interim Director of Policy and Strategy

Author(s): Jacqui Warren

1. Purpose of this report

1.1 This report:

- Provides an outline of the new combined North East, Yorkshire and Humber Energy Hub
- Asks the LEP Board to endorse the establishment of the Hub
- Asks the LEP Board to delegate to the Combined Authority's Managing Director the authority to submit City Region bids under £10,000 to the Hub Board and Tees Valley CA for approval

2. Information

2.1 As part of its local energy programme, the Department for Business, Energy and Industrial Strategy (BEIS) is funding energy strategies for all Local Enterprise Partnerships (LEP). The West Yorkshire Combined Authority (Combined Authority) is currently developing its energy strategy and delivery plan. To support delivery of these strategies, and to provide much needed local capacity, BEIS are also funding five new energy hubs. The Energy Hubs (Hubs) will:

- Identify and prioritise local energy projects
- Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local energy projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured
- Take a collaborative and coordinated approach across multiple LEP areas

2.2 This additional capacity is intended to:

- Complement existing activity
- Provide LEPs and local authorities with additional resources and expertise

- Provide support to a point where a project is able to attract capital investment

To date this capacity and support has been identified as a barrier to delivering local energy projects.

North East, Yorkshire and Humber Energy Hub

2.3 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) will be established covering the following LEP areas:

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

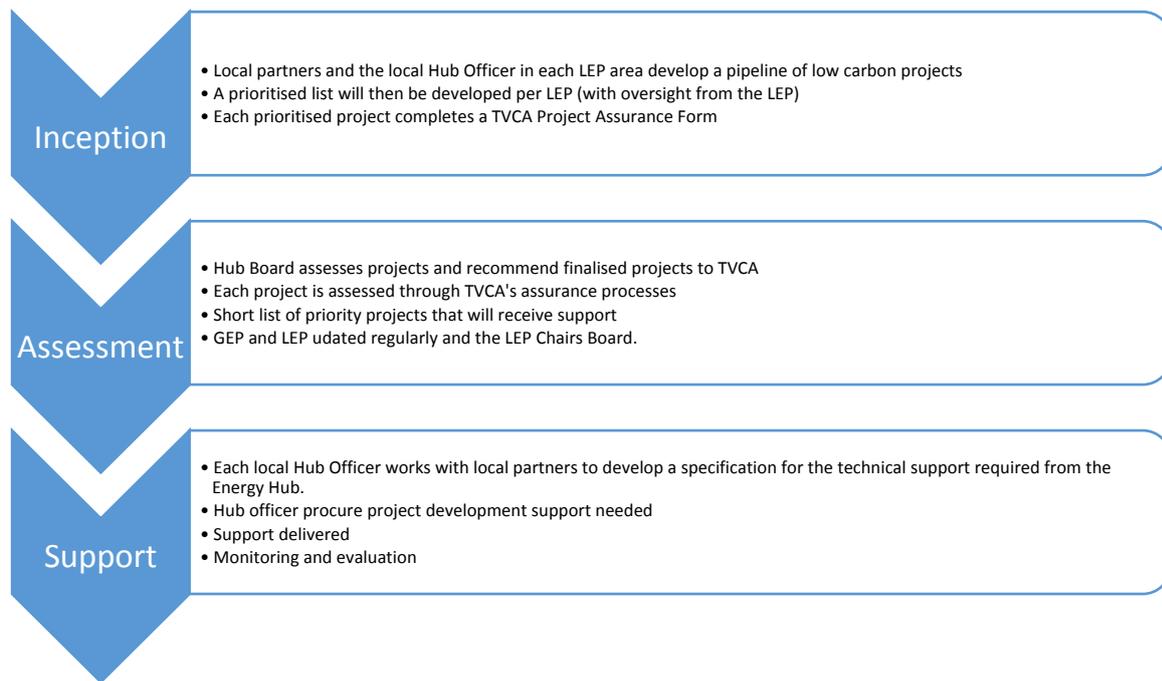
2.4 The Tees Valley Combined Authority will act as the lead accountable local Authority for the consortium of six LEPs. They will manage the Hub's two year budget. The Hub will include a core team which consists of:

- Programme Manager to manage the programme
- Project development support budget (for joint pan LEP energy projects)
- Six Local Project Managers (similar) to work in the LEPs at a local level

2.5 The Objectives of the Hub is:

1. Increase number, quality and scale of local energy projects being delivered.
2. Raise local awareness of opportunity for and benefits of local energy investment.
3. Enable local areas to attract private and/or public finance for energy projects.
4. Identify working model for teams to be financially self-sustaining after first two years.

2.6 Projects that use the Hub's support will follow the journey outlined below. In the City Region the emerging energy strategy and delivery plan will be used to identify projects that are suitable for Hub funding. At this early stage in the development of the energy strategy, it is anticipated that the value of such support may cost up to £10,000 per project. Projects will be supplemented, if required, with projects deemed unsuitable for the City Region's Energy Accelerator (see 2.15).



2.7 Projects that are funded by the Leeds City Region's allocation will:

- Be developed by the new Policy Officer (Energy Hub) and overseen by the Combined Authority's Policy Manager
- Internal approval to submit bids to the Hub with a value of zero to £10,000 will be through a recommendation to the Combined Authority's Managing Director
- Bids over £10,000 will be approved through consultation with the Green Economy Panel members
- All bids will be subject to approval by the Hub Board and will go through the Tees Valley Combined Authority's Assurance Processes

2.8 Day to day governance for the programme will be provided by a North East, Yorkshire and Humber Hub Board, this officer group will be chaired by the Innovation and Technology Manager at the Tees Valley Combined Authority (TVCA) with representatives from all LEPs present. This Board will recommend projects for approval and submit these projects through the TVCA assurance process for approval. Overarching oversight of the NEYH Hub will be provided by the North East, Yorkshire, and Humber LEP Chairs. In the LCR the Green Economy Panel and LEP Board will also receive regular updates on this programme.

Funding and Memorandum of Agreement

2.9 As the lead local authority, TVCA has signed a Memorandum of Understanding (MoU) with BEIS for two years.

2.10 A Memorandum of Agreement (MoA) has also been drafted by TVCA. All LEPs in the consortium will need to sign this. The MoA outlines what TVCA and the Hub are responsible for and what the partner LEPs will be responsible for.

- 2.11 The Combined Authority will receive £100,000 over two years from the Hub and be responsible for:
- Recruitment and all employment liabilities of a local Leeds City Region (LCR) Officer (estimated value ~£42,975 per year for a full time officer).
 - Consultancy project development budget to be spent on City Region projects identified in the Energy Strategy and Delivery Plan / other (estimated value ~£14,000).
 - Submission of local projects to the Programme Manager and Hub Board in line with TVCA's Assurance Framework.
- 2.12 A role profile has been developed and evaluated for a Policy Officer (Energy Hub). Subject to the Combined Authority signing the MoA, recruitment of this post is now needed in order to commence work in the City Region. At present the Combined Authority is also exploring the benefits of making the LCR Hub officer part time or a shared resource with a neighbouring LEP. This would allow a larger budget for the consultancy project development support.
- 2.13 It is anticipated that the Hub will be fully established by August 2018.

Energy Accelerator

- 2.14 The Hub will complement the work of the Energy Accelerator (Accelerator). The Accelerator will support as a minimum 15 – 20 low carbon projects that meet strict funder criteria (please see item eight of the LEP Board meeting held on 27 March 2018). The new Hub will have much less stringent project requirements and be applicable to a wider range of local energy projects. The new Hub will:
- Explore outcomes of the LCR Energy Strategy and Delivery Plan (anticipated completion date for a draft June 2018 (approval from the Combined Authority Autumn / Winter 2018)).
 - Support a wider range of local energy projects in the City Region
 - Look at pan-LEP / regional opportunities.
 - Link with the new Energy Prospectus - Leading Our Energy Future. This will articulate the energy opportunities across the combined Yorkshire LEPs areas (See 2.15).
- 2.15 An energy prospectus - Leading Our Energy Future is also being developed by the combined Yorkshire LEPs. This will articulate the energy opportunities across Yorkshire. Alongside the developing energy strategies that all LEPs are working on, this prospectus will form a framework of collaboration that will also help shape the work of the new energy hub.

3. Financial Implications

- 3.1 To establish the Hub BEIS will provide TVCA with funding for two years.
- 3.2 Each LEP will receive £100,000 over the two years to fund a local energy hub

project officer and provide capacity in the form of a consultancy development support.

4. Legal Implications

4.1 There are no implications associated to this paper.

5. Staffing Implications

5.1 A new Policy Officer (Energy Hub) will be established to support delivery within each LEP.

6. External Consultees

6.1 Local Authority Partners and the Green Economy Panel have been updated over the development of the Hub.

7. Recommendations

7.1 The LEP Board is asked to:

- i. Note and endorse the development of the new Hub and the additional capacity and support it will offer the City Region in developing local energy projects.
- ii. Delegate to the Combined Authority's Managing Director the authority to submit City Region bids under £10,000 to the Hub Board and TVCA for approval.
- iii. Delegate to the Combined Authority's Managing Director the authority to submit City Region bids over £10,000 to the Hub Board and TVCA for approval, in consultation with the Green Economy Panel.

8. Background Documents

8.1 None.

9. Appendices

None.