

Greater South East Energy Hub (GSEEH) Board Meeting - 10 October 2020

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

Attendees

Elinor Bennell - Department for Business, Energy and Industrial Strategy (BEIS)
Gary Sturgeon - 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
Lisa Roberts - 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)
Rhian Hayes - (Wokingham Borough Council) - Thames Valley Berkshire LEP (TVBLEP)

Proxy Votes

Absent Board member:	Proxy instructions given to:
Paul Witcombe – Hertfordshire LEP (HertsLEP)	Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP)
Chris Starkie - New Anglia LEP (NALEP)	Lisa Roberts - New Anglia LEP (NALEP)
Ahmed Goga Oxfordshire LEP (OxLEP)	Sarah Gilbert (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)

Minutes

1. Apologies, Introductions,

- Apologies were given by **Domenico Cirillo**, Cambridgeshire and Peterborough Combined Authority (CPCA), **Paul Witcombe** – Hertfordshire LEP (HertsLEP), **Chris Starkie** - New Anglia LEP (NALEP) and **Ahmed Goga** Oxfordshire LEP (OxLEP).
- The Board welcomed **Elinor Bennell** - Department for Business, Energy and Industrial Strategy (BEIS) and **Rhian Hayes** (Wokingham Borough Council) - Thames Valley Berkshire LEP (TVBLEP).

2. Minutes, Actions and Matters Arising

2.1 Minutes

BOARD DECISION: The minutes of the previous GSEEH Board meeting, 04.09.20, were agreed as a true account.

ACTION 1. EB to sign off the minutes of the GSEEH Board meeting, 04.09.20 as agreed.

2.2 Actions

- An updated log of Board actions was provided in advance of the meeting with the GSEEH Board Papers 20.10.20.
- There were no matters raised or questions asked about the Board actions log.

2.3 Matters Arising

- **EV Charging Pilot** - MN highlighted the circulation of useful information by EM3LEP about its Surrey County Council EV charging pilot <https://enterprisem3.org.uk/investment/surrey-ev-charging-pilot> . Board members are to contact JP if they require further details.
- **Council Tax and Business Rate Energy Efficiency Pilots** – MN advised that the Milton Keynes Council pilot report is to be submitted to BEIS following internal sign off by the Portfolio Holder. MN clarified that while the Suffolk councils are not interested in pursuing the pilot, as there is no political buy-in, Milton Keynes Council is interested in looking at the initiative in further detail.

3. Finance Update

- A finance update for September 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 20.10.20.
- MN highlighted the following aspects of the finance update:
- The variance in staff costs is now beginning to show, as recruitment had been expected in September 2020.
- There is a est. £38k staff expenses variance to be reallocated (2020/21).
- The Energy Efficiency Manager post is ring fenced.
- There is a £30k Rural Community Energy Fund (RCEF) staff time recharge, which can be reallocated. The administration of the Fund is still being carried out by the GSEEH Operations Team.
- There is £170k to be profiled from the last variation to MoU. The decision at the GSEEH Board meeting 14.07.20 was to wait for the outcome of the Spending Review and the way forward on the Energy Hubs' sustainability.
- MN asked for the Board's views on where the underspend might be used:
- NALEP asked for an update on the Energy Hubs' sustainability and when they are funded to. MN clarified that the Energy Hubs are funded to the end of October 2021. GS advised that that there is no further update from HMT, but the Energy Hubs will be informed as soon as feasible.
- NALEP asked whether there is a pipeline of technical projects that needs extra funding, and whether the decision on the underspend needs to be taken immediately or can wait. MN advised that there is currently one project in the GSEEH pipeline coming forward that requires technical consultancy funding. The GSEEH is not marketing the availability of funding widely, so it is only projects already known about in the GSEEH pipeline that may require it and there is enough funding for those for this year. BucksLEP clarified that there is no immediate need to bring forward the underspend.
- GLA asked whether the underspend can be used to support local authorities to access the Public Sector Decarbonisation Scheme. MN advised that the GSEEH is using OnGen software to provide early stage feasibility assessments to support local authorities with Scheme applications. In addition, there is the Public Sector Low Carbon Skills Fund available, the purpose of which is to provide funding support to enable local authorities to access the Public Sector Decarbonisation Scheme.

- NALEP asked whether the money must be spent by March 2020. MN advised that the reallocation can be rolled over for spending in the following financial year but will have to be allocated by March 2020.
- BucksLEP asked whether RCEF is going to continue until October 2021. MN confirmed that this is so. BucksLEP asked whether it is too ambitious to expect to have spent the RCEF allocation by that time. GS advised that a better understanding of the situation will be available when the 2020 Comprehensive Spending Review is published, which is anticipated for November 2020.

BOARD DECISION: Defer a decision on a reallocation of the Local Energy Capacity Support Programme underspend, until a better understanding of the context is gained and any emerging requirements for funding are known.

6. Energy Systems Catapult (ESC) – Decarbonisation Academy

- MN provided a verbal update to the Board on progress with the Decarbonisation Academy pilot work. This followed a presentation on the concept by ESC at the previous Board meeting 04.09.20. ESC is seeking to initiate six or seven pilot areas for decarbonisation academies for domestic retrofit. The Board agreed at the meeting that a consortia approach would be the way forward. Several of the LEPs put forward proposals to form the Decarbonisation Academy consortium for the Greater South East, which the GSEEH assessed and scored. The two highest scoring, C2CLEP and NALEP, have been put forward to work with ESC, however, the initiative is to happen at pace, so the intention is that the other interested LEPs will be rapid followers as the initiative proceeds from regional to national level.
- C2CLEP and NALEP have had follow up meetings with ESC that have included the LEPs' skills Leads. There are areas for the consortium to work on, particularly market demand and what pipeline there is of social housing projects to net zero, along with building stock modelling, to understand the skills needed. There is learning to be drawn from various quarters. Manchester are doing modelling work with Parity Projects. Elements such as Smart energy systems and flexible services can be added on to that modelling. ESC is working with the National Trade Association and the LEPs are working with regional colleges.
- NALEP advised that they and C2CLEP can develop their pilot to suit their areas, while ESC has the national picture. NALEP and C2CLEP have met to build a business proposal. They are keen to look at commercial and new build and other sectors from a low carbon perspective, not just social housing. It is a single package to deliver a variety of different things.
- C2CLEP advised that they have engaged with further education colleges in their area and are adding to their skills plans. They have also involved higher education institutions, universities and are connecting the players on the ground. They are taking a targeted approach to geography in the way they will roll out the initiative with ESC.
- EM3LEP observed that the process to establish the consortium had worked well and further demonstrated the value of the Energy Hub and its LEP network. The LEPs had been able to react quickly and efficiently to produce a proposal in a very short timeframe to respond to the opportunity presented, and the arbitration of the Energy Hub had been very helpful.
- MN advised that ESC want to understand the demand for projects and the pipeline for pilot projects. If a stock model is to be built, there is a need for baseline data to go forward. Some areas have good data, but not all. The Parity Projects Pathways Tool cost is £23,100k per LEP, which encompasses elements such as modelling, measures and jobs, to EPC rating C or net zero by 2030. The GSEEH budget includes £97k unallocated, £126k additional for next year, plus £68k to be allocated. GSEEH is going out to tender for the Social Housing Technical Assistance research project for consultants to look at the net zero and EPC rating C pathways to establish what is needed to access funds. Stock models will need to be built for that. MN advised that the C2CLEP and NALEP modelling could be included within the tender as extra lots, and without commitment to spending, if the Board is agreeable to this. The Operations Team could then come back to the Board with the quotes that have been returned to take a decision.
- EM3LEP asked whether it is appropriate for the Board to award money for its own projects. BucksLEP advised that an appropriate way could be found to sign off the spending. MN

advised, that as per other Energy Hubs, the GSEEH can commission contracts directly within the Programme Management Framework.

- GLA asked whether this relates to wider work or ESC, and whether other areas can benefit. MN advised that London is working with Parity Projects already and has building stock models. The main barrier to using Parity Projects is cost, which is £220k for the whole region. Parity Projects did not want to give GSEEH a licence as it would create competition.
- MN further advised that an understanding was needed of how existing data can be used and data requested from ESC was still awaited.
- C2CLEP proposed that they would abstain from voting on their own allocation. BucksLEP clarified that MN was requesting a steer from the Board to include the C2CLEP and NALEP modelling within the GSEEH tender concerning the Social Housing Technical Assistance work. The financial decision would be taken after the quotes are returned, and clarity would be provided on the decision process. EB observed that the Board had the flexibility to agree to this, it would provide good evidence and it was a good strategic fit for the Energy Hub's work.
- MN advised that the timescale for the tender process would extend beyond the next Board meeting and that there might be a need to vote offline.

BOARD DECISION: Include the C2CLEP and NALEP modelling within the GSEEH tender concerning the Social Housing Technical Assistance work. The financial decision will not be taken until the quotes are returned, when MN will provide clarity on an appropriate decision/voting process to be used and whether this will be at a Board meeting or offline.

ACTION 3. MN to include C2CLEP and NALEP modelling within the GSEEH tender concerning the Social Housing Technical Assistance work. Advise the Board when the quotes are returned and advise on the decision/voting process.

7. Knowledge Transfer Network (KTN)

- An update on the exploration of the Greater South East's energy challenges with the support of KTN, was set out in the GSEEH Board Papers 20.10.20, which was circulated in advance of the meeting. MN highlighted the following points to the Board:
- A webinar and workshop were arranged and facilitated by KTN on 15.09.20, which focused on three key themes aggregated from those originally identified through the November 2019 Board workshop: Energy Efficiency, Grid Constraint and Big Engines. Approximately 70 delegates attended the online events, with approximately half from the private sector. The sessions were supported by KTN and academics from Brunel university.
- The most promising outcomes from the event were for the Big Engines theme, plus Colchester Northern Gateway are partnering with Brunel University on a UKRI funding proposal for decarbonising heating and cooling. Energy efficiency is now being addressed through other programmes (ESC, BEIS), and the grid constraint challenge will continue to be explored with KTN.
- The Big Engines theme is being progressed by the GSEEH Energy Project Manager, Paul Kemp and Simon Buckley of KTN. They are looking at two streams of investigation: Firstly, vehicle retrofit and charging solutions, including hydrogen, and secondly, centralisation of purchase of refuse vehicles, including direct trial and test track events. A spreadsheet tool has been developed to compare solutions, in which several local authorities have expressed an interest.
- A proposal is to be worked up with KTN to move these approaches forward. An allocation of £25k has already agreed in principle with the Board. GSEEH will come back to the Board for approval once the proposal is developed.

ACTION 4. MN to come back to the Board with an update about the completed KTN proposal for the Board's approval, when it is ready.

- OxLEP asked whether there was opportunity for additional local authorities to participate. MN confirmed that this was possible.
- OxLEP also asked whether there was any potential to look other big engines applications other than refuse trucks, such as fire engines. MN confirmed that other applications were possible.

ACTION 5. MN to flag to GSEEH's Paul Kemp the OxLEP request that fire engines be considered as a big engine application in the KTN work.

- OxLEP asked whether hydrogen as a charging solution was being considered on a regional basis. MN clarified that this was being considered in recognised areas, such as rural locations, and for example in Brighton and Kent where it was already being done.
- SEMLEP advised that KTN was facilitating an event for the LEP 09.12.20, focusing on local energy challenges: grid constraint, energy efficiency for the commercial sector and big engines. ALG extended an invitation to other Board members to join and feed into the process.

ACTION 6. ALG to circulate an invitation to the Board for the 09.12.20 KTN/SEMLEP event on grid constraint, energy efficiency for the commercial sector and big engines.

8. Energy Efficiency Funds

- MN provided an update to the Board on the government funds to support energy efficiency improvements, which are now being rolled out, following their announcement in the 2020 Summer Economic Update. A written update on the energy efficiency funds was also included with the Regional Hub Manager Report in the GSEEH Board Papers 20.10.20, which was circulated in advance of the meeting.
- MN highlighted that a spreadsheet setting up key details of the energy efficiency funding programmes has been prepared and is available to the Board. C2CLEP confirmed that this would be useful to have.

ACTION 7. MN to circulate the spreadsheet of the energy efficiency funding programmes' key details to the Board.

- **The Green Homes Grant (GHG) £1.5bn voucher scheme** is available to homeowners and residential landlords by direct online application. The GSEEH is not directly involved, but its delivery could impact on the GHG Local Authority Delivery scheme (LAD), and local authorities can also now apply for blocks of vouchers. Vouchers cannot be redeemed until the end of November 2020, due to the need for IT system development, so there is pressure to have the timeline of the scheme extended. Businesses delivering improvements must have Trustmark or PAS2030 accreditation.
- **GHG LAD1** has a fund of £200m, £76m has been allocated from the applications received at the 01.09.20 closing date. Consequently, a LAD1 Part B is to be opened for the remaining £124m, with an update to the guidance expected. A list of those who applied and have been successful/not and the reasons for this is awaited from BEIS. Both successful and unsuccessful local authorities can apply for LAD1 Part B and GSEEH aims to support these. Successful LAD1 local authorities who apply for Part B will, if successful, be able to extend the delivery timeline to September 2021 of projects already LAD funded.
- Lord Callanan (Parliamentary Under Secretary of State (Minister for Climate Change and Corporate Responsibility)) has been leading a review of LAD1. There is a push for the £30k combined income eligibility cap for the GSEEH to be increased, given the considerably higher in rental costs in the region compared with the rest of England.
- For **GHG LAD2**, GSEEH has received an MoU draft from BEIS, but this does not advise what the funding allocation will be. A consultancy support specification is being developed by GSEEH.
- The Board had various queries about the update on GHG LAD which were clarified by MN:
- EM3LEP requested further clarification on the nature of LAD1 Part B. MN advised that the funding has an extended timeline to September 2021. The LAD2 timeline extends to March 2022 so there will be an overlap of delivery, which is likely to create pressure on the supply chain, so the delivery timeline of LAD2 may be extended.
- OxLEP and GLA requested confirmation that local authorities can reapply for LAD1 Part B and that this is possible whether the local authority has been successful (or not) with their initial LAD application. MN confirmed that this is so.

- GLA asked whether there is a list of successful and unsuccessful local authority applicants available. MN advised that BEIS is waiting for MoUs to be signed with local authorities before releasing this information, in the meantime feedback from local authorities is available on an individual basis. GS clarified that the BEIS LAD1 team has sent individual feedback to those local authorities who have been unsuccessful and offered to check whether the team had suggested that the local authorities get in touch with the GSEEH for support.

ACTION 8. GS to check with the LAD1 team whether they have suggested to unsuccessful local authority LAD1 applicants that they get in touch with GSEEH to update them and seek support.

- The **Public Sector Decarbonisation Scheme** provides capital funding for shovel-ready projects. Provided alongside this fund is the **Low Carbon Skills Fund**, which aims to enable local authorities to access expert advice to support their applications to the Public Sector Decarbonisation Scheme. Both schemes are administered by Salix Finance. The GSEEH has been supporting applications to both schemes and using the OnGen tool to support Low Carbon Skills Fund applicants. The GSEEH's Energy Project Managers are carrying out one-to-ones with local authorities and Salix to help prepare local authority applications. There is considerable interest in the schemes.
- GLA asked how many financial years the Public Sector Decarbonisation Scheme is running. MN clarified that it is a rolling funding window to January 2021 and that delivery must be completed by September 2021 as the funding is intended to promote post COVID-19 recovery.

9. Regional Hub Manager Report

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 20.10.20, which was circulated in advance of the meeting. MN highlighted the following key points from the update to the Board:
- **Update on Project Pipeline & Progress** – The GSEEH is not seeing many new projects as the focus of work is on supporting local authorities to access the energy efficiency funding programmes, though support on the existing pipeline is continuing.
- **LAD2** – As previously mentioned (see section 8), a draft MoU has been provided by BEIS. The GSEEH will report back to the Board on the timeline and procurement options. A questionnaire is to be sent to local authorities to support the process and one-to-ones will be undertaken with local authority leads. Webinars are planned on preferred delivery and procurement options. Allocation is likely to be by area with population and fuel poverty criteria, rather than be competitive.
- **Social Housing Technical Assistance** – Consultant support is being sought for this government funded scheme, with the scope to be published w/o 19.10.20 and an inception meeting scheduled for 07.12.20. The GSEEH has administered an expression of interest for local authorities and private registered providers to be involved in a pilot of the scheme and ran two webinars in September to support this process. Applications are now coming forward from successful expressions of interest, the window for which closes 30.10.20, when applications will be evaluated. Applications from the Greater South East Region are expected to include those from London. The pilot will look at different methods and modelling for EPC rating C pathways and how engagement with tenants is done.
- **Accountable Body Transfer** – This is proceeding with Peterborough City Council (PCC). A six week consultation is to take place between the PCC and CPCA HR teams, which will include the arrangements for the TUPE transfer. It is hoped that the transfer will take place before end 2020 and once complete will enable GSEEH recruitment to go ahead.
- BucksLEP asked how the GSEEH was faring under the impacts of COVID-19, including the well-being of the staff. MN advised the Board that the Operations Team were all very well. They were set up as an agile team and so collaborative working online is normal and doing more of it has increased productivity since no travel time is involved. Individual well-being is good and team members are mutually supportive.

- C2CLEP asked whether a lack of site visits was proving restrictive to project understanding. MN advised that the number of new projects entering the pipeline has reduced, and that there is no opportunity to gain incidental benefit from side conversation at in-person events and meetings. However local authorities are very much currently focused on the energy efficiency funds and COVID-19 recovery, which balances the situation. In the new year, when the energy efficiency funds close, the focus will be on refreshing the pipeline, especially since some projects will be reaching financial close.

10. 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 20.10.20.
- **ENO DNO RIIO-2** – MN highlighted that workshops are taking place concerning future energy scenario planning. The GSEEH Energy Project Managers have been engaging with this. MN offered to bring a summary of the activity to the Board and to set out the position so that they are fully briefed on the RIIO-2 price control framework and future energy scenarios, including investment and business planning, which the Board agreed.

ACTION 10. MN to provide a RIIO-2 briefing for the next Board meeting, 01.12.20.

- SW affirmed that grid constraints are often on the GLA agenda and that GLA wishes to raise the level of ambition of UK Power Networks beyond 2050. Climate emergency declarations are bringing targets forward and the GLA wants UK Power Networks to consider how they could enable the regions to achieve that. MN advised that the GSEEH's Energy Project Manager, Sam Bosson, is working on a case study with Central Bedfordshire Council concerning the Bedford Supertransformer, which considers the issues of State Aid, the Second Comer principle and investment ahead of need.
- SW highlighted that investment ahead of need has been discussed by GLA concerning new development. Further to that, there is a need to consider the issue in relation to decarbonisation of buildings, since the transition from gas to electric heating could have a similar impact on the grid. Heat networks predicated on gas CHP, which are intended to provide resilience to the network, will ultimately be removed from the network, which needs to be thought about.
- SEMLEP requested an update on the Bedford case study and MN agreed to share a final draft.

ACTION 11. MN to share with the Board a final draft of the Bedford Supertransformer case study being prepared by GSEEH and Central Bedfordshire Council, when it is ready.

11. 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 20.10.20.
- MN highlighted that the register has gone from a rating of very high to high. Key risks include staff capacity and the need for recruitment to be enabled. There is also a new risk with LAD2 and the potential for projects to overlap. This will be assessed.

ACTION 12. MN to update the Board about the evaluation of risk of LAD2 delivery overlap when ready.

12. Any Other Business

- **Ministerial Round Tables** - C2CLEP highlighted to the Board that BEIS is running Ministerial Round Tables on clean recovery. This will include the six Catalyst South LEP areas, which includes C2C, EM3 Herts, SE, Solent, and TVB and 30 business.

ACTION 13. MW to update the Board about the Catalyst South Ministerial Round Table at the next meeting 01.12.20.

ACTION 14. MW to circulate further information about the Ministerial Round Tables on clean recovery to the Board.

- **Cranfield University Knowledge Transfer Partnership** - SEMLEP highlighted the Cranfield University Knowledge Transfer Partnership, which is to help businesses form energy innovation partnerships with Cranfield. Innovators are welcome to approach Cranfield with an idea, and they will be linked with a graduate to work on their project. The

scheme is not exclusive to SEMLEP and any business can approach it. ALG shared a link for further information: <https://www.cranfield.ac.uk/courses/short/energy-and-power/energy-and-power-short-ktp>

- **Thanks** – BucksLEP thanked MN for keeping on top of the GSEEH's challengingly-wide range of activities. MN thanked the Board for their time, and EB for chairing the meeting.

13. Dates of Future Meetings

BOARD DECISION: The next GSEEH Board meeting, **1 December 2020**, 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:
 - 19 January 2021
 - 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