

Greater South East Energy Hub (GSEEH) Board Meeting - 21 April 2020

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

Attendees

Gary Sturgeon - Department for Business, Energy and Industrial Strategy (BEIS)

Jennie Pell – Enterprise M3 LEP (EM3LEP)

Maxine Narburgh - Greater South East Energy Hub (GSEEH)

Erica Sutton - Greater South East Energy Hub (GSEEH) - Secretariat support

Simon Wyke, Greater London Authority (GLA)

Sarah Gilbert (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)

Ahmed Goga Oxfordshire LEP (OxLEP)

Jo Simmons - South East LEP (SELEP) – **Board Chair**

Arthur Le Geyt - South East Midlands LEP (SEMLEP)

Ben Burfoot (Reading Borough Council) - Thames Valley Berkshire LEP (TVBLEP).

Proxy Votes

Absent Board member:	Proxy instructions given to:
Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP)	Jo Simmons - South East LEP (SELEP)
Matt Wragg – Coast to Capital LEP (C2CLEP)	Jennie Pell – Enterprise M3 LEP (EM3LEP)

Minutes

1. Introductions, Apologies

- Apologies were given by **Ed Barlow** (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP), **Domenico Cirillo**, Cambridgeshire and Peterborough Combined Authority (CPCA), **Matt Wragg** – Coast to Capital LEP (C2CLEP), **Paul Witcombe** – Hertfordshire LEP (HertsLEP) and **Chris Starkie** - New Anglia LEP (NALEP).

2. Minutes, Actions and Matters Arising

2.1 Minutes

BOARD DECISION: The minutes of the previous GSEEH Board meeting, 03.03.20, were agreed as a true account.

ACTION 1. JS to sign off as approved the minutes of the GSEEH Board meeting 03.03.20.

2.2 Matters Arising

- MN highlighted the following matters arising. MN and GS then provided clarification on these topics in response to Board members' questions:
- **GSEEH Terms of Reference (ToR) and Declaration of Interests** - That matters concerning the ToR and Board Declaration of Interests, as discussed at the 17.01.20 Board meeting, were still outstanding due to pressure on CPCA's legal team as a result of the Covid-19 crisis.
- **KTN Challenges** - Concerning the KTN challenges initiative, a response has been provided by NALEP, but it has not been possible to plan for stakeholder workshops due to the Covid-19 crisis.

ACTION 2. MN to provide the Board with an update on the KTN Challenges work including the input from NALEP.

- **Community Energy England Contract** - Proposal from Community Energy England is due to be provided by 24.04.20, for the Community Energy England contract, which is to be funded under the BEIS Section 31 grant agreement for 2019/20.

ACTION 3. MN to provide the Board with an update on the proposal from Community Energy England contract (to be funded under the BEIS Section 31 grant agreement for 2019/20).

- **Local Authority Finance and Procurement Resources** - Final versions are due of the resource materials (reports) designed for local authorities on energy financing and procurement, commissioned by GSEEH from Pinsent Masons and Cornwall Insight. These will be circulated to the Board once available.
 - MN clarified that the range of resources produced or commissioned for local authorities and stakeholders by GSEEH and the other Energy Hubs are available on the GSEEH website pages at <https://www.energyhub.org.uk/how-we-can-help/toolkits/> and at <https://www.energyhub.org.uk/resources/hub-guides/>

ACTION 4. MN to circulate to the Board when available the final version resource materials for local authorities being developed by Pinsent Masons and Cornwall Insight.

- **Green Finance Report** - The executive summary of the London Sustainable Development Commission's (LSDC's) Green Finance report, on unlocking investment to achieve zero carbon, is to be shared with the Board. MN attended the launch event for the report on 04.03.20.
 - SW advised the meeting that the LSDC has been in place for 15 years and provides recommendations to the Mayor of London. The Green Finance report has been submitted to the Mayor and sets out approaches for getting capital investment into green initiatives. The GLA has a green finance fund for infrastructure, transport, waste management and energy. It is a combined ERDF and public sector fund and is intended to attract private investment. It has a £9m pot for energy projects. GLA is looking at opportunities from a spatial rather than thematic perspective. GLA is in dialogue with the Green Finance Institute and has also set up a green finance task force to explore what other possibilities there are. SW volunteered to provide further information to the Board members at their next meeting about the LSDC's Green Finance report and on the GLA's emerging task force.

ACTION 5. MN to circulate to the Board the London Sustainable Development Commission's Green Finance executive summary.

ACTION 6. SW to provide a briefing on the London Sustainable Development Commission's Green Finance report and green finance task force at the 21.04.20 Board meeting (MN to add to the agenda).

- **Energy Hubs' Conference** - A local energy conference for the five Energy Hubs, arranged by BEIS for 29.04.20, will now take place via a virtual format and comprise five significant topics of cross-Hub interest, including RCEF.
 - MN clarified that the objective of the conference is to provide the five Hubs with an opportunity for collaboration, to share their approaches and promote cross-Hub working.

ACTION 7. MN to update the Board on any significant output from the five Hubs' virtual Local Energy Conference of 29.04.20.

- **UK100 Insight Report** - UK100 is preparing an insight report, which is a consolidation of the learning from the finance events that have taken place in each of the Hub regions. This is due in July 2020. As part of the report's development UK100 will conduct interviews with the five Local Energy Hubs about the value of local energy solutions.
 - GS clarified that the work had been commissioned by BEIS and that he would investigate and provide further detail to the Board about the report, including whether it would take account of the changes brought about by the Covid-19 crisis.

ACTION 8. GS to provide further detail to the Board about what the UK100 'value of local energy solutions' insight report to BEIS will include.

3. Finance Update

- A provisional finance update for March 2020 on the Local Energy Capacity Support Programme was provided in advance of the meeting with the GSEEH Board Papers 21.04.20.
- MN advised the Board that the reconciliation to the end of March 2020 was still to be completed, but that the figures provided gave a good guide to the current situation.
- Further insight was provided by MN, including responses to questions of clarification from the Board as follows:
 - Most spending is on track, though there is some delay in defrayal of council tax pilots.
 - The KTN GSEEH challenges work has been delayed by the Covid-19 crisis as it is not possible to develop stakeholder engagement/workshops at this time.
 - Technical consultancy support to the Colchester Northern Gateway project is delayed potentially due to senior management to sign off match-funding requirement. MN plans to seek an update on this.
 - The underspend on Operations Team travel due to the Covid-19 crisis has been used to support desktop feasibility work for solar projects via purchase of an additional PVSyst software licence (£800).
 - MN clarified that the GSEEH Operations Team is fully set up for remote working and has all the equipment and facilities it needs. It is accustomed to a remote mode of working including regular virtual team meetings. Anticipated site visits, audits and meetings were now not possible, but have been substituted for desk-based work.
 - Both RCEF and the Local Capacity Support grant need to be reprofiled for next year and an update will be brought to the next Board meeting.

ACTION 9. MN to bring a finance update to the next Board meeting, including the reprofiled Local Capacity Support and RCEF grant and an update on Colchester Northern Gateway.

4. BEIS Section 31 Grant 2019/20 and 2020/21

- An update on the BEIS Section 31 grant was provided with the GSEEH Board Papers 21.04.20, which set out the budget and breakdown of allocation.
- MN highlighted to the Board that for 2019/20, £660k has been awarded and committed to the GSEEH and its activities, which includes £75k for fuel poverty (Home Upgrade Grant) energy efficiency initiative, £100k for a social housing decarbonisation initiative and £75k for the Community Energy England contract. In light of the Spending Review delay sufficient funding has been allocated for staff and core costs through October 2021. 170k additional funding is anticipated for 2020/21 and can be used for technical consultancy.

4.1 Fuel Poverty (Home Upgrade Grant) Pilot

- The details of this pilot were set out in the GSEEH Board Papers 21.04.20, which were circulated in advance of the meeting.
- MN advised the Board that the Operations Team has approached its local authority stakeholders to establish who might be able to participate in the pilot. Ten responses have been received already we are confident that 100 suitable properties could be delivered for the proposed pilot. It is not certain whether there is capacity within a single authority in the timeframe and properties may be split over more than one local authority. The supply chain

is also a consideration for the project, understanding how the it can be supported to deliver the wider scheme.

- MN advised the Board that to resource the project, a new post within GSEEH will be looked at: this includes scaling up, plus technical and logistical support to inform procurement. It is hoped the recruitment will be done through the new Accountable Body. However, until the Accountable Body completes the TUPE process, recruitment will not be possible.
- MN provided clarification to the following questions raised by the Board:
 - That the scheme is intended for any off the gas grid properties, rather than targeted at rural areas using oil.
 - That while the timescale for local authorities to respond to a call for interest (until 24 April 2020) is short, the response from local authorities being sought at this stage is in order to give BEIS confidence that 100 properties can be found and that the pilot is viable, rather than to establish a final list of local authorities for potential inclusion. A rolling call-out to interested local authorities could continue until July 2020, when the call for evidence to short-list projects will be required. The delivery period is November 2020-March 2021.
 - Local authorities with existing frameworks for home upgrades are being sought to ensure the pilot is deliverable in the timescale required.
 - An email has gone out to all the GSEEH local authority contacts which can be shared with the Board, along with a list of the local authorities who have responded to date, so that Board members can gauge the spread of the response and confirm that any suitable authorities in their LEP area have been alerted to the opportunity.

ACTION 10. MN to share the email on the HUG pilot that has been circulated to local authorities, along with a list of those that have responded with the Board, so that suitable local authorities that Board members are aware of can be targeted as needed.

- No London boroughs had come forward so far.

ACTION 11. SW to share the GSEEH email on the HUG pilot with London contacts.

- The Board will be asked to discuss what the delivery model will be in terms of staff resource and external delivery, though it is expected that a new member of the staff will be allocated to the project.
- There is no impact on the GSEEH's current work from taking forward the pilot, as the development work is being done by the Regional Hub Managers, rather than by the Energy Project Managers.
- Suggestions from the Board to support the initiative were that there would be value in including a diversity of typology of housing stock in the pilot as more learning could be drawn from this, as well as making the pilot more manageable, if (say) four local authorities were involved, providing 25 homes each.
- There were some concerns expressed by the Board about the capacity of local authorities in the context of the Covid-19 crisis:
 - This included the need to make the work as efficient as possible, to spread the burden and risk, to be realistic about what was possible, and for the GSEEH to provide delivery support to local authorities to increase capacity.
 - In response, MN advised the Board that the community engagement element could be something the Operations Team could support, along with housing stock and pipeline development.
 - Keeping the grant agreement process simple was also suggested by the Board, to reduce the burden on local authorities.
- The timeframe for the project was queried by the Board:
 - MN expressed confidence that GSEEH could work within the specified timeframe. However, MN advised there would be a lack of flexibility to extend the timeline, as the project must be delivered in the current financial year. This incurred a risk as there was a need to access property and engage with owners/residents, so a realistic review was needed.
 - It was suggested by the Board that spreading involvement over more than one local authority would help to reduce the risk.
 - It was further proposed by the Board that provided the money was in the account, even if it was not yet spent, that would still meet the requirement.

The Board also asked about the process for agreeing the shortlist.

- MN advised that there were two options: either bring the shortlist to the Board for a decision, or, if there is a conflict of interest, that BEIS can decide and allocate the fund directly.
- The Board welcomed involvement in the pipeline and shortlist process.

ACTION 12. Any Board members with suggestions for local authorities who would be interested in the Fuel Poverty pilot to advise MN.

ACTION 13. MN to bring the Fuel Poverty pilot proposal, including community engagement support and risk register to the next Board meeting 2 June 2020.

ACTION 14. MN to prepare for the Board a job description and any external consultancy required for the Fuel Poverty pilot.

4.2 Social Housing Decarbonisation

- The details of this pilot were set out in the GSEEH Board Papers 21.04.20 circulated in advance of the meeting.
- MN advised the Board that the scope of this pilot was less developed, but that it was intended to inform technical assistance for housing schemes. The objective was to get properties that are below a Band C rating to a minimum Band C Energy Performance Certificate (EPC) rating.
- There was a need to identify partners and social housing providers. The pilots would need to be completed by the end of March 2021.
- A pipeline and pathway are being developed at this point, with an aim to map who has plans or not and what housing stock is owned. Capital funding is not yet confirmed.
- The delivery model would be discussed with the Board: whether to be an in-house or external contract or a combination.
- MN provided clarification to the following questions raised by the Board:
 - Innovation is supported, the ultimate purpose of the pilot is for a path to net zero for social housing, so it is admissible to include plans to achieve a higher rating than C.
 - The timeline for the initiative would be informed by further discussion at the next Local Energy Hub Managers' meeting with BEIS, 13 May 2020 and then a proposal would be brought to the next Board meeting, 2 June 2020. Progress can be made in between by email as the job description can be drafted and the budget scoped.
 - GS confirmed that there is an intention for the BEIS Home Retrofit team to get a detailed commissioning note for the pilot ready by 24 April 2020, which will add clarity to the questions raised by the Board.
- SW advised the meeting that the GLA has a home efficiency retrofit scheme that is outsourced due to resource demand and that the model used can be circulated to the Board as an insight.

ACTION 15. SW to circulate GLA home efficiency retrofit model to the Board for information.

- SW also proposed that using a range of typology of housing stock would be informative and should be considered as this would impact on costings: Different types of housing may require different approaches to decarbonisation in terms of the combination of energy efficiency and heat source measures that are optimal.
- MN advised the Board that local knowledge from LEPs, e.g. about supply chains and alignment with LEP work would be appreciated. Board members confirmed their willingness to input and offer the benefit of their experience.

ACTION 16. MN to bring note from BEIS to provide more clarity to the initiative to the next Board meeting and for feed in from LEPs and their colleagues.

ACTION 17. Board members to share with MN any contacts for potential partners and social housing providers for the pilot.

6. Hub Sustainability Report

- A draft Sustainability Report, which sets out a review of the potential options for the future of the Local Energy Hubs has been drafted between the five Energy Hubs. A copy was circulated to the Board in advance of the meeting as part of the GSEEH Board Papers 21.04.20.
- MN highlighted the background and key elements of the report to the Board as follows:
 - In considering the approach to sustainability, BEIS advised the five Local Energy Hubs to upscale the scope of their work. This is to increase the core funding for the Hubs from £6m to £40m, plus a £90m project development fund. The five Hubs currently hold a prioritised pipeline of 183 energy projects between them. There is an ambition to expand the Rural Community Energy Fund to include urban areas. There will therefore be an increased scale of opportunity, with more energy project manager resource for the Local Enterprise Partnerships. How this will be allocated is still for discussion.
 - There is no longer an expectation for the Hubs to be self-sufficient and generate revenue, as this is not seen as compatible with the Hubs' purpose nor would it enable them to take an impartial approach.
 - Recovery and economy stimulus in the post Covid-19 context are to be included as additional elements of the report.
- MN provided the following clarifications to questions and issues raised by the Board:
 - The purpose of the £90m project development fund: MN clarified that this fund is intended for technical consultancy rather than being a capital fund for energy projects, and that capital funding is expected to come through the Local Enterprise Partnerships/other finance mechanisms. The £90m amount is intended to be used across the five Hubs. Their combined project pipeline equates to a 10% development pot to take projects through to the planning stage.
 - Whether there is there a presumption that funding will be equally split over all five Energy Hubs, and whether there be an additional amount to the South East? The government has big focus on the Midlands and the North, however the South East is the key area of significant population and growth: MN clarified that the SE originally had more funding as it had more LEPS, so expected this to be reflected again.
 - How the funding will be split over the region and whether this will be an equal allocation: MN clarified that the success and strength of the Energy Hubs has been their development of regional working, so the aim would be that the split of funding should work for local priorities. BEIS want more staff resource provided to support energy project developers and the Operations Team would work with the Board to tailor that for local and regional delivery.

ACTION 20. Board to advise MN of any further comments on the allocation or apportionment of funding.

- That it would be useful for the report to be upfront about how much impact the Energy Hubs have had and what has been achieved already: MN clarified that it was intended that there would be an appendix to the sustainability report of a pipeline shortlist and impact to date by each Energy Hub.
- GSEEH has a budget underspend currently, and whether this could be addressed in the report and pre-empt potential criticism by suggesting how the funding could be redirected, for example the potential to scale up projects: MN suggested that the GSEEH could have the option of a rolling pot of funding and open it up beyond current pipeline list
- An understanding of the project pipeline across all the Energy Hubs would be useful.

ACTION 21. MN to share the tables/ information on the project pipeline across the five Hubs.

- The Board had the following queries concerning the basis of the funding:
 - Whether BEIS is comfortable with the considerable increase in funding proposed.
 - The implications of the BEIS funding coming from a range of different sources: whether there would be 'strings' attached to the funding, and whether the Energy Hub could consequently be pulled into covering a range of other tasks and diverted from its core purpose.
 - As there are multiple teams at BEIS with national priorities, these priorities might not translate well at local or regional level, and whether the funding pots could work at local level.

- Board members were asked to provide feedback on the report and the following comments of support were provided for the options presented in the report:
 - The scale-up of the Energy Hubs' funding is welcome, especially the £90m project development fund. The level of resource and opportunity is a positive move and on a scale that could make a difference. The scaled-up approach would provide confidence to project developers that there will be more help 'on the ground' to enable the Hubs to deliver their remit.
 - The securing of core funding for a solid time period is a positive development.
 - The removal of the risk that the Hubs would have to evolve into a consultancy is welcomed.
- The Board raised the following suggestions about where the report could be clarified or enhanced:
 - How the figures of £90m project development and £20m RCEF funding have been reached.
 - What value for money might be brought by the £40m core funding.
 - Giving stronger emphasis to the positive benefits of continued government funding to support the Energy Hubs and maintenance of the independence that the Hubs currently have.
 - Inclusion of what will be accomplished by the Energy Hubs in future, i.e. forecasting the scale that could be achieved.
 - Whether the funding could resource ongoing projects that already have existing resources, in order to bolster these.
 - Directing the increased funding at reaching local authorities that are not yet engaged in the local energy agenda, rather than just 'the usual suspects'.
 - How the sustainability proposal will join up with other economic recovery funding coming through the LEPs following the Covid-19 crisis.
 - What allocation criteria will be used for the £90m, and whether any new criteria are needed.
 - References to "the regions" in the report should be reviewed, as this terminology might have unintended associations with past initiatives.
 - Reflect more alignment with the formation of the Energy Hubs: i.e. the collaboration of Local Enterprise Partnerships that forms the Hubs.
 - The report states that there are 39 Local Enterprise Partnerships, whereas there are only 38 LEPs.
 - As the report is intended for use by BEIS, Patrick Allcorn as Head of Local Energy, should be asked for his guidance about what information he needs from the report to take to the Treasury.

ACTION 22. Board to provide any further comments on the sustainability report to MN.

ACTION 23. MN to take Board feedback on the Sustainability Report to the other Energy Hubs for consideration.

- MN set out the following way forward on the development of the sustainability report:
 - 8 May 2020 - Feedback from the Board across the five Hubs will be collated.
 - 11-15 May 2020 - The Hubs will prepare a revised draft.
 - 18 May 2020 - The report will be circulated to the LEP Boards for comment (timescale for feedback to be returned to be confirmed by Board members).
 - End of May 2020 - The report will be submitted to Patrick Allcorn, Head of Local Energy at BEIS.
 - There is flexibility about the final comments coming in: buy-in to the report by the Energy Hub Boards is wanted by BEIS.

ACTION 24. MN to ask PA for extra time for the Board to make comments on the sustainability report and confirm the timescale for feedback.

- A question was raised about whether/how the report would need to be taken through the LEP Boards, for example whether the report was for the LEP Boards' decision, or for noting and feedback:
 - It was clarified that that the report was intended to be for BEIS rather than for LEPs to agree at this stage, although a steer on the local and regional programme would be sought at a later point.

- However, it was agreed by the meeting that it was important for endorsement to be sought from LEP Boards, to confirm that the report set out a sensible way forward and was supported.
- It was noted that this endorsement should not overlap with LEP's own governance processes

ACTION 25. Board members to give consideration about how they will take the report through their own LEP Boards.

7. Risk Register

- The latest version of the GSEEH Risk Register was provided to the Board with the GSEEH Board Papers 21.04.20 in advance of the meeting.
- MN advised the Board that a Covid-19 risk had been added to the register and would be expanded as the impact on the GSEEH programme became clearer.
- MN highlighted to the Board the following impacts of Covid-19 on delivery to the programme experienced by GSEEH so far:
 - Suspension of site visits and audits involving energy efficiency
 - Suspension of renewable energy audits that require on-site visits
 - An increase in activity related to solar rooftop and farms as these can continue with desk-based work
 - Delays concerning the activities of local authority officers, although some were operating as usual
 - Local authority committee decisions or those involving senior decision-making were subject to delay
 - Local authority capital may be redeployed.
- MN advised the Board that the Programme Dashboard circulated with the GSEEH Board Papers 21.04.20 included a RAG rating for Covid-19 and a narrative comment from the Energy Project Managers on the detail of any risks.

8. Forward Plan

- The latest version of the GSEEH Board's Forward Plan was provided to the Board with the GSEEH Board Papers 21.04.20 in advance of the meeting.

BOARD DECISION: Prioritise core items in the Forward Plan and deprioritise the GSEEH Terms of Reference and Independent Chair items, given the burden of addressing by Covid-19 issues and until the Board has more capacity.

ACTION 26. MN to revise the forward plan on the Board's behalf.

9. Any Other Business

- The Board thanked JS for chairing the meeting.

BOARD DECISION: JS to chair the 2 June 2020 GSEEH Board meeting.

10. Dates of Future Meetings

BOARD DECISION: The timing of the next GSEEH Board meeting, 2 June 2020, is to be amended to 10:00-12:30 and to take place virtually using the Microsoft Teams software facility. Participants are to use the video function to facilitate the conversation, although this can be switched off if internet bandwidth becomes an issue.

- As already advised by email, subsequent Board meeting dates for 2020 are:
 - 2 June – 10:00-12:30 – (Virtual meeting via Microsoft Teams)
 - 14 July (London – Venue/format TBC)
 - 4 September (London – Venue/format TBC)
 - 20 October (London - Venue/format TBC)
 - 1 December (London – Venue/format TBC)

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