
Report to: Green Economy Panel

Date: 24 July 2018

Subject: **Green Economy Panel Major Projects Update**

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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. The EIB contract for funding has been signed by the Combined Authority and work has commenced to procure the commercial and technical team that will operate the Accelerator.
- 2.2 The tender for the Accelerator's delivery services (four advisors and a wider consortium of advisors) went out on 15 May 2018 with a closing date for submission of 22 June 2018. Due to high-levels of interest in the tender a two week extension was granted. The revised deadline for tender submissions was 16 July 2018. The evaluation process is currently underway.

The table below summarises the remaining major activities and indicative milestones up to the launch of the Accelerator.

Activity	Timescales
2. Recruitment of 2 Combined Authority staff (1 – Programme Manager and Programme Assistant)	August - September 2018
3. Award the external Advisors	Mid – August 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	Mid - August 2018
6. EIB and Combined Authority contract comes into force	August 2018
7. Launch	September - October 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. During 2017/18 improvement works were carried out in 627 homes, bringing the total number of homes improved through the Programme to 3,107. This represents a decrease against the target for the year of 1,000 homes improved, action plans have now been developed to tackle this and a new target of 1,320 has been developed for 2018/19.

Warm Homes

- 2.4 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. Around 103 properties (14% of target) have now been improved, and the programme has an end date of March 2019.
- 2.5 Another round of Warm Homes Funding is currently available. The Combined Authority and the City Region local authorities are currently developing a joint bid. This may include funding to deliver over 850 affordable heating solutions to fuel poor household without mains gas as their primary heating fuel. The deadline for bid submission is 28 September 2018. If successful the scheme could commence from February 2019 for up to 3 years, as a follow on to the existing programme.

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 Update	Current	Revised Programme Target
Total Business Contacts	347	379	501
Assessments Commissioned	188	198	321
Businesses Supported	114	133	303
Businesses receiving non-financial support	112	126	200
Businesses receiving information, diagnostic and brokerage support	45	45	75
Grants Completed	44	67	133

- 2.8 Overall, businesses supported are at 95 percent of target to the end of June. There have been 95 grant approvals to date, with 3 subsequently withdrawing.
- 2.9 A project change request has been approved by the managing authority for ERDF reviewing the project budget resulting in an increase in the funding available for grant support (to £931,695) and revised output targets.

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 the feasibility study work on the Castleford Spatial Priority Area (SPA) district heat network has restarted. There had been a hiatus pending the submission of a planning application for the main development site in the SPA. It is anticipated that the feasibility work will be completed by the end of July 2018.
- 2.12 The Leeds PIPES scheme is now on-site and is on track to complete by end of June 2019 as planned. The Combined Authority have established monthly monitoring of financial and project progress with the project team at Leeds City Council, spend of Growth Deal grant award of £4 million is expected in 2018/19.

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 Prioritisation of the 161 actions has now been completed and discussions are now taking place with partners to understand the level of commitment towards the prioritised actions. The final Strategy and Delivery Plan will be brought to the Panel at their next meeting for discussion and approval.

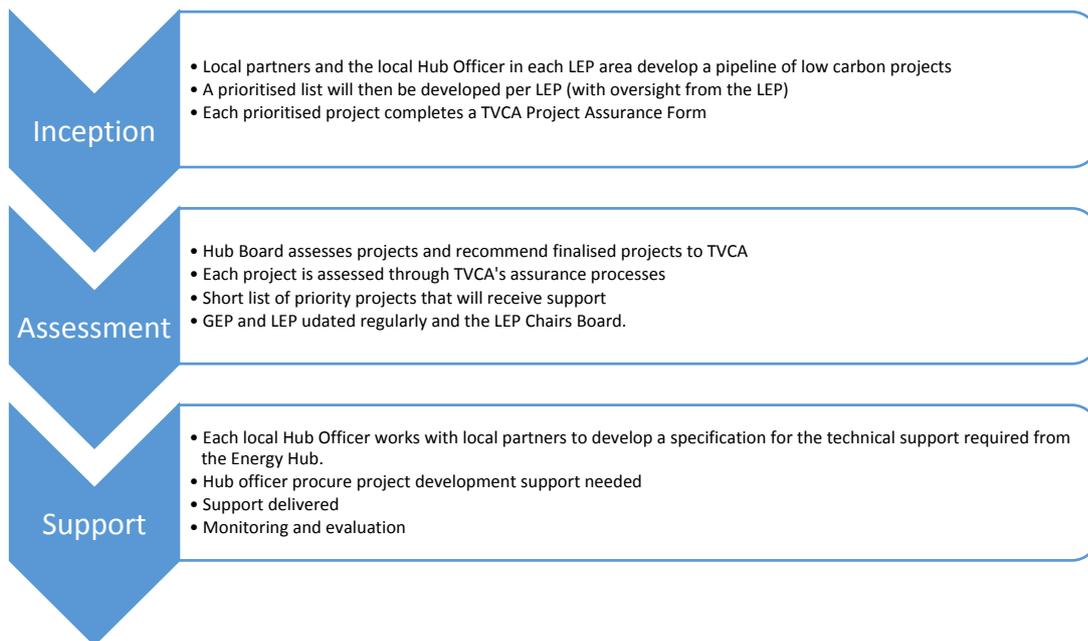
Zero Carbon Energy Strategy and Delivery Plan

- 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 Since the last meeting a Delivery Plan Workshop was held with over 40 stakeholders from across the public, private and third sector. The aim was to identify current and future energy related projects for across the City Region. This work will inform the final Delivery Plan. Work is also ongoing to finalise the energy opportunity maps for the City Region with drafts now received for comment for the majority of technologies.
- 2.17 The final Strategy and Delivery Plan will be brought to the Panel at their next meeting for discussion and approval.

North East, Yorkshire and Humber Energy Hub

- 2.18 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 Combined Authority is currently developing its Energy Strategy and Delivery Plan (see above). 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
- 2.19 To date this capacity and support has been identified as a barrier to delivering local energy projects.

- 2.20 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
- 2.21 The Combined Authority and the LEP Board have endorsed the establishment of the Hub. A new officer and project development support will be established in the City Region as part of the new pan- regional Hub.
- 2.22 The Energy Hub will be in operation from August 2018. The new regional resources will be in place from September 2018.
- 2.23 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.
- 2.24 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 below).



2.25 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 more flexible project requirements when compared to the Energy Accelerator and therefore will 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.

2.26 The scheme will also provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund which supports SME competitiveness via support to reduce waste, energy and water consumption. Figure 1 below outlines the current/planned range of city region support to accelerate the transition to a zero carbon economy.

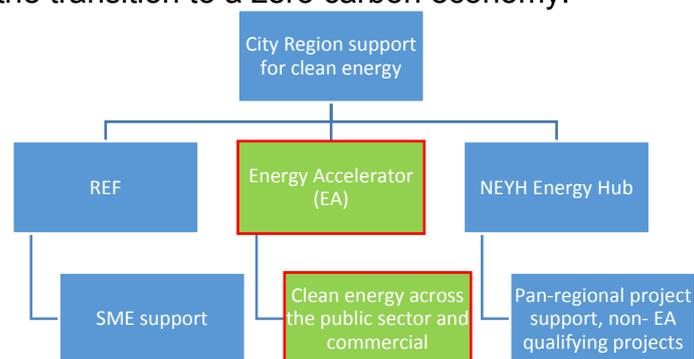


Figure 1. Current/planned range of city region support to accelerate the transition to a Zero carbon economy

- 2.27 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
- 2.28 The North East, Yorkshire and Humber Energy Hub LEP Board Paper at Appendix 1 provides a comprehensive overview of the new Energy Hub.

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 GEP's major projects and programmes.

8 Background Documents

- 8.1 None.

9 Appendices

- 9.1 Appendix 1 – North East, Yorkshire and Humber Energy Hub