

**Greater South East Energy Hub (GSEEH)
Board Meeting - 3 March 2020**
London Councils, 59½ Southwark Street, London SE1 0AL

Attendees

<p>Ed Barlow (Buckinghamshire County Council) - Buckinghamshire LEP (BucksLEP) – Board Chair</p> <p>Matt Wragg – Coast to Capital LEP (C2CLEP) – <i>joined the meeting by conference call</i></p> <p>Gary Sturgeon - Department for Business, Energy and Industrial Strategy (BEIS) – <i>joined the meeting by conference call</i></p> <p>Jennie Pell – Enterprise M3 LEP (EM3LEP)</p> <p>Maxine Narburgh - Greater South East Energy Hub (GSEEH)</p>	<p>Erica Sutton - Greater South East Energy Hub (GSEEH) - Secretariat support</p> <p>Paul Witcombe – Hertfordshire LEP (HertsLEP)</p> <p>Chris Starkie - New Anglia LEP (NALEP)</p> <p>Sarah Gilbert (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)</p> <p>Jo Simmons - South East LEP (SELEP)</p> <p>Arthur Le Geyt - South East Midlands LEP (SEMLEP)</p> <p>Ben Burfoot (Reading Borough Council) - Thames Valley Berkshire LEP (TVBLEP).</p>
---	---

Minutes

1. Introductions, Apologies

- The Board welcomed **Chris Starkie**, CEO of New Anglia LEP (NALEP) who is the new representative for the local enterprise partnership.
- Apologies were given by **Domenico Cirillo**, Cambridgeshire and Peterborough Combined Authority (CPCA) and **Simon Wyke**, Greater London Authority (GLA) and Ahmed Goga, Oxfordshire LEP (OxLEP).

2. Minutes, Actions and Matters Arising

2.1 Minutes

BOARD DECISION: The minutes of the previous GSEEH Board meeting, 17.01.20, were agreed as a true account.

ACTION 1. EB to sign off as approved the minutes of the GSEEH Board meeting 17.01.20.

2.2 Status of the Board Meeting

- In response to a query raised by JS, MN confirmed that although the meeting had the necessary quorum to make decisions, and that participants who are acting as proxies can make decisions on behalf of the organisation they represent, the decisions made would still be ratified after this and each subsequent Board meeting. Some Board representatives have a process that require decisions to be taken back to their organisation for confirmation (SEMLEP) and others are still awaiting clarification of their status (TVBLEP). A list of decisions taken at the meeting would be circulated by MN after the meeting.

ACTION 2. MN to circulate a list of decisions for ratification with the minutes of the 03.03.20 GSEEH Board meeting.

ACTION 3. SG to check with AG her status as proxy in his absence for OxLEP at GSEEH Board meetings.

ACTION 4. BB to confirm the status of TVBLEP Board representation to MN.

2.3 Actions from Previous Meeting

- A log of actions from previous meetings and their current status was circulated to the Board in advance of the meeting (GSEEH Board Papers 03.03.20). MN advised that most actions were covered within the current (03.03.20) or subsequent (21.04.20) meeting agendas. In addition, MN provided specific updates on certain actions, which are set out below.
- **Rural Community Energy Fund (RCEF) Panel Members**
 - SELEP has confirmed that Steve Baggs, Energy Manager at Kent County Council, is willing to be a member of the RCEF Panel, subject to his availability, and is awaiting the approval of his involvement from the Council.

ACTION 5. JS to follow up with Steve Baggs, Kent County Council, to confirm his involvement in the RCEF Panel.

- A BEIS requirement is to have a member of the GSEEH Board represented on the RCEF Panel. A substitute is required for EB in case he is not available. EB advised the meeting that the briefing material and process arranged by the GSEEH Operations Team enabled a review of the grant applications for each round to be done quickly and efficiently. JP volunteered to act as substitute for EB as Board representative on the RCEF Panel as needed.

BOARD DECISION: JP to act as substitute for EB when needed, as Board representative on the RCEF Panel.

ACTION 6. ES to add JP to the list of RCEF Panel members and advise her of future RCEF Panel dates and JP to diarise.

- **GSEEH Board Terms of Reference (ToR)**

- At the Board meeting of 17.01.20, JS queried a statement within Section 4 of the ToR, that the Board has an advisory capacity concerning Section 31 grants. MN clarified that this is because CPCA remains the Responsible Body, but the Board is now the decision-maker: CPCA can delegate decisions but not responsibility.
- MN has checked with CPCA legal advice and is awaiting a response from them. MN will subsequently amend the wording within Section 4 of the GSEEH Board ToR as appropriate.

ACTION 7. MN to follow up with the CPCA legal team on their response to the query about how the GSEEH Board acts in an advisory capacity concerning Section 31 grants, and to amend the Board ToR as appropriate.

- **RCEF Specification for Support to Community Organisations**

- As advised at the Board meeting 17.01.20, the recruitment for the RCEF Programme Manager and Project Officer cannot be initiated until after the GSEEH's Accountable Body transfer. Therefore, the work to support RCEF applicants is to be outsourced. A tender specification for community organisation support has been drafted by MN and was circulated to the GSEEH Board, 25.02.20, in advance of the meeting.
- JS suggested that the amount of time to be allotted to each community group should be included as part of the specification, as there was a risk that an unlimited number of hours could be spent by a contractor. MN advised that the intention was that each pre-application submitted would be considered on a case-by-case basis and a package of work and number of hours agreed with the contractor accordingly, as the amount of time each would need would vary considerably.

ACTION 8. MN reinforce the process within the tender for RCEF Support to Community Organisations - support for individual applicants will be scoped with consultants on a case-by-case basis.

ACTION 9. Any feedback on the tender for RCEF Support to Community Organisations let MN know by 06.03.20.

2.4 Additional Tasks for the GSEEH – Contract Holder for Community Energy England and Analysis of HECA Data

- MN advised the Board that BEIS has asked the GSEEH to add two further tasks to its remit:
 - 1) To manage the contract for Community Energy England's (CEE's) work to update the website and develop regional peer-to-peer networks for community energy groups. The CEE work has a total budget of £75k, and the project management cost/budget to be allocated to the GSEEH for supervising the contract is to be confirmed. The Board asked that MN clarify whether the Section 73 Officer is content that this will be passported funds and not open to tender.

ACTION 10. MN to check whether with CPCA Section 73 Officer.

- 2) To provide analysis on the data gathered from local authorities in England under the 1995 Home Energy Conservation Act (HECA) reporting requirement. This work would be carried out under a Section 31 grant, so additional funding would be provided for it. The GSEEH Operations Team is to establish what the scope of the work will involve, and whether it can be resourced by Heather Stevenson, the GSEEH's Data and Information Manager. This is expected to be clarified by the end of March 2020.
- Board members responded that there was a desire to be helpful and accommodate these needs. In addition, taking on this additional work helped to affirm the Energy Hub's role and agenda. However, there was also a concern that the extra tasks might encroach on the core scope of the GSEEH's work. This was happening incrementally. There was a risk that the Energy Hub role was transitioning to becoming a conduit for BEIS. Extra capacity would need to be built in alongside these extra tasks, so that the resource of the local capacity support was not diverted away. A question was raised about whether the Operations Team had been able to assess the impact of the extra tasks on its KPIs.
 - MN clarified that there was additional funding to the GSEEH for the tasks that would be part of the current financial year and reallocated for spending in the next financial year. The CEE work would require a minimal resource input from the GSEEH. The HECA work required more time commitment but would be recharged and the value claimed back for the GSEEH's core work.

BOARD DECISION: The Board agreed in principle to the GSEEH taking on the additional tasks from BEIS of contract holder for Community Energy England and analysis of HECA data.

ACTION 11. MN to circulate the scope of the additional tasks from BEIS of contract holder for Community Energy England and the analysis of HECA data.

2.6 Energy Procurement and Investment Models - Invitation to Quote

- MN advised the meeting that the GSEEH Operations Team had prepared an invitation to quote for an expert organisation to develop a briefing report that would assist local authorities to understand the options for, and to support their decision-making about, energy procurement and investment. It had been necessary to award the contract to two organisations, Cornwall Insight and Pinsent Masons, in order to develop the full breadth of material needed.

ACTION 13. MN to circulate the Energy Procurement and Investment Models invitation to quote specification to Board members for their information.

3. Accountable Body Transfer

- Background: In July 2019, the current Accountable Body (AB) for the GSEEH, CPCA, advised the Board that they no longer wished to continue. In October 2019, an application proforma and evaluation process for a replacement AB was approved by the GSEEH Board, and the proforma circulated to interested organisations.
- One applicant, Peterborough City Council has returned a completed proforma, with approval from its Section 151 officer, CEO and lead member. The completed proforma and its evaluation have been included with the GSEEH Board Papers 03.03.20.

- The Board was recommended to agree Peterborough City Council (PCC) as the preferred Accountable Body and to recommend to CPCA that the TUPE and novation of Agreements commence with the preferred Accountable Body.
- MN asked the Board to note that the applicant had provided suggestions in the Finance section on the operating cost model. This was to charge the GSEEH based on what services are used within a Service Level Agreement, plus a small annual management fee. In addition, PCC had not yet reviewed the ToRs, AB Agreement, BEIS MoUs and Project Management Framework, as this would be part of the due diligence process for the AB transfer. No changes were expected to the Accountable Body Agreement or the Memorandum of Understanding as part of the transfer.
- In response to queries raised by the Board, MN provided the following clarifications:
 - Two other potential candidates, Cambridgeshire County Council and Southend-on-Sea Borough Council had not come forward with a proforma due to capacity issues.
 - CPCA would carry out the TUPE, due diligence and novation arrangements with PCC.
- The following responses to the application were expressed by the meeting:
 - Concern that there were some unknowns attached to the application, given that PCC had not yet reviewed the Agreements or Project Management Frameworks.
 - More clarity was needed from PCC on the governance structure (board representation and management/reporting structure), a clear line of sight is required to Sec 151 Officer .
 - PCC should be clear that there was no desire by the GSEEH Board to revisit its decision-making capacity or renegotiate agreements.
 - More clarity was needed from PCC on the annual management fee.
 - The Board should be included in the review of the draft Service Level Agreement.
 - There was concern that expectations might be held by PCC about gaining additional resource from the GSEEH for local energy development support as part of their AB role. However, nothing extra would be offered. A better understanding was wanted about PCC's motivation for applying.
 - PCC's application was welcome and there was appetite to work with what had been offered.

BOARD DECISION: To progress with PCC as the new AB, but to develop a list of outstanding questions and requirements to PCC and CPCA, based on the issues raised above, that must be responded to satisfactorily.

ACTION 14. MN to draft the key questions from the Board to go to the PCC, to be agreed with the Board by email. MN then to put the Board's key questions to PCC and PCC's responses put back to the Board. A draft Service Level Agreement is then to be drawn up and come back to the next Board meeting, 21.04.20.

4. Forward Plan

- The latest version of the GSEEH Board's Forward Plan have been provided to the Board with the GSEEH Board Papers 03.03.20.
- BB requested that DNOs and the Energy Networks Association, the RIIO-ED2 electricity distribution framework and modernising energy data be added to the Forward Plan.

5. Finance Update

- A finance update on the Local Energy Capacity Support Programme and RCEF draft budget profile was provided with the GSEEH Board Papers 03.03.20. MN provided the Board with some additional commentary on some elements as set out below.
- The £50k technical consultancy line comprises the £25k allocated for the KTN process to address the GSEEH's energy challenges and £25k for the technical consultancy support grant for the Colchester Northern Gateway microgrid feasibility study.
- Staff for RCEF have not been recruited pending the AB Transfer arrangements, so the allocation will go to the community organisation support being outsourced as per the tender specification (to be shared with the Board). The RCEF application appraisals are being covered by the Operations Team in the interim and their time spent on this work is being recorded and will be recharged.

- The Council Tax and Business Rate Energy Efficiency Pilots for Suffolk Councils and Milton Keynes Council have grant agreements from CPCA. A variation has been required as the funding is now being split between only two pilots, Reading Borough Council having withdrawn.

7. Knowledge Transfer Network (KTN) Challenges

- Further development work has taken place between the GSEEH Operations Team and KTN, on the strategic energy challenges faced by LEPs in the region, which could be addressed by the KTN innovation process. The background to the project and details of the development work are set out in the GSEEH Board Papers 03.03.20, which were circulated in advance of the meeting.
- **Grid Constraint**
 - MN highlighted that this challenge touches on investment ahead of need (a cross-cutting theme identified by the Board) and addressing it would help unlock development of infrastructure. The KTN proposal is to build stakeholder community and bring in the supply chain. The challenge is relevant across the greater south east geography and nationally.
 - MN advised that it is still to be confirmed when other LEPs would put in funding in addition to the £25K of the GSSEH technical budget already agreed to be allocated and interest already expressed by some LEPs. JS suggested that all LEPs should contribute funding as all LEPs could have projects benefit from the grid constraint challenge, to have an all-inclusive approach.
 - MN clarified that grid constraint touched on many other infrastructure issues such as sustainability, and the potential for SMART grids and energy trading.
 - MN also clarified that there is a need to address which solutions or scenarios are suitable for what site types and situations. This matter has been difficult to establish as there are so many of them, and so the fall-back to address grid constraint has been business as usual. This means that grid constraint is being dealt with on a case-by-case basis instead of at a strategic level.
 - The question was raised by the meeting of what the output of the challenge would be, for example would it be a matter of information, to clarify what is currently happening. The benefits of understanding the state of play (after some consideration) were viewed as being useful. It was also agreed that there was also the need for an output that would help local authorities.
 - The meeting also considered that it was difficult to solve grid constraints all in one go and that the GSEEH should go for one aspect to start to make some difference.
 - MN clarified that the benefit of the KTN process is bringing knowledge around the table: checking assumptions, gaining clarity and sharing data between the parties involved; bringing site specific challenges and solution providers together, to find out what is wanted and what is possible. There would be a product from the challenge of site-specific models that could be made use of by local authorities. This would help inform LA project developers and enable them to take their energy project to the committee stage for approval.
 - A suggestion was made about bringing together the Internet of Things and District Network Operators (DNOs); whether data from household appliances could help provide technical development to enable them to move forward, assuming DNOs would be happy to accept the data.
 - It was also suggested that a relevant issue to bring forward was about DNOs accepting a lower profile on a site where there would be additional local energy generation taking place, and thus enabling DNOs to provide a lower connection.
 - Another issue raised was that DNOs operate in different ways; it would be helpful to know what flexibility they have, how it is different and whether the operating model can be challenged.

BOARD DECISION: Take the Grid Constraint Challenge forward. The output of the Grid Constraint challenge is likely to be about coming up with ways we can practically help the grid constraint situation to move on (rather than solve it entirely). Connection problems need to be added to the grid constraint issues.

ACTION 17. Board members to provide feedback to MN on the types of grid constraint issues they experience.

ACTION 18. MN to circulate the locked sites spreadsheet (NB this is a confidential document).

ACTION 19. Board members to add information about sites in their area to the locked sites spreadsheet and to note that this is a **confidential document**.

- **Whole Building Retrofit**

- It was acknowledged by the Board that this is a significant challenge to address.
- MN highlighted that the Home Upgrade Grant (HUG) scheme has potential to make an impact as regards this challenge. HUG seeks to support fuel-poor, off-gas-grid properties. The challenge could look at whether place-based approaches could be developed and how local authorities could be worked with.
- One idea raised was whether local authorities can drive the supply chain market. This might be achieved through a pooled budget, and/or through models for retrofit being developed.
- Another idea raised was whether there is potential to develop products, for example, new types of insulation and ventilation for retrofit that could make a difference to heat demand. This was viewed as an innovation opportunity. It was considered that enabling technology is a strength and business opportunity that LEPs can help with and investment is available.

BOARD DECISION: Put the Whole Building Retrofit challenge on hold, pending the anticipated introduction of HUG, and come back to it once the implications of the HUG scheme are better known.

- **Decarbonising public sector HGV fleets**

- MN highlighted the feedback from KTN that there was a need to look at this challenge from the perspective of engine size rather than vehicle type to take advantage of wider innovation. Route optimisation was another innovative way in which this challenge could be addressed.
- The meeting reflected that local authorities already have a commitment to solve this challenge.
- There was an interest in the option of hydrogen as fuel and the potential for vehicles to use any excess power to charge public sector estate buildings.
- The potential of SBRI for demonstrator delivery was raised: achieving payback through procurement of contracts to deliver.
- The opportunity of connecting to other national programmes such as Innovate UK products and services was flagged.

BOARD DECISION: Establish what the AB Ports challenge is and how to translate it. Come back to this challenge.

- **Electrification of passenger vehicles**

- There was some consideration of whether it was possible to develop a model to provide a tangible output, for example, study /mapping of one area would not translate to another area. It was clarified that the challenge would be to develop a model that could be used in different areas.
- A query was raised about how complete the model to be developed could be, since data would still have to be added to it and people trained to use it.
- There was a suggestion to understand ownership models for PV chargers and the potential for innovation projects related to this.

BOARD DECISION: There is a need to understand what the cost of developing a model is, versus how useful will it be, including whether it will still be useful in 10 years' time.

ACTION 20. MN to go back to KTN to ask them to refine costs and options for the grid constraint and decarbonisation of public sector HGV fleets challenges.

ACTION 21. MN to establish which LEPs are interested in which of the KTN challenge areas and to map out funding options, for the Board to revisit.

8. Regional Hub Manager Report

- The Regional Hub Manager report was provided with the GSEEH Board Papers of 03.03.20 and the Board asked to note the report.

8.1 Pipeline Reporting

- MN highlighted the draft Hub Programme Dashboard which had been circulated as a separate document (Excel spreadsheet) with the GSEEH Board Papers 03.03.20. MN advised that the dashboard is still being refined but illustrates how the Operations Team intends to report to the Hub Board on programme activity, based on the Board's requests. MN requested any further Board requirements for this reporting.

BOARD DECISION: The Board is content the proposed GSEEH programme reporting method.

8.2 Regional Hubs

- An update on the funding of the Regional Hubs was provided with the Regional Hub Manager's report.
- MN highlighted that Regional Hub funding proposals are with Treasury for approval.
- The Hubs will continue to be funded until at least March 2021 and if the programme is to close at this point, notice will be given by December 2020.
- BEIS have advised that the redundancy contingency should not be remaining at the end of the programme. If the Hubs continue beyond March 2021, the intention is that this funding will be channelled into a post.

8.3 Hub Sustainability

- The Hub Sustainability Report, which is being developed by the Regional Hubs for BEIS, sets out the value of the Hub and recommends continuation on the current basis with an increased development budget.

ACTION 22. MN to circulate the draft Hub Sustainability Report in mid-March.

ACTION 23. Board to comment on the draft Hub Sustainability Report which they will receive in mid-March.

8.4 Mapping Project

- An update on the proposal from the UK Energy Research Centre (UKERC) to the GSEEH as part of the mapping project was provided with the Board Papers 03.03.20.

ACTION 24. Board to provide any feedback on the UEA UKERC proposals as set out in the Board Papers 03.03.20.

9. Business Plan and Draft 2020/21 Budget

- The GSEEH Business Plan 2019/20 was provided with the GSEEH Board Papers of 03.03.20. MN highlighted that the plan is based on the Hub objectives already being enacted and expanding on work with Ofgem and DNOs.

ACTION 25. Board to give any feedback on the GSEEH Business Plan 2019/20 and to flag any priority projects not already in the programme.

- Additional funding from BEIS is not yet known and the budget is to be updated.
- The finance staff resource for the GSEEH in the form of a person or service framework has been explored but it has not been possible to recruit or achieve this. Instead, a procurement process on packages of work, as they are required, will now be carried out, in conjunction with the South West Energy Hub.
- The GSEEH is intending to fund future events rather than to deliver these due to the time /resource they are likely to require. The Board concurred and suggested that in addition, it would be efficient to tag on to other organisation's events or to sign-post others' relevant events to GSEEH stakeholders.

10. Risk Register

- MN advised that the top risk on the register, which was the ability to convene a Funding Panel and make decisions on RCEF grants is now closed. The risk relating to the recruitment of a new Accountable Body remains high.

11. Any Other Business

- The Board thanked EB for chairing the meeting. The meeting noted the existing Board agreement that an independent Chair is to be recruited.

BOARD DECISION: EB to continue to chair the GSEEH Board meetings in the interim to an independent chair being recruited.

- A question was raised about available information /activity on green bonds.

ACTION 26. MN to provide an update on any relevant information from the London Sustainable Development Commission Roadmap seminar on financing for zero carbon, 04.03.20.

- No other business was raised.

12. Dates of Future Meetings

- As already advised by email, subsequent Board meeting dates for 2020 are:
 - 27th March (telecon)
 - 21st April (London)
 - 2nd June (London)
 - 14th July (London)
 - 4th September (London)
 - 20th October (London)
 - 1st December (London)

Minutes approved by Board Chair, Jo Simmons – South East Local Enterprise Partnership, as a true and accurate record.	
SIGNATURE	DATE