

## Greater South East Energy Hub (GSEEH) Board Meeting - 20 April 2021

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)  
**Domenico Cirillo (DC)**, Cambridgeshire and Peterborough Combined Authority (CPCA)  
**Robert Emery (RE)**, Cambridgeshire and Peterborough Combined Authority (CPCA)  
**Matt Wragg** – Coast to Capital LEP (C2CLEP)  
**Jennie Pell (JP)** – Enterprise M3 LEP (EM3LEP) – **Board Chair**  
**Simon Wyke** - Greater London Authority (GLA)

**Maxine Narburgh (MN)** - Greater South East Energy Hub (GSEEH)  
**Erica Sutton** - Greater South East Energy Hub (GSEEH) - Secretariat support  
**John Taylor (JT)** – Greater South East Energy Hub (GSEEH) – **RCEF Grant Approvals and Update**  
**Helen Pollock** – Hertfordshire LEP (HertsLEP)  
**Ellen Goodwin** - New Anglia LEP (NALEP)  
**Sarah Gilbert** - (Oxfordshire County Council) – Oxfordshire LEP (OxLEP)  
**Arthur Le Geyt** - South East Midlands LEP (SEMLEP)

### Minutes

#### 1. Apologies, Introductions

Apologies were given by **Ahmed Goga** Oxfordshire LEP (OxLEP), **Chris Starkie** - New Anglia LEP (NALEP), **Jo Simmons** - South East LEP (SELEP) and **Ben Burfoot** - (Reading 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, 02.03.21, were agreed as a true account.

**ACTION 1.** JP to sign off the minutes of the GSEEH Board meeting 02.03.21 as agreed.

##### 2.2 Actions

- An updated log of Board actions was provided in advance of the meeting with the GSEEH Board Papers 20.04.21.
- MN advised that the list of the funds allocated to the GSEEH that was being prepared for the Board's information, now needs to be updated and profiled to accommodate some new funding recently allocated. The updated list will be provided when it is ready.

### 2.3 Matters Arising

- CPCA confirmed that its Board has confirmed that CPCA will remain the Accountable Body for the GSEEH.
- MN advised that GSEEH staff recruitment for the Rural Community Energy Fund is in progress.

### 3. Finance Update

- A finance update for March 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 20.04.21.
- MN highlighted the following aspects of the finance update:
  - The Green Homes Grant and £1.3 million Public Sector Decarbonisation Skills Fund programmes will be added to the Board's finance update once these have been profiled. Further information about the Public Sector Decarbonisation Skills Fund programme had been included for information in the Regional Hub Manager Report in the Board Pack 20.40.21.
  - Figures for the outturn are awaited. Once these are received the financial profile will be updated to March 2023.
- GLA welcomed the extension to GSEEH operations and asked what the strategic focus will be to March 2023. MN advised that core activities will be ongoing. A business case will need to be prepared for the Spending Review. Net Zero targets are expected to feature. MN highlighted that this is a matter to which it will be helpful to have GSEEH Board input.

### 5. Rural Community Energy Fund (RCEF) – Update

- An update on the Rural Community Energy Fund programme was provided to Board members at the meeting by John Taylor (JT), the Energy Project Manager responsible for the overseeing applications to the Fund for the GSEEH.
- JT highlighted the following points:
  - The GSEEH website has been updated to reflect the continuing availability of the Fund. The forthcoming application deadlines are 07.05.21, 13.08.21, 05.11.21 and 11.02.22.
  - Over 330 enquiries to the Fund have now been received.
  - There is £2 million of grant funding still to allocate. The long-list of projects has been reviewed to produce a short-list of those most likely to progress within the available application timescales. This comprises 21 projects, which have the potential to progress to full applications. A new short-term resource has been explored and it is expected that John Moore, who has already worked with the North East, Yorkshire and Humber Energy Hub, will be given a short-term contract to help progress these projects while longer-term recruitment is achieved.
  - Additional promotion of RCEF is planned by GSEEH under the Together for our Planet initiative along with Community Energy England and Climate Coalition. A series of national events for Green Week in September 2021 is intended to tie in with COP26. Parish council networks are being engaged.
  - Where interest in RCEF has been quieter, in Norfolk and Suffolk, workshops are planned for May 2021, in conjunction with the county councils, to do extra promotion.
  - Projects are starting to complete so GSEEH expects to have some RCEF case studies soon. Three or four will be finalising Stage 1 studies and are expected to move to Stage 2 funding applications.
- The Board had the following comments and queries:
  - C2CLEP requested a breakdown of the RCEF pipeline by LEP area so that LEPs can demonstrate the value of the Energy Hub in relation to RCEF as part of the LEP review.

**ACTION 2. JT to provide a breakdown of the RCEF pipeline according to LEP area.**

## 6. 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 GSEEH.

**ACTION 3.** MN to circulate a copy of the LAD2 update presentation slides, shown to the Board at their meeting 20.04.21.

- MN provided an **overview on progress with LAD2** and highlighted the following key points:
  - There have been four Managing Agents contracted to administer the 17 local authority consortia in the region.
  - The majority of the 141 local authorities in the region have responded to the opportunity, with 35 responses awaited. All will get an allocation of funding. GSEEH will carry out the necessary development work on behalf of those who do not respond and pass this on to the relevant Managing Agent.
  - GSEEH is now the lead authority for 13 out of the 17 consortia, which is a far greater number than anticipated. Local authority capacity has been further impacted by the extension to June 2021 of LAD1A, and for some, the contract management allocation is not sufficient to make it worth the effort.
  - GLA are lead authority for the majority of London Boroughs (except the West London consortium) and accounts for a third of the LAD2 budget for the region.
  - Temporary contract management staff are to be contracted to support the GSEEH Lead Authority role.
  - Handover packs for Managing Agents are being prepared.
  - The contract suite will be updated once the Framework Agreements are signed.
  - Energy Systems Catapult is helping GSEEH with the customer journey blueprint and developing a key messaging suite to support delivery and household engagement. The blueprint mapping is a process to set out the key steps in the LAD2 process, to identify risks and frictions that could potentially delay delivery, and flag issues to BEIS, with a view to adopting mitigation strategies. CPCA marketing and communications are also involved.
  - Recruitment, including advertising, has been signed off.
- MN also provided an **update on the Government's intentions for domestic retrofit funding programmes**:
  - The Green Homes Grant voucher scheme is now closed, having been withdrawn in March 2021. The Government has announced £300 million of new funding, of which £200 million is anticipated to go to LAD3 and £100 million to the Social Housing Decarbonisation Fund. The Home Upgrade Grant (HUG) programme (£150m) may become merged with this.
  - LAD3 could be launched in the summer, with a timeline to 2023. This may cause some pushback against LAD2 from local authorities. However, the LAD2 delivery model will enable plans to go ahead regardless.
  - A written submission on the benefits of the GSEEH's LAD2 approach has been given to BEIS. However, the BEIS personnel responsible for LAD3 will be a different team to LAD2.
- The Board responded to the update about the Government's plans for LAD3 and potential changes to the way forward for domestic retrofit funding with the following questions and comments:
  - RE, CPCA, asked whether there would be hiatus between the timescales of the LAD2 and LAD3 schemes. MN explained that the original intention of Government was for HUG to roll out after LAD2, and the GSEEH expectation had been for the funding to increase going forward, rather than to reduce. LAD3 has been announced without a delivery plan. It may follow a competitive model and may be administered directly by BEIS. Such a change of approach would not help to build capacity within local authorities or facilitate the growth and sustainability of the supply chain and delivery of retrofit at scale.
  - EM3LEP expressed disappointment at the change, observed that the LAD2 approach developed by GSEEH had been welcomed by the LEPs in the region, and suggested that the GSEEH Board provide a response back to BEIS.

- BucksLEP observed that the change of approach would compound existing uncertainty in the sector and ignored feedback from local authorities. BucksLEP agreed that a response to BEIS from the Board was needed to express disappointment and emphasise the need for consistency and capacity building. BucksLEP further commented that there was a need for a single and simplified funding approach for domestic retrofit.
- OxLEP noted that it was unclear whether the GSEEH framework would be used and whether local authorities would need to have or develop their own mechanisms. MN advised that it was not known whether the funding would be allocated by a competitive arrangement and observed that some local authorities would not have the capacity to bid for funding. A hybrid arrangement might be possible to include those local authorities without capacity for self-delivery. A minority of local authorities have the capacity to be self-managing, and these could also have the capacity to increase their delivery if more funding were provided to them. Local authorities have a need for an appropriately procured supply chain. Local authority procurement may not be fully compliant, for example it may not include the correct supplier accreditation requirements if local authority officers have insufficient time and experience to make it so.
- EM3LEP observed that consistency around the funding programmes would have the benefit of giving confidence to supply chains to get certification. EM3LEP noted that there would be pros and cons to all approaches and raised the question of what the impact would be overall. EM3LEP also observed that given all the time and effort that had been dedicated to LAD2 by GSEEH, to change direction appeared to be a step back. For the supply chain, the commitment of their own financial resources was involved.
- GLA agreed that a lack of consistency would be an issue. Funding was being deployed on a regional basis for LAD2 so that it could be delivered in the most appropriate way for the area. It was concerning that time had been spent on developing a mechanism that would not continue to be used. A longer projection on funding and consistency of criteria would be more helpful approaches.

**BOARD DECISION:** GSEEH Board to make known to BEIS the Board's concern in the change of approach to domestic retrofit funding programmes, and to emphasise the need to support growth and sustainability of delivery capacity.

**ACTION 4.** MN to draft a letter from and on behalf of the GSEEH Board to express its concern at the Government's change in approach to its domestic retrofit funding programmes, and to endorse the approach taken by GSEEH for LAD2 as a suitable model to follow going forward, and to emphasise the importance of growth and sustainability of local authority and supply chain capacity to delivery retrofit at scale.

- MN then provided **further detail on the GSEEH arrangements for the LAD2 scheme** and highlighted the following key points:
  - The lots (consortia) assigned to the four contracted Managing Agents have now been published.
  - There are 18 installers signed up to the Dynamic Purchasing System. Best practice for park homes is awaited and it is anticipated that further installers will join going forward.
  - The GSEEH is working with the South West Energy Hub on the quality and auditing of measures installed, which will be independently assessed.
  - A data protection issue has arisen in relation to Hubspot, the Customer Relationship Management (CRM) system that GSEEH is using to manage the customer journey for LAD2. It is a wide-ranging privacy issue, resulting from the USA-EU privacy inadequacy decision, is not specific to HubSpot and affects most commonly-used IT platforms and services. UK GDPR now requires additional compliance, so due diligence must be carried out on Hubspot, which, it has been established, cannot contain income data and eligibility information.
  - The Dynamic Purchasing System (DPS) is being led by Heidi Parker, CPCA Head of Procurement and Chantel Allott, CPCA Procurement and Contracting Officer.
- The Board responded with the following questions and comments:
  - OxLEP asked how it was decided which Managing Agent was allocated to which consortia. MN advised that the prospective Managing Agents that submitted a Standard Selection Questionnaire (SSQ) were asked to state their preference for areas to cover. Then at the SSQ evaluation stage, the highest scoring suppliers were assigned their

preference of adjacent consortia, and by score other suppliers were then assigned adjacent areas as far as possible, though it was not possible to avoid anomalies in this regard.

- C2CLEP asked, with reference to the assignment of lots to the Managing Agents, whether Brighton and Hove City Council was still part of the West Sussex consortium. MN confirmed this was so.
- MN then provided **information about new processes for the LAD2 scheme** and highlighted the following key points:
  - A pipeline notification form has been developed for local authority areas with capacity to deliver more. This will be used to reallocate funding should the need arise. This will be based on KPI targets being met/exceeded. Proposed measures and respective supply-chain capacity will also be monitored to ensure that the market can deliver.
  - For the first 90 days of LAD2 delivery, where appropriate, procurement exceptions will be accommodated where local authorities wish to use existing arrangements. For example, Suffolk will have a self-delivery process, and exceptions will be made where there is a conflict of interest (e.g. the Managing Agent is also the installer) or where the local authority has an existing procured supply chain (for their own housing stock) and either the Lead Authority or Managing Agent can be requested to deliver the process. All works should go through the Installer Dynamic Purchasing System for all works after the initial 90 days.
- The Board responded with the following questions and comments:
  - OxLEP asked whether learning could be shared from the LAD2 development process. MN confirmed that once delivery has begun, information outputs can be shared.

**ACTION 5. MN to share with the GSEEH Board the learning/information outputs from the development of the LAD2 process, once delivery of the LAD2 scheme has begun.**

- MN then provided **information about progress with the supply chain for the LAD2 scheme** and highlighted the following key points:
  - The Built Environment Network event 23.03.21, which aimed to inform the supply chain about LAD2, the procurement process and accreditation, went very well and was well attended.
  - There is an Energy Efficiency Association supplier event on 29.04.21 <https://energyefficiencyassociation.co.uk/>, which aims to inform installers about how to get involved with LAD2.
  - Due to a 40% limitation on subcontracting, larger companies have had difficulty joining the procurement Dynamic Purchasing System (DPS). However, the DPS has been adjusted to enable named, accredited subcontractors to be used, which will now allow larger companies to join the DPS for the next round.
  - An analysis of the shortfall of accredited installers is being carried out. This amounts to 115,000 working hours and up to 420 Retrofit Coordinators.
- MN then set out the proposed **LAD2 funding reallocation process**, currently in draft and asked for comments from the Board, who responded with the following points:
  - EM3LEP noted that it has been clarified that Board decision-making on funding reallocation concerns the approval of the process for that reallocation, not the reallocation itself.
  - GLA asked whether the process applied to reallocation within the consortia or between consortia areas. MN clarified that the process was for reallocation between consortia.
  - EM3LEP asked whether the process had been positively received by local authorities. MN advised that the Inter-Authority Agreement (IAA) has been the most difficult element. In some local authorities, senior management have not been fully briefed. The importance of opening communication channels at senior level has been a learning point. It has worked well where there have been consortia with a county council lead authority, and with senior officers directly involved, who have carried out CEO briefings.
  - OxLEP asked what challenges had been made concerning the contract, observing that if local authorities are not the lead authority within a consortium, then they take on responsibilities that they do not have an opportunity to influence. MN advised that this related to the liability if the procurement is challenged for not being lawful. The IAA has been modified to cap liability and the procurement has been lawful, so the risk is

negligible. When the IAA is recirculated, it will be with supporting procurement information, and it is the responsibility of participating authority procurement leads to check that the process is lawful.

## 7. Operational Update

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 20.04.21, which were circulated to Board members in advance of the meeting. MN highlighted the following elements:
  - **Public Sector Decarbonisation Skills Fund** – GSEEH is developing an inhouse team, to support local authorities and other public sector organisations to bid for funding to decarbonise their buildings (non-domestic public estate), through the preparation of feasibility studies and development of business cases for such bids. The scope of the funding programme has come from BEIS. MN is working up a staffing structure. Secondments are being considered for the technical aspects of the work, while the GSEEH operations team would support business case development. A proposal will be brought to the GSEEH Board. The funding for this work must be allocated, though does not have to be spent, by March 2022.
  - MN advised the Board that she has highlighted to BEIS the existence of gaps in support for feasibility studies for decarbonisation of public sector housing stock.

**ACTION 6.** MN to bring a proposal to the Board for the Public Sector Decarbonisation Skills Fund programme to be delivered by GSEEH.

- **KTN Big Engine Decarbonisation Challenge** – Progress: Eight organisations have made pitches to local authorities and six are working up proposals to local authorities as part of the Innovation Exchange (IX) process. Five local authorities are variously working on fuel cell/fleet conversion, hydrogen, EV infrastructure and whether to follow a hydrogen or electric decarbonisation route.
- KTN are also running smaller events, aimed at local authorities, for companies that pitched for the challenge process and were not selected to go forward, but have some good ideas to share.
- Another output from the KTN work is that GSEEH will have a process model to share with other Local Energy Hubs.
- GSEEH is also keen to link up the KTN challenge work with the strategic investigation into the development of regional transport hubs, which has been carried out by the Midlands Energy Hub in conjunction with [Cenex](#).

**ACTION 7.** MN to ask Paul Kemp to present an update to the Board on the Big Engine Decarbonisation work at its next meeting 08.06.21.

**ACTION 8.** MN to share the KTN Big Engines Challenge Innovation Exchange pitches in the Board SharePoint folder for the Board's information.

- **Hydrogen** – BEIS is developing a Hydrogen Towns Fund. This will enable one town to transition to hydrogen. MN will provide further information when it is available. It is expected that a Government Hydrogen Strategy will be published soon. GSEEH has supplied information to BEIS on hydrogen initiatives in the region and is continuing to feed the Department with information.

**ACTION 9.** MN to update the Board on the Government Hydrogen Towns Fund and Hydrogen Strategy when available.

- **GSEEH Strategic Projects** – MN highlighted to the Board the potential for GSEEH Technical Consultancy funds to be used to develop strategic projects. MN proposed the arrangement of a workshop for the Board to look at this in more detail once budgets are confirmed.

**BOARD DECISION:** GSEEH Board agreed to undertake a workshop to consider the development of GSEEH strategic projects and the use of Technical Consultancy funding for this purpose.

**ACTION 10.** MN to arrange a workshop for the Board to consider GSEEH strategic projects and the use of technical consultancy funds to support their development.

## 8. 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. A collective review of the ToR by the GSEEH Board was therefore conducted at its meeting 02.03.21.
- As actioned by the Board, MN has produced a draft update to the ToR document. MN presented the amended version of the document at its meeting 20.04.21 and the changes were reviewed by the Board. MN highlighted some of the key changes as follows:
  - **General** – The references to specific programmes have been removed, so that the ToR are generic and not tied to programmes that may change.
  - **Objectives** – The objectives have been updated to reflect the GSEEH's updated MoU, and that the GSEEH is no longer required to be financially self-sustainable.
  - **Roles and Responsibilities** – This section has been amended to show that 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. The process for revenue support is set out in the Project Management Framework. If allocation of grant is involved, another management framework can be created. The approval of allocation of financial resources by the Board has been changed to state that the Board approves the allocation of budget to programmes.
  - **Composition** – The reference to equal representation has been removed (given the limitations of resource capacity) and replaced with the aspiration to be representative.
  - Funding Panel - The ability to appoint a funding assessment panel is now generalised, with the specific reference to the RCEF Panel removed.
  - **Accountability** – The Board continues to be responsible for communications but works with the LEP Communications Group.
  - **General Operational Procedures** – The requirement to publish the minutes of a Board meeting within five days has been removed. CPCA (DC) queried whether this was appropriate.

**ACTION 11.** MN to check whether the GSEEH is a formally recognised Board and thus whether the five-day publication requirement of Board minutes is necessary.

- The Board has the option to meet virtually. The Board minutes are published on the GSEEH website after the record is agreed at the subsequent Board meeting.
- **Accountable Decision Making** – MN suggested adding a link between local and regional needs, collaborative working and net zero strategy. GLA proposed that it would be appropriate for the GSEEH to have a role in local area energy planning. MN advised that GSEEH is engaged with Energy Systems Catapult on local area energy planning. Net zero strategy gives the GSEEH involvement in strategy shaping and is less project oriented.
- **Operational Team** – The Regional Hub Manager has discretion to reallocate up to 1% for the revenue budget (rather than the capital budget). MN asked the Board to note that there is no new process for capital grants.
- **Hub Board Roles and Responsibilities** - EM3LEP confirmed their understanding of the new version of the ToR: That BEIS sets the strategic direction and funding, and the Board supports the strategic direction and allocation of grants. GLA asked whether both BEIS and LEPs should have agreement about the strategic direction, given that funding is being directed to the GSEEH. MN advised that originally, this was the role of the Board. C2CLEP observed that the role of LEPs is to join the national energy agenda to local growth agendas. SEMLEP proposed that the amendment to ToR should be that BEIS sets the strategic direction, and the Board makes any adjustments to this, according to local need.

**ACTION 12.** MN to amend the Hub Board Role and Responsibilities section of the GSEEH ToR to reflect that the Board may challenge the BEIS strategic direction.

- MN advised that the next step in the process of reviewing the GSEEH ToR was for the ToR to be signed off by the Monitoring Officer of CPCA (as Accountable Body) and subsequently, for the ToR to be agreed and adopted by the Board.

**ACTION 13.** MN to circulate the revised GSEEH ToR for information to any Board members absent from the 20.04.21 Board meeting.

**9. 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 20.04.21.
- It was proposed that COP26 be added to the Forward Plan.

**BOARD AGREEMENT:** Add COP26 to the GSEEH Board Forward Plan.

**ACTION 14.** MN to add COP26 to the GSEEH Board Forward Plan.

- The Government’s anticipated Transport Decarbonisation Plan and the Heat and Buildings Strategy were also suggested as items of relevance to the Board.

**10. Risk Register**

- MN advised the Board that the key risk at present is the data protection issue concerning the LAD2 customer journey HubSpot software, however, this is in hand.

**11. Any Other Business**

- **Planet Mark** – HertsLEP highlighted [Planet Mark](#) sustainability certification, which is a nationally recognised accreditation. Planet Mark has a new carbon battle bus to tie in with COP26. The aim is to encourage businesses to reduce carbon. HertsLEP is considering how to use it and sponsor it. Other LEPs may wish to be involved.
- **Thanks** – The Board thanked MN for her work and JP for chairing the meeting.

**12. Dates of Future Meetings**

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

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