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**Report to:** Green Economy Panel

**Date:** 23 October 2018

**Subject:** **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 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 expert advisors 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 In preparation for the establishment of the Accelerator, a team of expert advisors have been procured by the West Yorkshire Combined Authority (Combined Authority). They will provide 3 commercial sector leads and one cross sector technical lead to work on the Accelerator. They will be supported by a wider pool of experts that can be called upon depending on the projects in need of support through the Accelerator. This team is summarised below.



2.3 In addition to the experts, the Combined Authority now has a part-time programme manager in place to manage the whole programme and the advisors above. A project manager has been recruited and will start in December and interviews for a programme assistant are also currently taking place.

2.4 Now that the Accelerator is entering the delivery and implementation phase, overall management of the programme has transitioned from the Combined Authority's Policy, Strategy and Communication Directorate to the Delivery Directorate. As a consequence of this some new changes to the governance of the programme and the Advisory Group are now needed. A new internal programme board will also be established, led by the Combined Authority's new Director for Policy, Strategy and Communication. A full paper outlining these changes will be presented at the 29 January 2019 Panel meeting, and in consultation with the Accelerator's Advisory Group and Green Economy Panel Chair.

2.5 The Accelerator will begin to be operational from late October 2018. A communication strategy is being developed to support the programme. Some initial communications will commence as part of the new national Green GB Week.

2.6 The Panel will continue to receive quarterly updates on the Accelerator through the major project updates at each meeting.

### **Better Homes Yorkshire**

2.7 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. The projects within the programme are progressing well and to date over 800 homes have received measures during 2018/19, against the target of 1,320. This brings the total number of homes improved through the programme to 3,900 to date.

### **Warm Homes Fund bid Round 2a**

2.8 Building on the success of the first Warm Homes programme the Panel received a report on [24 July 2018](#) outlining a new round of Warm Homes funding. The Panel endorsed the Combined Authority applying for Round 2a funding. The bid outline was subsequently considered by the Investment

Committee on 5 September with a recommendation made to the Combined Authority to approve the bid and delegate decision making.

- 2.9 The proposal includes plans to install over 1000 first-time, full central heating systems to households in fuel poverty. Properties will be mixed tenure; both social and private rented, and owner occupied households. Funds will support the installation of a full gas central heating system and a gas mains connection where necessary.
- 2.10 The scheme is intended to run from 2019 to February 2021, and will be delivered by the Better Homes Yorkshire Partnership. The national Warm Homes Fund team have noted that it is the established partnerships, such as Better Homes, around the country which have achieved delivery to date. Marketing and promotional activity will take place primarily through local authority partners to drive through referrals. The outcome of the bid is expected by November 2018.

**Resource Efficiency Fund**

- 2.11 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.
- 2.12 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

<b>Table 1: Progress as at 31 August 2018</b>			
	Last Update	Current	Revised Programme Target
Total Business Contacts	379	447	501
Assessments Commissioned	198	234	321
Businesses Supported	133	148	303
Businesses receiving non-financial support	126	127	200
Businesses receiving information, diagnostic and brokerage support	45	45	75
Grants Completed	67	84	133

- 2.13 Overall, businesses supported are at 89 percent of target to the end of September, and are expected to meet target this quarter.
- 2.14 There have been 107 grant approvals to date, with 3 subsequently withdrawing.

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

- 2.15 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.
- 2.16 Since the last meeting the feasibility study work on the Castleford Spatial Priority Area (SPA) district heat network has been completed.
- 2.17 A number of the district heat projects in the City Region are being investigated for inclusion in the Energy Accelerator project.
- 2.18 The Leeds PIPES scheme is 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 2019/20 as planned.

### **Green and Blue Infrastructure (GBI) Strategy and Delivery Plan and Zero Carbon Energy Strategy and Delivery Plan**

- 2.19 See agenda items 5 and 6.

### **North East, Yorkshire and Humber Energy Hub**

- 2.20 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) is currently being established.
- 2.21 The Energy Hub will:
- Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local and regional 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.
- 2.22 The Combined Authority and the LEP Board have endorsed the establishment of the Hub. A new part time officer is in post to support Hub projects within the Leeds City Region.
- 2.23 The new Hub will support a wider range of local and regional energy projects when compared to the Energy Accelerator.
- 2.24 The Hub will provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund and Energy Accelerator.

## **Hydrogen 21 (H21)**

- 2.25 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.
- 2.26 A H21 Leaders meeting was held on 17 September 2018. The purpose of the meeting was to provide a more detailed update on the H21 project. Further meetings are now planned to explore how Leaders and local LEPs can continue to support the programme.

## **Green GB Week**

- 2.27 The Government held its first Green GB Week in October, from 15-19 October 2018. This is designed to highlight the opportunities clean growth offers the UK and raise understanding of how business and the public can contribute to tackling climate change.
- 2.28 The Combined Authority used this week as a hook to promote the City Region's clean growth projects. The main focus was:
- A thought leadership blog from the Chair of the Green Economy Panel marking the 10th year anniversary of the Climate Act and what the City Region has done and plans to do in the future.
  - Social media campaign for the full week highlighting our key projects and areas of work. This included a series of key statistics and messages around emissions reductions/jobs/GVA potential/ twitter graphics of the clean growth sector for the region.

## **Clean Air Strategy Consultation Response**

- 2.29 The Panel on 24 July 2018 discussed the key issues relating to the Government's [Clean Air Strategy proposals](#). The Panel provided input into the Combined Authority's draft response which was submitted to Government on 14 August 2018. In responding to the consultation the Combined Authority made these key points below:
- Welcomes the holistic approach to tackling emissions but the strategy is light on ambition or detail. It fails to state real action on how it will address transport and energy based emissions - especially particulate matter - in the shortest possible time;
  - There is little detail on how the strategy supports government cross-departmental actions set out in the Clean Growth Strategy (published October 2017) and 25 Year Environmental Plan (published January 2018);
  - The strategy signposts future new primary legislation and powers to support local authorities to act, without explaining what these are, or what funding will be devolved to support local authorities to take action;
  - There needs to be greater government support in making the case for green and blue infrastructure investment to enhance and protect the environment;

- In reviewing the role of and funding for biomass based energy generation, the government must make the distinction between large scale, multi-benefactor schemes compared with individual domestic unit installations.
- The Combined Authority supports the government's agenda for full-decarbonisation of the domestic heat network – the Leeds City Region Clean Energy Strategy will detail our approach to achieving a 'zero-carbon economy' by 2036. However we wish to see a balanced energy approach to decarbonisation rather than full electrification. We await greater clarity from the government's forthcoming Heating Strategy.
- Current energy efficiency programmes can produce significant air quality improvement and should be considered as important as innovation.
- The Combined Authority sees electrification of the regional rail network as a key priority in improving journey times, connectivity and air quality and we will continue to press government for this much needed investment.
- More stringent environmental standards are welcome but their impact on business and productivity should be considered. Mechanisms to incentive a low emission future are preferred over taxation mechanisms that have potential to hurt economic growth.

### **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**

None.