

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

Date: 20 September 2018

Subject: **Green Economy Panel 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 The Energy Accelerator (Accelerator) is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. The Energy Accelerator is a new team of experts that will support the development of low carbon projects. It will potentially offer free support to the commercial and public sector in the following areas:

- Energy efficiency and renewable energy (new and retrofitted)
- District heat networks
- Street lighting

- 2.2 The table below summarises the recent progress and remaining major activities required to establish and commence delivery of the Accelerator's project development support services.

Activity	Timescales
European Investment Bank (EIB) funding contract comes into force	Completed 1 August 2018
Final approvals through the Combined Authority's assurance process to establish the Accelerator	Completed 17 August 2018
Commence recruitment of the Combined Authority internal roles -	August – September 2018

Project Manager and Project Assistance	
Award the external Advisors that will provide the Accelerator's project development support	Early September 2018
Continue to develop the pipeline of projects for support	Ongoing
Operational	Early October 2018 – 1 August 2021
Launch	Late 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 an additional 1045 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.

Table 1: Progress as at 13 June 2018			
	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 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.
- 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 Green Economy Panel and this Board's next meetings 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 from across the City Region. This work will inform the final Delivery Plan.
- 2.17 The final Strategy and Delivery Plan will be brought to the Green Economy Panel and this Board's next meetings 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 from Early September 2018. A launch event is planned during the new [national Greening GB Week](#) (15 October 2018).

2.22 The new Hub will:

- Explore outcomes of the LCR Energy Strategy and Delivery Plan (anticipated to be seeking 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.

2.23 The scheme will also provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund and Energy Accelerator (see above). Figure 1 below outlines the new private and public sector support available to accelerate clean energy projects in the City Region.

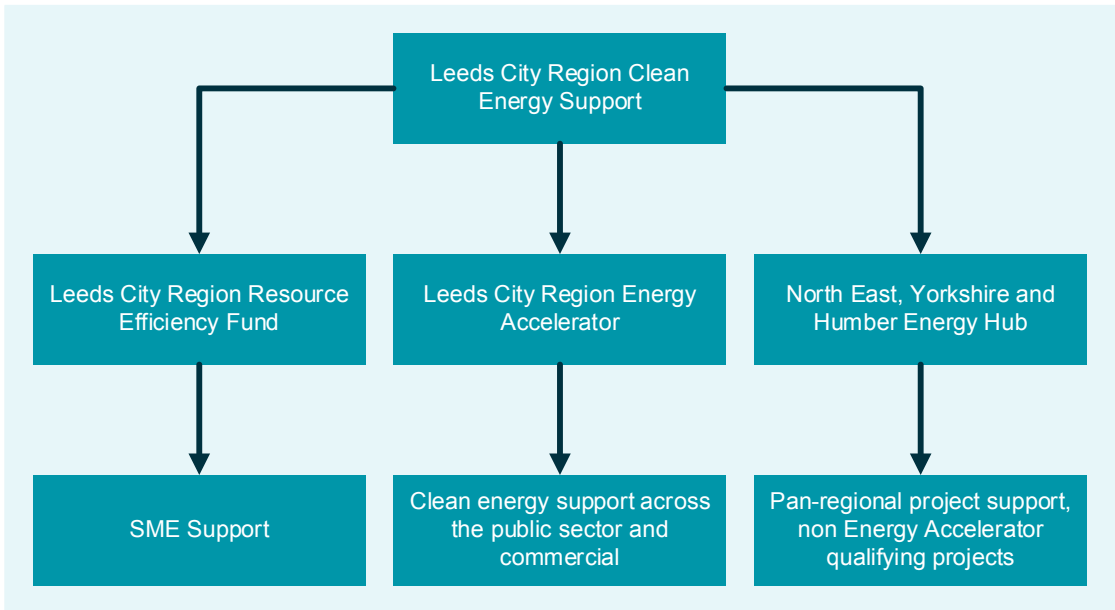


Figure 1. Current/planned range of city region support to accelerate the transition to a Zero carbon economy

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 and endorse the contents of the report.

8. Background Documents

8.1 None.

9. Appendices

9.1 None.