

Greater South East Energy Hub (GSEEH) Board Meeting - 2 March 2021

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

Attendees

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

Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP) – **Board Chair**

Domenico Cirillo, Cambridgeshire and Peterborough Combined Authority (CPCA)

Robert Emery, Cambridgeshire and Peterborough Combined Authority (CPCA)

Matt Wragg – Coast to Capital LEP (C2CLEP)

Jennie Pell – Enterprise M3 LEP (EM3LEP)

Maxine Narburgh (MN) - Greater South East Energy Hub (GSEEH)

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

Ellen Goodwin - 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 **Simon Wyke** - Greater London Authority (GLA), **Paul Witcombe** – Hertfordshire LEP (HertsLEP), **Ahmed Goga** Oxfordshire LEP (OxLEP) and **Chris Starkie** - New Anglia LEP (NALEP).

2. Minutes, Actions and Matters Arising

2.1 Minutes

- NALEP requested that the following clarification be made to the section of the previous GSEEH Board minutes of 19.01.21 concerning the Green Homes Grant Local Authority Delivery Phase 2:
 - NALEP advised that it did not think the Hub or their Board would want to be involved in consortia-level decisions concerning funding but we should collectively review the methodology used to make those decisions/reallocations.

BOARD DECISION: Subject to the above amendments, the minutes of the previous GSEEH Board meeting, 19.01.21, were agreed as a true account.

ACTION 1. EB to sign off the minutes of the GSEEH Board meeting, 19.01.21 as amended and agreed.

2.2 Actions

- An updated log of Board actions was provided in advance of the meeting with the GSEEH Board Papers 02.03.21.
- There were no matters raised or questions asked about the Board actions log.

2.3 Matters Arising

- No additional matters arising were raised for the Board's attention.

3. Finance Update

- A finance update for January 2021 on the Local Energy Capacity Support Programme and Rural Community Energy Fund (RCEF) was provided in advance of the meeting with the GSEEH Board Papers 02.03.21.
- MN highlighted the following aspects of the finance update:
 - That the reprofiling of the GSEEH finances is currently with CPCA's legal and finance team for action.
 - Staff variance is ringfenced, with the Funding Manager role carried forward.
 - Travel and subsistence have an underspend, but this will be reallocated under the same budget line for the future. Now that staff costs are to be covered by BEIS funding to March 2023, the GSEEH will have a requirement for future travel and subsistence expenses.
 - MN proposed that legal, financial, and technical advice for projects should be moved under a single Technical Consultancy budget heading.

BOARD DECISION: The Board agreed that a single Technical Consultancy budget heading for legal, financial, and technical advice for projects was a more practical and appropriate approach, as it would avoid the need to allocate distinct proportions of the budget to each of these three strands in advance.

- The budget for the website update will be moved into the next financial year.
- The mapping project budget is ringfenced.
- The £42k budget for further development of the Council Tax and Business Rate project is ring-fenced for future activity. Milton Keynes Council has identified some other areas of work and Local Partnerships (appointed consultant) could be commissioned to consider additional issues. BEIS also has some ideas for how this budget might be allocated.

ACTION 2. MN to update the Board, when known, about further development work for which the £42k Council Tax and Business Rate Energy Efficiency Feasibility and Design Studies budget will be used.

ACTION 3. MN to circulate to the Board the report produced by Local Partnerships for Milton Keynes Council, which considers additional issues relating to the Council Tax and Business Rate Energy Efficiency Feasibility and Design Studies.

- MN proposed that £60k remaining in the RCEF budget should be carried into the next financial year.

BOARD DECISION: The Board agreed that that £60k remaining in the RCEF budget should be carried into the next financial year.

- MN advised the Board that the RCEF staff roles are to be reprofiled as these are to be recruited for a 12-month period. MN proposed that the surplus from this reprofiling be used to provide additional short-term support for RCEF, for which a suitable candidate has already been identified, and which will focus on bringing forward potential applications.

ACTION 4. MN to come back to the GSEEH Board for agreement with further information about the funding of short-term support for RCEF to help bring applications forward.

4. GSEEH Terms of Reference

- The GSEEH Board Terms of Reference (ToR), April 2019 need updating to accommodate the Green Home Grant Local Authority Delivery Phase 2 programme (LAD2) and its funding allocation and reallocation process. Approval and adoption of the updated ToR is scheduled for the GSEEH Board meeting of 20.04.21.
- A collective review of the ToR by the GSEEH Board was therefore conducted at its 02.03.21 meeting, and an updated version is to be produced by MN and circulated to the Board prior to the subsequent approval and adoption of the ToR.

- **Context for the ToR review** – The review of the ToR is necessarily significant as the GSEEH scope of activity has itself changed significantly and covers much more than just the GSEEH’s core funding. However, further significant changes to the ToR will be unnecessary going forward. The ToR will be updated suitably now so that they can accommodate new funds and activity in future.
- **LAD 2 programme name** – MN advised *Home Energy Efficiency Retrofit* is intended to be used on the website. This will enable it to encompass both the LAD2 programme and the anticipated Home Upgrade Grant programme, which the GSEEH may be involved in delivery. It may also be helpful to distinguish the LAD2 programme from other elements of the Green Homes Grant.
- The review of the ToR included the following discussion points and to which the Board gave agreement:
 - **Introduction** – This is to be updated to reflect how the GSEEH has evolved since its inception, for example, the duration of the core programme.
 - **Objectives** – The objectives are to be updated to reflect the GSEEH’s updated MoU, for example the GSEEH is no longer required to develop a financially self-sustainable model and the objectives need to include the LAD2 and RCEF programmes.
 - **Roles and Responsibilities** – It is to be made clear in the ToR that revenue and capital funding are separate items, so that the core funding of the GSEEH and items like the RCEF and Technical Consultancy funding are made distinct and separate.
 - It is to be made clear in the ToR that the Board does not approve allocation of grants to specific bodies; that this is the role of CPCA as the Accountable Body (AB). For example, for the allocation of the LAD2 grant, the Board agrees the process and criteria by which the allocations are made, while the AB is responsible for the Grant Funding Agreements with the local authorities (via the lead local authority) because the AB maintains responsibility for financial decisions. Furthermore, the wording of the ToR is to make clear that this arrangement (i.e., the respective roles of Board and AB as described above) applies to all future new funding streams of this kind, rather than only being specific to LAD2, so that the ToR remain relevant and fit for purpose.
 - It was also noted by the Board that in practice, BEIS sets the direction of the GSEEH, that BEIS provides funding and directs what should be done with it, and that the Board supports the strategic direction and allocation of the grants and funds provided.
 - It was noted that in some instances, such as for RCEF applications, the Board is required to approve allocation of financial resources by CPCA. To cover the range of the Board’s responsibilities, a live companion document is to be produced and kept updated, which sets out a list of all the GSEEH funding streams, the purpose of the funds, the amount of funding involved for each stream, whether these are confidential, and the role of the GSEEH Board (whether it is to make recommendations for awards or whether it is to set the process and criteria for allocations). This is to enable the Board to know what the threshold is for each funding stream and what Board members are tasked with for a particular Board meeting, and so that members know whether they need to get their LEP Board’s approval or can approve within the remit of their delegated authority.

ACTION 5. MN to draft and circulate to the Board for review, a list of all the GSEEH funding streams and their respective amounts, purpose, confidentiality, and Board role.

ACTION 6. Board members are to review the list of all the GSEEH funding streams and their respective amounts, purpose, confidentiality, and Board role to ensure it meets their needs.

- **Composition** – It was noted that the GLA may wish to participate as a member in future.
- It was noted that Board members are nominated by capacity and skill, rather than being recruited, since there is not a wide pool of resource to draw from. While the Board aspires to be representative of gender balance and the business and communities it serves, it is limited by resource capacity and there is no deployment funding to support it. The ToR should therefore reflect the Board’s aspiration for diversity and acknowledge the limits of its capacity.

- **Recruitment** – The appointment of an independent chair is to be left open and reviewed by Board members in the updated version of the ToR to be circulated.
- Working Groups - It was agreed that the ability to recruit subordinate bodies is to be retained.
- RCEF Funding Panel - The ability to appoint a funding assessment panel is to be retained but made generic (i.e., the specific reference to the RCEF Panel should be removed).
- **Accountability** – The Board continue to be responsible for communications, but this is to be enacted through the LEP Communications Group, which has been set up for this purpose and by use of the GSEEH Communications Protocol that has been developed for this purpose.
- **General Operational Procedures** – The ToR are to be updated to reflect that minutes of Board meetings are published on the GSEEH website.
- Convening Meetings - The ToR will be updated to show that the Board can elect to meet virtually, as an optional, additional method of meeting.
- Decisions of the Hub Board - The ToR are to be amended to show that the minutes of a Board meeting will only be published after they are agreed as an accurate record by Board members at their next meeting.
- **Operational Team** – The references to specific programmes on page 14 are to be removed, so that the ToR are generic and not tied to programmes that may change.
- The current ToR state that the Regional Hub Manager has freedom to reallocate up to 1% between cost centres. When the current version of the ToR was produced, this discretion only applied to the GSSEH core funding, but since then, further programmes have been added. Therefore, this wording is to now be amended to define that this discretion applies only to the GSEEH core operational funding (rather than to other funding such as LAD2).
- **Accountable Body** – The reference to State Aid needs to be updated.
- **Exit Strategy** – This needs to be updated to reflect the changes to the GSEEH sustainability arrangements.

ACTION 7. MN to produce an updated draft of the GSEEH ToR with tracked changes and circulate to the Board for review.

ACTION 8. The Board is to review the updated draft of the GSEEH ToR with tracked changes as supplied by MN, in preparation for the approval and adoption of the updated ToR at the next GSEEH Board meeting, 20.04.21.

5. Green Home Grant Local Authority Delivery, Phase 2 (LAD2) - Update

- MN provided a presentation to the Board to update members on the developing arrangements for delivery of LAD2 by the GSEEH. A copy of the presentation slides is to be circulated to the Board directly after the meeting, 02.03.21.

ACTION 9. MN to circulate a copy of the LAD2 update presentation slides shown to the Board at their meeting 02.03.21.

- The Board responded to the presentation with the following comments and questions:
 - BucksLEP asked what would happen if a local authority, due to their underperformance of delivery of energy-efficiency measures, was asked to relinquish its allocation of funding, but then refused. MN advised that the local authority was under obligation to relinquish their allocation if they underperformed. However, the first step, should a local authority underperform, will be to have a discussion, identify issues and try to resolve them to enable the local authority to improve its delivery.
 - BucksLEP asked how the reallocation would be split. MN advised that the GSEEH would reprofile what could be spent.
 - TVBLEP asked for further information about resourcing, the interface between the consortium and the consortium lead and how much work is required, and how this worked given the range and blend of different local authority tiers. MN advised that this was complex but was closely tracked. All the consortia will have a governance structure and the lead partner will be agreed by all consortia members. A difference of approach between consortia is accommodated. For example, the Suffolk Consortium has a mature partnership agreement, so it is going to use its existing programme rather than a Managing Agent (MA), although it does want to make use of the Dynamic Purchasing

System (DPS). Other consortia want to use both the MA and the DPS. The lead partner is responsible for elements such as contract management and communications, however, the MA does the bulk of the work. Framework support from Mace can also be drawn upon. The programme has arrangements for oversight, with KPIs and audit control already set up. The HubSpot tool that the GSEEH is commissioning for the programme also provides a system of control that the MA will have to use. There will be back-up support for each consortia lead.

- TVBLEP asked whether the consortia lead will have to oversee procurement and targets. MN advised that this will be the role of the MA, though the lead authority will contract with both the Managing Agent and installers. At a governance level, there will be a monthly project group meeting. The percentage of capital budget provides a reasonable resource for contract management (1% of the capital allocation). There is some flexibility with this. If the area is very large the 1% allocation can be split in two.
- SELEP requested that the process for choosing which local authority will get a reallocation of funding should be set out in advance. MN advised that there will be a tracker baseline for underperformance and a similar tracker process will also be produced for overperformance, so there will be a league table produced.
- BucksLEP noted that this tracker process assumed that some authorities in a consortium would overperform as well as underperform, however, all might underperform. MN agreed that there was a need to be realistic about performance, especially as the Local Authority Delivery Phase 1 (LAD1) programme now had an extended timeline. However, the aim of the GSEEH was to support everyone involved to deliver. There would be a mid-term review with BEIS in July 2021.
- TVBLEP asked what would happen if local authorities were to successfully deal with difficult properties, and help those in most fuel poverty, but are behind on numbers of properties. MN advised that the key performance required was delivery and funding spent, as this is what Treasury are expecting to see, rather than numbers of hard-to-treat properties.
- SEMLEP asked whether the consortia are aware that there might be a need to accommodate further funding. MN confirmed this is so and advised that social housing providers are being looked at to provide a core pipeline.
- SEMLEP asked what will happen if the consortia do not have capacity to do more and are unable to take on further allocation. MN advised that the focus would be on the remediation of those that are underperforming and reallocation to those meeting/exceeding targets.
- SELEP asked whether the consortia are aware that performance will be measured on delivery rather than outcomes. MN advised that all the properties involved in the programme will be low income households, so this will enable a positive impact in any case.
- BucksLEP asked how the other Local Energy Hubs are delivering LAD2. MN advised that all are different. BEIS is looking at how a regional approach informs future delivery. Each area has a range of approaches and different challenges.
- MN further advised the Board that for LAD2 there will be a regional brand for the Green Homes Grant and Local Authority Delivery. This includes rebranding at local level and at the Local Energy Hub level. For the purposes of the forthcoming supply chain event that GSSEH is running, the programme is being called the *Greater South East Energy Hub Retrofit Programme*.

ACTION 10. MN is to provide a set of principles for both over-performance and under-performance so that the process for choosing which local authority will get a reallocation of funding is set out in advance.

- BucksLEP observed that the programme was very impressive and has been produced in a short amount of time. MN advised that the structure of the programme and the procurement of Mace has supported capacity.
- EM3LEP thanked MN for the recent consortia meetings for local authorities, which have received very positive feedback on the proposals. MN advised that initial engagement of local authorities in November 2020 had informed the development of the procurement arrangements for the programme. It has been challenging to accommodate everyone,

but a one size fits all approach has been necessary in the time available to prepare the programme, and it has been based on addressing the greatest need.

- SELEP asked about the possibility of splitting the Kent consortium and who the two leads are likely to be. MN advised that there is no county coordination. The local authorities are working in groupings. There is already a cluster around Dover for LAD1. Since they are already advanced, they may want to move on with what they have. Other local authorities have not done LAD1 and need support.
- C2CLEP asked about the likelihood of East Sussex and West Sussex merging. MN advised that their consortia meetings are yet to take place, but that they may go ahead with LAD2 separately but join up for the Home Upgrade Grant programme.

6. Operational Update

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 02.03.21, which was circulated to Board members in advance of the meeting. MN highlighted the following elements:
 - **GSEEH Financial Reprofile and Operational Team Restructuring** –The finance and HR teams of CPCA are currently working on the GSEEH’s financial reprofiling and a new staff structure. In addition to new energy efficiency roles being created to support the LAD2 programme, a new post of Core Programme Manager is being created to increase the capacity of the operational team to cover other new streams of work. The details of the new structure were set out to the Board in the presentation on the developing arrangements for delivery of LAD2 by the GSEEH (slide 10) referred to in section 5 above. A copy of the presentation slides is to be circulated to the Board directly after the meeting, 02.03.21.
 - **Local Energy Capacity Support Programme** – MN reminded Board members that the Operational Team provides an overview of Local Energy Capacity Support via the Programme’s Dashboard, which is circulated to the Board in the form of an Excel document in advance of Board meetings alongside the Board Pack. The right hand column of the Dashboard shows any key updates. At the current time there are 93 long-list projects and 76 short-list projects with a value of £137 million. The Operations Team has supported £26 million of Public Sector Decarbonisation Scheme bids, £17.4 million of which were put through the OnGen assessment tool. In addition, local authorities in the region have been awarded £75k from the Low Carbon Skills Fund.
 - **Knowledge Transfer Network (KTN) Challenges** – The big engines project has been rebranded as “large engines” as this is considered more suitable for external communication purposes. The KTN callout to innovators for interest via the Emerging Tech Fest event in January 2021 has resulted in 61 applications, which breaks down as 21 for the innovative approach to the decarbonisation of engines challenge and 40 for the zero emissions fleet infrastructure challenge. KTN will now sift these proposals to match them up with local authority needs. This will be followed by pitches from the innovators matched to local authorities. The initiative is expected to align well with forthcoming Innovate UK funding. The Operations Team is also engaging with the Energy Savings Trust Fleet Review programme to identify other local authorities that the GSEEH can support or involve in the KTN challenges. Fleet decarbonisation has remained high on the agenda for local authorities throughout the pandemic.
 - **Planning and Net Zero Hub Guide** – The guide for local authorities, developed by the Operations Team, has now been launched. Finding ways forward for planning and net zero is an issue that is also on the agenda in the other Local Energy Hub regions.
 - **Energy Networks Association (ENO) Green Recovery Call for Projects** <https://www.energynetworks.org/greenrecovery> – Distribution Network Operators are to be provided with funding to improve grid infrastructure as part of the Government’s green economic recovery. The ENO is leading on a call for evidence to identify places where a lack of local network capacity is restricting development. Developers, local authorities, and other organisations are encouraged come forward with evidence about shovel-ready projects that could benefit.

ACTION 11. Board members are to look at the Energy Networks Association Green Recovery Call for Projects opportunity <https://www.energynetworks.org/greenrecovery> and highlight it to their stakeholders if they have not already done so.

- **Hydrogen Strategy** – The GSEEH is providing information to BEIS about this developing area of opportunity in the region.

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 02.03.21.
- MN reminded the Board that the next GSEEH Board meeting, 20.04.21, will include consideration of its updated Terms of Reference for approval and adoption, and decisions on the recommendations of the RCEF Assessment Panel (which is due to meet 17.03.21).
- **Accountable Body (AB) Transfer** – MN reminded the Board that the AB Transfer has not progressed. There is a proposal for CPCA to remain as the Accountable Body for the GSEEH and a paper to recommend this will be put to the CPCA Board, 24.03.21. CPCA clarified that the decision will go to the CPCA Business Board in May 2021, which will see how it can add value to GSEEH.

8. Risk Register

- MN advised the Board that risks to the Core Programme are reducing, particularly concerning staff recruitment staff and the Accountable Body transfer. A separate register for the LAD2 programme has been produced.

ACTION 12. MN to circulate the latest versions of the Core Programme and LAD2 Risk Registers to the Board.

9. Any Other Business

- **Thanks** – The Board thanked MN for her work and that of the Operations Team. NALEP noted that the work done was very impressive, particularly as the programme is so large and complicated. BucksLEP expressed confidence in MN to manage the GSEEH programmes of work without the need for the Board to know every detail. TVBLEP complimented MN on dealing with the challenge presented.
- **Board Business** - TVBLEP raised the issue of the high volume of business to be covered at Board meetings, given the great extent of GSEEH activities. MN suggested that the duration of Board meetings could be extended, with a break included. The meetings had originally been shortened in consideration of the pandemic and the additional demands that this had placed on Board members. SELEP suggested that the current length of meetings be maintained, with some of the regular agenda items, such as the finance update and risk register, to be included as a Board paper only, and only raised at Board meetings by exception. TVBLEP suggested that larger detailed programmes such as LAD2 could be dealt with by separate, 'light touch' additional meetings, however SELEP noted that any such meeting would need to be independent of Board meetings, otherwise Board members could miss out on discussion of Board business. It was agreed as a way forward that the Board agenda should prioritise for inclusion those areas where the GSEEH most needed the Board's input. MN advised that it would still be necessary to brief the Board about LAD2 and any similar programmes, so that the Board would understand the process involved and be informed about any decisions arising.

BOARD DECISION: The Board agenda should prioritise for inclusion those areas where GSEEH most needs the Board's input. (The Board has noted that there is still a need for it to be kept briefed by the GSEEH about the LAD2 programme.)

- **LEP Regional Role** - C2CLEP advised that the LEP saw a broader regional role for itself and wished to work on regional projects. MN recommended that C2CLEP speak to the GSEEH Energy Project Manager for their area, John Taylor, to identify areas of synergy.

10. Dates of Future Meetings

BOARD DECISION: The next GSEEH Board meeting, **20 April 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:
 - 8 June 2021
 - 13 July 2021
 - 7 September 2021
 - 19 October 2021
 - 7 December 2021
 - 25 January 2022

Minutes approved by Board Chair, Jennie Pell – Enterprise M3 Local Enterprise Partnership, as a true and accurate record.	
SIGNATURE	DATE