

# Hull and East Yorkshire LEP

Paper E – NEY Energy/Net Zero Hub

Report to the LEP Board, January 2022

Report from Karen Oliver Spry, Investment Programmes Manager

## 1. Summary

1.1. This report provides an overview of the LEP's involvement with the North East and Yorkshire Energy Hub and summarises associated Hub activity in the HEY area.

## 2. Recommendations

2.1. That the LEP Board notes the report.

2.2. That the LEP Board agrees to an internal review of the Energy Projects Manager role and structure with an expectation that the role will be redeveloped and regraded to a more senior level to attract the right expertise.

## 3. Background

3.1. The North East and Yorkshire (NEY) Energy Hub<sup>1</sup> is one of five local Energy Hubs in England, established, funded and tasked by BEIS to facilitate investment into local energy projects (those which are led by local organisations and located where those that will benefit live and work), provide practical support and capacity for project development and work together to share best practice.

3.2. The purpose of the Hub is to accelerate energy strategy across the region, help bring forward business cases that can attract investment in energy infrastructure, share best practice, and oversee a pipeline of innovative projects to support the region's clean growth agenda. The Hub aims to bring together local authorities, businesses, organisations and communities to help achieve local energy goals and deliver local energy strategy.

3.3. HEY LEP is one of six constituent partners in the NEY Energy Hub which is led by Tees Valley Combined Authority (TVCA) and also includes North East LEP, York & North Yorkshire LEP, West and South Yorkshire Combined Authorities. An Energy Hub Manager and small core team are based in TVCA and the Hub funds an Energy Projects Manager post located in each of the LEP areas to support localised delivery. Representatives from each of the partner areas sit on the Energy Hub Board which meets monthly to oversee progress and discuss challenges.

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<sup>1</sup> [www.neyenergyhub.com](http://www.neyenergyhub.com)

3.4. The Energy Hubs are currently funded to 31<sup>st</sup> March 2023. However, the Government’s recently published Net Zero Strategy affirmed its commitment to the Energy Hubs (to be rebranded as local Net Zero Hubs) as a vehicle for supporting the transition to Net Zero and it seems likely that the Energy Hubs’ remit may broaden as a result. See [www.gov.uk/net-zero-strategy](http://www.gov.uk/net-zero-strategy)

**4. Hub Visibility and Activity**

4.1. The Energy Hub’s visibility and impact in the HEY area has not been as high as intended. The LEP has found it a challenge to recruit and retain the necessary experience, knowledge and skills to successfully fulfil the Hub-funded role, with lengthy periods of vacancy and unsuccessful recruitment exercises undertaken. This has limited the ability of the Hub to secure engagement from the Local Authorities and to identify a local energy projects pipeline to drive forward. In turn the this has been exacerbated by the LEP no longer owning the capital project pipeline which was previously used collectively by partners to bid for funding (LGF, GBF) channelled through the LEPs.

4.2. It has, however been possible to utilise some of the budget allocation to commission work to support strategy development. Below is an outline of some of the Hub-led activity taking place in the HEY area:

| Project       | Summary  | Who involved   |
|---------------|--|--|
| LAD2 delivery | <p>Following Green Homes Grant LAD phases 1a and 1b delivered directly by BEIS, Phase 2 has been delivered through the Local Energy Hubs. In 2020, NEY Energy Hub secured £51.95m in total plus an additional £1m to support Local Authorities in the development of their projects.</p> <p>The scheme aims to improve the energy efficiency of homes of low-income households, help to reduce fuel poverty, phase out high carbon fossil fuel heating, and deliver progress towards the UK’s commitment to net zero by 2050.</p> <p>Under the scheme ERYC was awarded £2.16m to install Air Source Heat Pumps in 40 social and 20 private sector dwellings. HCC did not pursue this funding due to LAD 1b commitments and restrictions around the</p> | <p>ERYC</p> <p>N.B. Unfortunately ERYC has recently withdrawn from the programme, following a successful bid to the BEIS-delivered Sustainable Warmth programme which enables them to deliver the same activity over an extended period.</p> |

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|                                       | number of EPC rated Band D properties that could be supported.   |  |
| OnGen Pilot                           | <p>The Energy Hub has funded an opportunity for public sector and not-for-profit organisations to pilot an online decarbonisation assessment tool (<a href="http://www.ongen.co.uk">www.ongen.co.uk</a>).</p> <p>The tool supports organisations to assess the viability of a range of interventions to decarbonise and improve energy efficiency in buildings.</p> <p>Phase 1 was undertaken in October 2020 with 6 Local Authorities (including HCC), focussing on the viability of installing/utilising renewable technologies.</p> <p>Phase 2 is currently underway and provides additional access to a 'sister' tool which models the impact of energy efficiency investments that can be made in a building.</p> <p>Participants receive a detailed assessment report that helps them to:</p> <ul style="list-style-type: none"> <li>• Identify and prioritise interventions</li> <li>• Develop stronger business cases for investment decisions</li> <li>• Secure external funding</li> </ul> | HCC<br>ERYC, Hull College,<br>HETA, Bishop Burton<br>College, Wilberforce<br>College |
| Circular, biobased construction study | <p>York &amp; North Yorks LEP led this collaborative, Energy Hub-funded project to explore the opportunities for developing biobased construction material sources and supply chains across the Hub area.</p> <p>The report includes some interesting ideas for developing the supply chain in East Yorkshire through companion/rotational hemp planting and utilising wheat/straw crop waste.</p> <p>The final report is published here - <a href="http://www.ynylep.com/strategy-research">www.ynylep.com/strategy-research</a></p>  | York & North Yorks LEP<br>HEY LEP<br>West Yorks CA                                   |
| Evidence Base to Support EV Charge    | Funded with Energy Project Manager underspend, this study was commissioned to support the local authorities with their carbon pathways work and to inform strategy for   | HEY LEP<br>HCC<br>ERYC   |

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| Point Strategy and Decision Making                               | <p>delivering EV charge point roll-out. It was undertaken by Jacobs.</p> <p>The final report has been delivered and includes detailed modelling of forecast uptake across the geography and a thorough assessment of where chargepoint installations should be targeted by the LAs within each of the local authority areas.</p> |                        |
| Feasibility and options appraisal for symbiosis incubation study | <p>The Energy Hub Board has approved the use of Energy Project Manager underspend to undertake a study that will support development of a circular economy approach in HEY area.</p> <p>A specification is in development.</p>   | HEY LEP<br>HCC<br>ERYC |

## 5. Hub-funded post

- 5.1. It has become clear through successive unsuccessful recruitment campaigns that the LEP will continue to struggle to recruit to this post in its current form. It is proposed that the role description and structure be revised to a more senior Net Zero Lead role in an attempt to attract the required skills, knowledge and experience. This could be achieved with the accumulating underspend from the current funding allocation to March 2023 but may not be sustainable without additional core funding after this point.
- 5.2. There is a precedent within the Hub (North East LEP) for this role to be occupied by a more senior officer, with the LEP making up the difference between the Hub funding allocation and the salary grade.
- 5.3. It should be noted that the HEY LEP is unusual in not having a team or individual dedicated to the decarbonisation agenda. The Humber Industrial Cluster Plan Manager and associated team are funded specifically to deliver the HICP project rather than to further the decarbonisation agenda. This would be an opportunity to create that capacity and knowledge base within the LEP, ensuring that opportunities can be maximised and that the HEY area is positioned to drive project delivery.
- 5.4. Initial consultations have taken place with the accountable body in relation to this proposal and there are no objections in principle.
- 5.5. In the meantime the LEP is reviewing options to secure temporary cover for the vacancy, to ensure that the LEP is able to meet its obligations to the Energy Hub.

## **6. Resource Implications**

6.1. There is currently no call on the HEY LEP's core budget to support the Energy Projects Manager role as this is funded by the Hub to March 2023. However, if the Board agrees to the proposal to create a senior level Net Zero Lead post, this may need additional resourcing from April 2023+.

## **7. Recommendations**

**7.1. That the LEP Board notes the report.**

**7.2. That the LEP Board agrees to an internal review of the Energy Projects Manager role and structure with an expectation that the role will be redeveloped and regraded to a more senior level to attract the right expertise.**