

Greater South East Energy Hub (GSEEH) Board Meeting - 1 December 2020

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

Attendees

Swapna Uddin - Department for Business, Energy and Industrial Strategy (BEIS)
Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP) – **Board Chair**
Matt Wragg – Coast to Capital LEP (C2CLEP)
Jennie Pell – Enterprise M3 LEP (EM3LEP)
Simon Wyke - Greater London Authority (GLA)
Maxine Narburgh - Greater South East Energy Hub (GSEEH)

Erica Sutton - Greater South East Energy Hub (GSEEH) - Secretariat support
Paul Witcombe – Hertfordshire LEP (HertsLEP)
Laura Waters - New Anglia LEP (NALEP)
Sarah Gilbert - (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)
Jo Simmons - South East LEP (SELEP)
Arthur Le Geyt - South East Midlands LEP (SEMLEP)
Ben Burfoot - (Reading Borough Council) - Thames Valley Berkshire LEP (TVBLEP)

Minutes

1. Apologies, Introductions,

- Apologies were given by **Gary Sturgeon** - Department for Business, Energy and Industrial Strategy (BEIS), **Domenico Cirillo**, Cambridgeshire and Peterborough Combined Authority (CPCA), **Chris Starkie** - New Anglia LEP (NALEP) and **Ahmed Goga** Oxfordshire LEP (OxLEP).
- The Board welcomed **Swapna Uddin** - Department for Business, Energy and Industrial Strategy (BEIS).

2. Minutes, Actions and Matters Arising

2.1 Minutes

BOARD DECISION: The minutes of the previous GSEEH Board meeting, 20.10.20, were agreed as a true account.

ACTION 1. EB to sign off the minutes of the GSEEH Board meeting, 20.10.20 as agreed.

2.2 Actions

- An updated log of Board actions was provided in advance of the meeting with the GSEEH Board Papers 01.12.20.
- There were no matters raised or questions asked about the Board actions log.

2.3 Matters Arising

- **Biggleswade Grid Upgrade** - MN highlighted that arrangements between UK Power Networks and Central Bedfordshire Council concerning increased grid capacity at Biggleswade, which will involve a significant funding contribution via the local authority, have now been agreed. A report covering the technical review of the UK Power Networks offer, which has resulted in amended costs and fairer terms for the local authority, can now be shared. Board members can contact either the GSEEH or Ingrid Hooley at Central Bedfordshire Council if they wish to see a copy.

3. Finance Update

- A finance update for November 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 01.12.20.
- MN highlighted the following aspects of the finance update:
 - Technical Consultancy is on track with £120k committed and £21k in approval.
 - The Recruitment budget is to be carried forward, pending the transfer of the Accountable Body, which is still awaited.
 - As a result of COVID-19, there is an underspend concerning travel and subsistence, and training and external events.
 - The £170.5k variation to the MoU is still to be profiled. This is awaiting further understanding of the position of the core Programme. The status of next year's funding is still to be confirmed by BEIS.
- The Board expressed the following views about the yet to be profiled £170.5k:
 - BucksLEP commented that it is preferable to hold onto the amount until there is further clarity.
 - GLA proposed to wait until more was known about budgets and observed that annual budgets are unhelpful. Energy cannot be done quickly in a few months. A degree of certainty is needed. If BEIS is committed to the Energy Hubs as a delivery mechanism, there is a need for clarify for a few years to make the best possible use of funds.
- MN clarified that there is no timeline for the BEIS decision yet. The Energy Hubs have been extended until October 2021 and the expectation is that more will be known by the end of 2020. The Energy Hubs are in ongoing contact with BEIS about the future arrangements.
- MN also highlighted to the Board that RCEF recruitment is awaited and correlates to the originally expected September 2020 Accountable Body transfer date. Furthermore, the GSEEH has many projects in play and staff capacity is an issue. MN advised the Board of her intention to speak to her CPCA Director about these issues.

6. Policy – 10 Point Plan & CSR

Gary Sturgeon, BEIS gave his apologies to the 01.12.20 GSEEH Board meeting and will provide an update on this item at its next meeting, 19.01.21.

7. Catalyst South Round Table – Update

- As requested by the GSEEH Board at its 20.10.20 meeting, MW, C2CLEP, provided a verbal update on the 20.10.20 Catalyst South Ministerial Round Table on clean recovery. A detailed note of the meeting, provided by MW, will be circulated to the Board.
- The LEP membership of Catalyst South includes C2C, EM3 Herts, SE, Solent, and TVB. The group aims through its collaboration to help drive recovery and prosperity in the region.
- The Round Table was hosted Brian Johnson, chair of Solent LEP, with guest BEIS Minister Kwasi Kwarteng and 30 businesses from across the South.
- Three key questions were put forward by the host with contributions from businesses and responses by the Minister. These were:
 - What can Government do to enable businesses to take advantage of new opportunities in a Green Recovery, after the transition period?
 - What actions should government take to strengthen local business networks and the regional offer in the South to attract investment for net zero innovators and disrupters?

- What are the key barriers to preventing businesses from pivoting to net zero aligned operations and what can Government do to address them?
- Solent LEP committed to reconvene the businesses who attended the Round Table so they can continue to share ideas for innovation and opportunity in a Green Recovery, within the region.

ACTION 4. ES to circulate to the Board the minute of the Catalyst South Ministerial Round Table on clean recovery, 20.10.20.

8. Distributed Future Energy Scenarios - Presentation

- Peter Gudde, Energy Project Manager for the GSEEH, joined the meeting to provide a presentation to the Board, which summarised the modelling of future energy scenarios by Network Operators across the region. A copy of Peter Gudde's presentation was circulated to the Board in advance of the meeting with the Board papers of 01.12.20.
- The Board responded to the presentation with the following comments and questions:
- TVBLEP explained that Reading Borough Council (RBC) has been in discussion with Scottish & Southern Electricity Networks (SSEN) and has been asked to present evidence on their policy framework, financial commitments, resources and projects to give SSEN confidence to invest in the local network. The Council's net zero target is 2030, whereas SSEN have a target of 2050. SSEN is considering a 2040 objective to meet this. BB asked what opportunities there might be to influence DNOs via the GSEEH, to coordinate evidence and provide confidence to them, especially given the limited financial commitment that local authorities can offer.
- GSEEH's PG advised that availability of local authority capital is not the overriding factor for DNOs, rather what is critical is the local authority ambition for the area. The challenge for DNOs is that the local plan agenda is dynamic and local developers have earlier timescales. Local authorities should tell their DNO what is happening strategically but should note that they will only be able to influence them so far. LEPs should also feed their Local Industrial Strategies into the picture. PG confirmed that it was worth having a discussion with SSEN, and that it is important to provide a consistent approach. PG further advised that GSEEH has done as much as possible to inform the SSEN business plan and that SSEN is motivated to take account of local authority requirements. PG recommended that RBC should ask SSEN what evidence and data they need for their business plan. This would enable SSEN to match the RBC evidence to their investment needs and reinforcement work and target new growth areas in a smarter way.

ACTION 5. PK to facilitate a discussion between SSEN and RBC to assist in setting out its strategy, data and other evidence, to provide confidence and influence for the DNOs business plan.

- GLA advised that the Authority had also been aiming to influence SSEN and requested a joint meeting. SW also noted that most future energy requirements were most likely to be met by electricity and that there was a need for expectations about the role of hydrogen to be realistic, since the volume required to match the energy provided by gas was considerable and would therefore tend its use towards meeting strategic needs rather than general needs.

9. Supporting the Public Sector Decarbonisation Scheme

- Paul Kemp, Energy Project Manager for the GSEEH, joined the meeting to provide a presentation to the Board, setting out the support provided by the GSEEH to local authorities and other public sector organisations in the region to access the Public Sector Decarbonisation Scheme. A detailed report by PK of the GSEEH's activity related to this Scheme was circulated to the Board in advance of the meeting with the Board papers of 01.12.20.
- PK reminded the Board that the Scheme is a £1bn government fund managed on behalf of BEIS by Salix Finance and aims to decarbonise public buildings. It is focused on the decarbonisation of heat, though other measures and technologies such as solar PV are eligible. The initiative is supplemented by the Public Sector Low Carbon Skills Fund, which provides funding for organisations with limited resources and capacity to carry out the necessary technical preparation to enable them to access the Public Sector Decarbonisation Scheme.

- GSEEH, which has an existing relationship with Salix, has spoken at the Salix regional virtual meetings to set out its support offer. The GSEEH has also been able to use its existing relationships with local authorities and other public sector organisations in the region to raise awareness about the Scheme and to support them.
- The support provided to public bodies by GSEEH has included site identification, software procurement to look at site surveys, identification of what can be included in applications, use of solar calculation tools, taking the role of critical friend and brokering conversations between applicants and Salix. All these activities have been reported to BEIS.
- To date, forty public sector organisations have been engaged. A pipeline of applications covering 117 sites has been developed, and this has been shared with both BEIS and Salix. Measures applied for include fabric efficiency, heat pumps, batteries, building management systems and heat network connections. With GSEEH support, four Low Carbon Skills Fund grants have been awarded in the region.
- The Board responded to the presentation with the following comments and questions:
- BucksLEP asked for information about the timescale of the schemes. PK advised that the Low Carbon Skills Fund closes 04.12.20 and the Public Sector Decarbonisation Scheme closes 11.01.21. PK advised that local authorities have found the deadlines very challenging. For those that have required a Low Carbon Skills Fund grant allocation, there is still the technical assessment to be done and a bid for the Decarbonisation Scheme to be worked up. Local authority activity related to the rollout of Green Homes Grant Local Authority Delivery Scheme has also squeezed capacity. Although the GSEEH procurement of the OnGen technical assessment software has been able to address capacity issues, some bodies have still found the timescales too challenging and while they have potential projects, they do not have the capacity to deal with an application.
- GLA asked whether there would be any extension of the timescales. MN clarified that no change is expected to the timescales, including completion of the use of the funding. Salix Finance are governed by their MoU with BEIS and has advised that the Scheme is a one off and to apply as soon as possible.
- OxLEP asked whether GSEEH will continue to roll out the OnGen tool after the conclusion of the Scheme. PK confirmed that while use of the tool is currently focused on the Public Sector Decarbonisation Scheme applications, after the 11.01.21 closing date, it could be used in the longer term to support applications to other future grant schemes.
- TVBLEP observed that the public sector work to identify and prepare energy efficiency projects to be funding ready was valuable, even if it could not meet the Scheme deadline, as it would prime them for any future grant funding that became available.
- On behalf of the Board EB thanked PK for his support and urged Board members to contact PK if support was needed.

10. Green Homes Grant Local Authority Delivery 2 (LAD2)

- MN provided a presentation to the Board, setting out an update on the second phase of the Green Homes Grant Local Authority Delivery scheme (LAD2). A copy of the presentation slides was circulated to the Board at the meeting 01.12.20.
- MN reminded the Board that LAD2 is part of the £500m government funding for domestic energy efficiency, which targets low income, highly energy inefficient homes. A £300m proportion of this funding will be distributed through the Regional Energy Hubs.
- Final guidance on the LAD2 scheme is awaited, but it is expected to follow the lines of LAD1B. In addition, there will be a 50% EPC Band D cap and delivery will be to the standard of PA2035:2019 with installers required to have Trustmark and MCS accreditation.
- The timescale for delivery of the scheme has been brought forward and will require 75% of measures to be installed by September 2021 and completion of projects by December 2021.
- The anticipated allocation to GSEEH is £80m. The objective of the GSEEH delivery model is to maximise the utilisation of the funding. Allocation is to be based on deliverability, fuel poverty and energy inefficient buildings and will be made to local authority groups and consortia. Existing LAD1A/LAD1B projects are to be continued or expanded, or other suitable existing partnerships involved. A Managing Agent model is to be used.

- MN asked the Board to consider the type of Governance arrangement that it wishes to be put in place for LAD2 delivery. GSEEH is required to outline these arrangements to BEIS. The Board responded to this question with the following comments and queries:
- TVBLEP observed that the Governance question highlighted the immense responsibility of the scheme and the Board's role.
- MN referred the Board to the GSEEH's LAD2 draft Sourcing Strategy, a copy of which was shared at the meeting 01.12.20, and asked the Board whether they wished to recruit technical expertise for a technical advisory group to provide oversight for LAD2 delivery or whether the Board would perform this role directly, either as a whole or in the form of a subgroup. The CPCA as Accountable Body would have financial accountability.
- EM3LEP asked about the impact of sourcing out this responsibility and on the Board's role. BucksLEP asked MN to define the difference between the options.
- MN explained that the LAD2 scheme now had a shortened timeline and that the procurement and models had changed. Whole house retrofit could not be aspired to as the supply chain capacity was insufficient to accommodate this. External wall insulation was another considerable change. There was a need to be flexible and pragmatic and consider a range of measures to be able to demonstrate spend of the grant without compromise to quality or deliverability.
- BucksLEP asked about deliverability and the technical input needed for the range of measures with the supply chain. MN clarified that it would be addressed through the Managing Agent model.
- MN asked the Board to consider the matter in terms of what level of assurance they wanted, for example whether they wanted independent oversight. MN suggested that the Board could take the matter back to their organisations for consideration. MN advised that a geographical spread of representation was needed. The oversight could be done by the whole Board or a subgroup. The time required would involve monthly meetings with fortnightly touch points.
- In response, BucksLEP suggested that to involve the whole Board might make the process too slow and cumbersome. GLA suggested that a subgroup of the Board should deal with it or additional Board meetings would be required, however the pace of the scheme and the amount of money involved was very challenging and technical input would be useful.
- TVLEP asked for clarity on the levels of governance required by the LEPs, for example whether bids would be scrutinised by LEP area, or if a LEP area oversight of local authorities would be fed back to the Board. MN advised that the arrangement would depend on what would work best. Some local authorities want local authority to local authority learning. The GSEEH is proposing a Managing Agent approach. Some local authorities will be able to carry out the role for themselves, but not all. The approach will be to allocate the approach by need across the region. The GSEEH will consider what local authorities can deliver, what outsourcing they require and what they can do for themselves. It will be a hybrid approach. The GSEEH has developed a contract suite for everyone to use. The Board was asked to share any information or experience about contract suites with the GSEEH.

ACTION 6. Board to share any information or experience about contract suites with MN.

- TVLEP proposed that recruitment of technical expertise for a technical advisory group was needed. MN advised the Board that the technical advisors had to be in place by February 2021.
- Bucks LEP proposed that the Board feedback any expectations about the governance arrangements to MN by email before Christmas and include any key questions about the Sourcing Strategy.

ACTION 7. MN to provide a summary of the requirement for LAD2 governance arrangements for the Board to consider and share with their organisations.

ACTION 8. Board to feedback any expectations they have about the governance arrangements to MN by email before Christmas and include any key questions about the Sourcing Strategy.

11. Regional Hub Manager Report

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 01.12.20, which was circulated at the meeting.

12. 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 01.12.20.

BOARD AGREEMENT: Delivery of LAD2 to be at the top of the GSEEH Board Forward Plan.

13. Risk Register

- The key risk currently identified is the timescale associated with the transfer of the Accountable Body to PCC and the consequent limitations this will place on recruitment and the capacity of GSEEH to ensure delivery LAD2. As set out earlier in the meeting, mitigation of this risk is to be addressed through a request by MN to CPCA for a postponement of the transfer.

14. Any Other Business

- **Thanks** – The Chair acknowledged the pressure and workload currently presented to the GSEEH and thanked MN for her work. MN thanked the Board for their support.

15. Dates of Future Meetings

BOARD DECISION: The next GSEEH Board meeting, **19 January 2021**, 10:00-12:30, is to take place virtually, using the Microsoft Teams software facility.

- Subsequent Board meeting dates are scheduled 10:00-12:30, to take place virtually, on the following dates:
 - 2 March 2021
 - 20 April 2021
 - 8 June 2021
 - 13 July 2021
 - 7 September 2021
 - 19 October 2021
 - 7 December 2021
 - 25 January 2022

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