

Greater South East Energy Hub (GSEEH) Board Meeting - 4 September 2020

Due to Covid-19 restrictions, this meeting was conducted via online conference.

Attendees

Matt Wragg – Coast to Capital LEP (C2CLEP)	Laura Waters - New Anglia LEP (NALEP)
Jennie Pell – Enterprise M3 LEP (EM3LEP)	Sarah Gilbert (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)
Matthew Thomas - Greater London Authority (GLA)	Jo Simmons - South East LEP (SELEP)
Maxine Narburgh - Greater South East Energy Hub (GSEEH)	Arthur Le Geyt - South East Midlands LEP (SEMLEP)
Erica Sutton - Greater South East Energy Hub (GSEEH) - Secretariat support	Ben Burfoot (Reading Borough Council) - Thames Valley Berkshire LEP (TVBLEP) –
Paul Witcombe – Hertfordshire LEP (HertsLEP)	Board Chair

Proxy Votes

Absent Board member:	Proxy instructions given to:
Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP)	Jo Simmons - South East LEP (SELEP)
Ahmed Goga Oxfordshire LEP (OxLEP)	Sarah Gilbert (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)

Minutes

1. Introductions, Apologies

- The Board welcomed deputies Laura Waters for NALEP and Matthew Thomas for GLA.
- Apologies were given by **Gary Sturgeon** - Department for Business, Energy and Industrial Strategy (BEIS), **Ed Barlow** (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP), **Domenico Cirillo**, Cambridgeshire and Peterborough Combined Authority (CPCA), **Simon Wyke**, Greater London Authority (GLA), **Chris Starkie** - New Anglia LEP (NALEP) 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, 14.07.20, were agreed as a true account, subject to a small amendment, which is to reflect the nuance of a contribution made by C2CLEP (last bullet but one, section 5.1).

ACTION 1. BB to sign off as approved the minutes of the GSEEH Board meeting 14.07.20, subject to the amendment of the last bullet but one, section 5.1, to reflect the nuance of a contribution made by C2CLEP.

2.2 Actions

- BB queried whether Action 4 from the previous Board meeting 14.07.20 was covered. MN advised that it was more appropriate for applicants to include consideration of Local Plan requirements as part of the scoping work, rather than within the application itself, due to the resources that it would involve.
- JP confirmed that information about the Surrey EV charging pilot will be shared with the Board.

ACTION 2. JP to share information about the Surrey EV charging pilot with the Board.

2.3 Matters Arising

- MN highlighted the following matter arising and confirmed that all other matters were contained within the meeting agenda:
- **Declaration of Interests** - The GSEEH Board Declaration of Interests process, as discussed at the 17.01.20 Board meeting, has been produced by the CPCA legal team. MN will circulate the Declaration of Interests form to Board members for their signature and return.

ACTION 3. MN to circulate the Declaration of Interests form to the Board.

ACTION 4. Board members to each sign and return their Declaration of Interests form.

3. Finance Update

- A finance update for July 2020 on the Local Energy Capacity Support Programme and Rural Community Energy Fund was provided in advance of the meeting with the GSEEH Board Papers 04.09.20.
- MN highlighted the following elements:
- **Additional BEIS Funding** – The GSEEH has received a further variation to its MoU from BEIS of an additional £170,500. There is an opportunity for the Board to discuss or decide the best use of this additional amount. This could either be directed at technical consultancy or pay for additional Energy Project Managers for the GSEEH. MN reminded the Board that it will not be possible to recruit new staff until November 2020, when the Accountable Body transfer is expected to take place. In practice this would enable the additional staff to be in post by January/February 2020.
- The Board then had the opportunity to comment and to ask questions, which were clarified by MN:
- JP observed a tie-in with the Local Energy Hubs' sustainability paper, that this was potentially a considerable scale-up of resource, but not yet confirmed. MN clarified that it is not necessary to allocate the variation amount now and it can be left until a later time when the position is clearer.
- BB noted that there was some underspend in various areas and that other consultancy bids could come forward. MN clarified that the budget allocated for technical consultancy is intended for those projects in the pipeline that have been shortlisted, but whose needs cannot be covered by EPM support alone. The take-up of technical consultancy support has not been as high as expected, however, some projects will require a far higher level of funding than the amounts that are currently being match-funded. The technical consultancy funding is on track as money has been allocated to local authorities, but administratively, they have not claimed it yet.

- BB queried the expected variance on staff salaries: posts have not been recruited but this is not reflected in the financial report. MN clarified that this is because the forecast was that new staff would not be recruited until September 2020, therefore the variance was not yet showing, but would start to show in the next month's report.

BOARD DECISION: Come back to a discussion / decision on the £170,500 variation amount from BEIS (technical consultancy or Energy Project Manager staff) when the financial position on the Local Energy Hub sustainability is clearer.

ACTION 5. MN to bring forward a discussion / decision to the Board agenda on the £170,500 variation amount from BEIS (technical consultancy or Energy Project Manager staff) when the financial position on the Local Energy Hub sustainability is clearer.

- **Knowledge Transfer Network (KTN)** - £25k of technical consultancy allocated for the work by the Knowledge Transfer Network on the GSEEH energy challenges can now be brought forward as KTN are holding some virtual sessions to take the work forward in place of workshops. These online events will not be charged for, but the funding can be allocated to develop the next stages of the challenge process.
- **Council Tax and Business Rate Energy Efficiency Pilots** – An underspend of £41k is anticipated. The Suffolk Councils draft report is completed, but further development of the pilot has been ruled out. Milton Keynes Council may need more research, but this is to be confirmed. One option may be to put the amount to national studies to make best use of it.

ACTION 6. MN to provide an update to the Board on the Council Tax Pilot budget after Milton Keynes Council has reported.

- MN asked Board members to consider whether they have any projects in their LEP area that might need technical consultancy support and to let the GSEEH know.

ACTION 7. Board members to consider whether they have any projects in their LEP area that might need technical consultancy support and to let GSEEH know.

- BB advised MN that local authorities within TVBLEP are developing climate emergency programmes and may require support. BB will invite Paul Kemp, the GSEEH Energy Project Manager for TVBLEP to a meeting with Berkshire local authorities.

4. Energy Systems Catapult (ESC) - Decarbonisation Academy (Retrofit)

- The Board meeting was attended by Tim German and Denis Richard of Energy Systems Catapult.
- Tim German advised the Board that the ESC has developed a retrofit and training needs proposal for a whole house approach at the request of BEIS. The ESC would like to involve trade bodies and other stakeholders in regional programmes and are looking for areas where they could develop an academy and support local needs. The Local Enterprise Partnerships could provide an excellent mechanism to drive this forward and be key to this proposal being delivered across the south east.
- Denis Richard presented in detail on the ESC concept to develop a *Home Decarbonisation Academy*. A copy of the presentation slides and their accompanying proposal paper *Skills for a Net-Zero UK Regional Approach* is to be circulated to the Board.

ACTION 8. MN to circulate the ESC slides a *Home Decarbonisation Academy* and paper *Skills for a Net-Zero UK Regional Approach* to the Board.

- Key points from the presentation were as follows:
 - Twenty-five million homes will need to decarbonise by 2050. It is the biggest infrastructure challenge ever faced by the UK. Thousands more professionals are needed, including those involved in production of equipment - 523,000 low carbon jobs by 2050 in the GSEEH area.
 - ESC is seeking to address the skills issue for the transition to net zero, particularly for decarbonisation of domestic properties. The quality of training needs to be upgraded. There are three significant gaps in skills: builders, installers and advisors/assessors.

- Solutions are: Upgrade 'general builders' so that they have proper training and qualifications and are equipped with the skills for decarbonisation that they currently lack. Expand the extent and breadth of training of heat pump installers so that they have better skills across the range of technologies, which also includes knowledge of the whole system and retrofit. Advisors and assessors need better depth and breath of training which is currently EPC-based and limited in scope.
- The complexity of domestic heating work will increase, and skills need to be matched to this. There is currently a burden on the customer to have professional-level knowledge and to liaise with too many different technological fields and specialists.
- The Board had the opportunity to ask questions which were clarified by Denis Richard:
- BB: Is the plan to improve insulation so that heat distribution will enable a drop in the temperature and reduce the strain on the boiler? What about getting hot water from the heat pump? DR: The heat pump will also cover hot water. If a larger tank is used the times of day when it is heated can be varied.
- BB: What does retrofit cost? DR: £20-70k per property. This could be done gradually, based on professional advice, with an overview provided of what is best done when, and then the work staged over years.
- BB: How can the LEPs engage with the ESC programme? DR: All the roles need to be scaled up and the LEPs could help to coordinate that. Learning factories are needed. There is a need to synchronise training with the market. The approach proposed is to rapidly scale up from a single pilot to six followers. A national management team is envisaged that would include LEP representatives.
- MW: C2CLEP would be interested. How do you want us to engage? For example, we have a local authority cluster around Brighton, and we have Retrofit Works in our area. How can we join up with you? DR: LEPs can join the consortium. Further details are set out in our paper (*Net-Zero UK Regional Approach*) and we can have follow-up calls.
- JP: EM3LEP would also be interested. How can we take this forward?
- ALG: SEMLEP would be interested. Would the project be to increase the capacity of existing colleges or is it for new build? DR: It would be a mix of both. There would be one learning factory with one pilot LEP and two pilot colleges in each region. Then these would roll out more widely.
- SG: How will you pick your pilot area, what are you looking for? DR: You would decide that, but we are happy to be part of the discussion. There needs to be a market there. You should consider who has got the biggest budget to create the market. There needs to be commitment for social housing to be fully and systematically decarbonised.
- PW: There is a danger of us separating off per LEP and competing. Could the Board put a consortium together instead? All LEPs will face housing issues but have assets that can support it. For example, how can you professionalise the industry and develop new classes? HertsLEP can offer it via the Building Research Establishment. Other elements could be delivered by other LEPs. Could we have a South East proposition rather than individual LEP propositions? DR: Yes, this would work well. The first pilot would have to be followed by the others very quickly.

BOARD DECISION: All GSEEH LEPs to form a consortium to engage with the ESC retrofit academy programme.

- BB: What level of infrastructure and commitment are you looking for, and what investment? What bodies would be investing? DR: This is set out in the paper *Net-Zero UK Regional Approach* and estimated figures are included on slide no. 42 in the deck. The ESC needs funding from BEIS, government and consortia.
- PW: How will you align this with the UK Research and Innovation activity to avoid seeking new money are there any initiatives that we can connect to? See the following link for reference: <https://www.ukri.org/innovation/industrial-strategy-challenge-fund/transforming-construction/construction-innovation-hub-will-develop-and-commercialise-new-building-technology/> DW: We have some ideas but we need you to identify that for us.
- BB: Shall we have a meeting of those who are interested and bring relevant colleagues to join as a way forward?

ACTION 9. MN to arrange a follow-up online meeting or call for interested LEPs (plus relevant colleagues) with ESC to discuss how to engage with the retrofit academy programme.

- MN: The consortia approach is an excellent idea. The GSEEH has data on projected pipelines, assets and appetite that can be used. What is the timeline for the spending review? DW: A fully drafted proposal would be needed by 24 September 2020.

ACTION 10. MN to provide an email to summarise the ESC proposition/ ask of the LEPs, alongside the ESC meeting request.

ACTION 11. LEPs to consider their asset base to inform the follow-up meeting with ESC concerning the retrofit academy programme.

5. Technical Consultancy Approval

- MN asked the Board to approve the allocation from the Technical Consultancy Budget of an initial budget of £24,300, with approval in principle for an upper spend provision of £75,000, based on demand, to procure the OnGeN building energy modelling software to assist public sector organisations in the GSEEH area to apply for funding to carry out works to decarbonise their properties. Details of this were provided in the GSEEH Board Papers 04.09.20 which were circulated to the Board in advance of the meeting.
- MN confirmed that the GSEEH considers it can best support the development of Public Sector Building Decarbonisation opportunities, with the use of software. Two types of software have been tested by GSEEH. That provided by OnGen has been identified as suitable and covers renewable generation, storage and decarbonisation of heat. It will enable the GSEEH to support a greater number of local authorities, and public sector bodies such as universities and police services. The initial budget would fund 300 sites, three technologies and requires up to £24,300, the upper limit of £75,000 would fund circa 1200 sites. The GSEEH has gone out to its shortlisted projects, with 79 asked to participate, 23 formal expressions of interest responses received, with others also interested. This involves a total of 3,240 properties, which will be sifted to identify which will receive support. GSEEH is confident that demand for the software exists and the tool will help to meet it and bring capital funding to the south east region.
- The Board had the opportunity to comment and to ask questions, which were clarified by MN:
- BB: Is this the same budget that supports the other technical consultancy? MN: Yes. We have £200k available of which £75k is allocated, plus a further £170k which we can also allocate to technical consultancy.
- JP: This is a tool that will help the GSEEH team and enable us to play a role in decarbonisation, so the £25k is agreeable. However, £75k is a big chunk of the budget. If we were in the position of needing that amount, would we prioritise that extended spend, as it might be needed elsewhere? MN: We would like an in principle agreement for the spending, because of the demand that has been evidenced and because there is not much time to accelerate the support required. We could do a lot of projects at scale in a short time and projects that would have been stalled due to a lack of a business case could be supported. There is also the potential for renewables to be included as part of the solution. JP: That makes sense.
- BB: Who would be able to use the software? MN: We can either let local authorities use it themselves or we can use it for them.
- SG: I really support this and that local authorities would have direct access. The development of early feasibility for demonstration of the business case is very helpful. Could we also look at other buildings outside the Public Sector Building Decarbonisation stream? MN: We don't yet know the requirement yet. It could be so, but we need to prioritise and use it equitably across the LEPs. We are using data analysis of the information and have sent test data to OnGen. We will prioritise sites that can demonstrate a business case.
- ALG: Local Energy North East has used the OnGen software. Will we take lessons from their experience, for example concerning equitable use? MN: Local Energy North East have distribution licences. Derby did an analysis of the software for verification and the results were very good.

- BB: We have been talking to Salix about the Public Sector Building Decarbonisation fund. We found previously that heat pumps were not able to get payback via Salix, so that is what we plan to focus on. MN: We don't have details of the fund yet, but that focus could be a possibility. A key requirement will be that projects must be shovel-ready.

BOARD DECISION: The Board agreed to approve the allocation from the Technical Consultancy Budget of an initial £24,300 for procurement of OnGen software, with the decision on approval for an upper spend provision of £75,000 to be deferred until the demand for allocation of support by local authorities is clearer. MN asked the Board to note that this decision will need to be taken soon, given the close and limited timescale for rollout of the Public Sector Building Decarbonisation fund. MN is to contact the Board by email with an update on progress and to request the Board's decision on the upper spend provision by written procedure.

ACTION 12. MN to email the Board, prior to the next Board meeting, with an update on the requirement of OnGen software by local authorities to support their uptake of Public Sector Building Decarbonisation funding, and to request, by written procedure, as indicated by local authority demand, the upper spend provision of £75,000 for further procurement of the software.

- MN confirmed that additional local authorities, beyond those who had been invited to express interest in the pilot, will not be contacted until the full funding of £75,000 is secured.

6. Regional Hub Manager Report

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 04.09.20, which was circulated in advance of the meeting. MN highlighted the following points to the Board:
- **Accountable Body (AB) Transfer** – The Accountable Body transfer from CPCA to Peterborough City Council (PCC) is expected to go ahead. A decision by PCC's Cabinet will be taken at the end of September 2020. The earliest the process of transfer can be completed, including the Commercial Transfer Agreement and TUPE of staff, is late October/early November 2020. In the contingency that the PCC Cabinet does not agree to the transfer, CPCA will take a paper to its Board to continue as AB for the GSEEH. In the interim, CPCA has agreed to take the section 31 grant of £250k for development of a sourcing strategy for the phase 2 Green Homes Grant for Local Authority Delivery (LAD2) which is expected imminently. It has not yet been determined whether the subsequent LAD2 grant of £1m for procurement, which is expected in October 2020, will be taken by CPCA or PCC.
- MN then provided the following clarifications in response to questions raised by the Board:
- BB: How is the risk being presented for the RCEF and GHG LAD2 large scale programmes? Do we need to take any action as the Board? MN: All bases are covered. CPCA is taking responsibility for the programmes, and PCC has given assurance that it will proceed. CPCA will be the backstop if PCC does not go ahead with the transfer.
- **Knowledge Transfer Network (KTN) Challenges** – To begin the address of the GSEEH energy challenges, KTN is running an *Enabling Green Recovery* online seminar and workshop for the Energy Hub on [15 September 2020](#). These sessions will involve speakers and participation from the GSEEH and KTN teams, Brunel University and Entrust Microgrid. The sessions will focus on the challenges of decarbonisation in relation to large engine fleet, retrofitting of commercial and private buildings, and how these technologies will mitigate associated strains on the grid. Local authorities, the energy supply chain and innovators are a target audience for the seminar and workshop. The Board is welcome and encouraged to attend.

ACTION 13. MN to send the Board an invitation and agenda for the KTN Enabling Green Recovery sessions, 15 September 2020.

ACTION 14. Board to share the invitation to the KTN *Enabling Green Recovery* sessions, 15 September 2020, with relevant contacts (local authorities, supply chain and innovators).

- **National Housing Federation** – The GSEEH is developing a webinar event with the National Housing Federation for registered social landlords and local authorities. There is no date set yet as the programme is currently in development.

ACTION 15. MN to update the Board with further details of the National Housing Federation registered social landlord and local authority webinar event when available.

- **Green Homes Grant (GHG) - Phase 2 for Local Authority Delivery (LAD2)** – MN presented an update to the Board on the GSEEH delivery of LAD2. Further detail was set out in the GSEEH Board Papers 04.09.20, which were circulated to the Board in advance of the meeting.

ACTION 16. MN to circulate to the Board a copy of the slide deck on GSEEH delivery of LAD2 presented at the Board meeting 04.09.20

- Firstly, MN provided brief updates on the other energy efficiency capital funds also announced as part of the Summer Economic Statement:
 - Concerning the **GHG, Voucher Scheme and Local Authority Delivery Phase 1 (LAD1)**, MN advised that the scheme is ongoing to March 2021. The GSEEH has no direct role, however MN drew the Board’s attention to the opportunity for local businesses, and the need for trades to register with TrustMark or Microgeneration Certification Scheme (MCS) accreditation to take part in the scheme.

ACTION 17. MN to provide the Board with information for trades, including a supporting paper and links, about registration with TrustMark or Microgeneration Certification Scheme (MCS) accreditation to take part in GHG Voucher Scheme and LAD1.

ACTION 18. Board members to highlight, via Growth Hubs and other relevant networks, the opportunity for trades in their LEPs to take part in the GHG Voucher Scheme and LAD1, and the need to become accredited for this purpose.

- Regarding the **Public Sector Building Decarbonisation (PSBD)** funding, as well as supporting local authorities to take advantage of the fund through business case and feasibility development through the use of OnGen software, GSEEH has approached the Communications Group to confirm/identify local authority leads for the PSBD and other energy efficiency funds to ensure that information and support reaches the right people as soon as possible and promotes the availability of the funds.
- The role of the GSEEH in the **Social Housing Decarbonisation innovation demonstrator** fund, is limited to promotion only.
- Secondly, MN highlighted the key features of **GHG LAD2**: There are three phases / funding tranches within the scheme: phase 1 sourcing strategy £250k, phase 2 procurement £1m, phase 3 allocation of 300m (to be confirmed). These figures are the total amount available for each of the five Local Energy Hubs. GSEEH received the draft sourcing strategy document and guidance for phase 1 on 14.08.20. However, the Energy Hub is still awaiting its MoU and funding allocation for this phase. It is hoped that the GSEEH allocation will reflect the greater extent of fuel poverty/homes in the region. MN has sent BEIS evidence to this effect. BEIS expect a draft report on the sourcing strategy by 18 or 25 September 2020 (to be confirmed). The GSEEH cannot commence outsourcing until the MoU is received, which presents a challenging timeline. Procurement is expected November 2020 – June 2021 and delivery June 2021 – March 2022. A capital allocation of 12% is to be included in the phase 3 funding for remedial works for retrofit readiness and programme delivery.
- MN then provided the following clarifications in response to questions raised by the Board:
- BB: What is the funding split between social and private housing? MN: The current advice is that there will be a £10k average allocation per property for low income households (i.e. no difference between social or private). Private rented is £5K cap with 33% required match funding. This is to be confirmed.
- MN set out further details of the phase 1 sourcing strategy requirements and options for the delivery model and procurement approach in the presentation. MN asked the Board for any further suggestions for delivery model options. The following comments from the Board and clarifications by MN were made:
- BB: It is difficult to map out delivery for LAD1 because there is a lack of flexibility about completion. LAD2 will involve next year’s projections. If you have a hard line on delivery it will reduce numbers, though you may have enough projects anyway.
- BB: Will PAS 2035 be used? MN: Yes, PAS 2030/35 will be the minimum standard.
- MN advised the Board that for the procurement approach, CPCA will do an analysis of contracts and existing national frameworks.

- MN then set out further information about stakeholder and market engagement. MN highlighted that eligibility criteria for low incomes was a combined household income of £30k. This did not take account of regional disparity in living costs, which would exclude some households in the GSEEH region. The ECO Flex Statement of Intent is one alternative option.
- The Board was asked for its views on whether a different type of eligibility criteria should be used. The following comments and questions were raised with clarifications provided by MN:
- BB: What are the statistics on low incomes for the GSEEH region? MN: The BEIS statistics are that 40% of households are in fuel poverty, rental disparity is circa £9k a year in some areas, more detailed analysis needs to be undertaken. This evidence can be put to BEIS.

BOARD DECISION: The Board agreed that MN should put evidence to BEIS of low income households in the GSEEH region being at a disadvantage concerning eligibility for LAD2 and that criteria other than the combined household income of £30k such as the ECO Flex Statement of Intent or other methodology should be used.

- Finally, MN set out the next steps for LAD2. BB asked MN to let the Board know where the GSEEH needed a steer. MN advised that support had already been requested from the LEP Communications Group to identify local authority energy-efficiency specific contacts to fill gaps in the GSEEH database, and for supply chain engagement to connect with contractors, other than those already accredited or that could be readily found on frameworks. The Association of Local Energy Officers had also been used as a route to cascade information to energy efficiency specific local authority contacts. As a further means of supply chain engagement, MN requested information from the Board about LEP programmes that help businesses get accredited.

ACTION 19. Board members to advise MN about any business support programmes that could help SMEs get Trustmark/MCS accredited in their LEPs and whether initiatives such as Kickstart could support growth in the supply chain.

ACTION 20. MN to write a Growth Hub and skills programme brief concerning GHG LAD2 for Board members to distribute to the LEP business and supply chain audience.

ACTION 21. Board members to distribute to their LEP business and supply chain audience the Growth Hub and skills programme brief concerning GHG LAD2.

7. Forward Plan

- The latest version of the GSEEH Board's Forward Plan was provided to the Board in advance of the meeting with the GSEEH Board Papers of 04.09.20.
- There were no questions from the Board on the Forward Plan.

8. Risk Register

- The latest version of the GSEEH Risk Register was provided to the Board in advance of the meeting with the GSEEH Board Papers 04.09.20.
- BB acknowledged that the LAD2 separate risk register represents a big responsibility for the GSEEH.
- There were no questions from the Board on the risk register.

9. Any Other Business

- MT shared the following link to a report the GLA has published on heat pump retrofits as some timely information, given the recent government domestic and non-domestic grant funding, and Energy Systems Catapult's work on skills in the market:
<https://www.london.gov.uk/sites/default/files/heat-pump-retrofit-in-london.pdf>
- The GSEEH Operations Team were thanked for their work.
- BB was thanked for chairing the meeting.

10. Dates of Future Meetings

BOARD DECISION: The next GSEEH Board meeting, 20 October 2020, is to take place virtually using the Microsoft Teams software facility.

- Subsequent Board meeting dates are scheduled as follows:
 - 20 October 2020 (via Microsoft Teams)
 - 1 December 2020 (via Microsoft Teams)
 - 19 January 2021 (via Microsoft Teams)

Minutes approved by Board Chair, Ed Barlow (Buckinghamshire County Council) - Buckinghamshire Local Enterprise Partnership, as a true and accurate record.	
SIGNATURE	DATE