

Greater South East Energy Hub (GSEEH) Board Meeting - 19 January 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) – **Board Chair**

Domenico Cirillo, Cambridgeshire and Peterborough Combined Authority (CPCA)

Jennie Pell – Enterprise M3 LEP (EM3LEP)

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

Ellen Goodwin - New Anglia LEP (NALEP)

Ahmed Goga 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)

Proxy Votes

Absent Board member:	Proxy instructions given to:
Matt Wragg – Coast to Capital LEP (C2CLEP)	Jennie Pell – Enterprise M3 LEP (EM3LEP)
Paul Witcombe – Hertfordshire LEP (HertsLEP)	Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP)

Minutes

1. Apologies, Introductions,

- Apologies were given by **Gary Sturgeon** - Department for Business, Energy and Industrial Strategy (BEIS), **Matt Wragg** – Coast to Capital LEP (C2CLEP), **Paul Witcombe** – Hertfordshire LEP (HertsLEP), **Chris Starkie** - New Anglia LEP (NALEP) and **Sarah Gilbert** - (Oxfordshire County Council) – Oxfordshire LEP (OxLEP).

2. Minutes, Actions and Matters Arising

2.1 Minutes

BOARD DECISION: The minutes of the previous GSEEH Board meeting, 01.12.20, were agreed as a true account.

ACTION 1. EB to sign off the minutes of the GSEEH Board meeting, 01.12.20 as agreed.

2.2 Actions

- An updated log of Board actions was provided in advance of the meeting with the GSEEH Board Papers 19.01.21.
- There were no matters raised or questions asked about the Board actions log.

2.3 Matters Arising

- **BEIS Recruitment** - MN highlighted that BEIS recruitment process is taking place this week, which is to provide support to the five regional Energy Hubs with procurement, HR and marketing and communications for LAD2.

3. Finance Update

- A finance update for December 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 19.01.21.
- MN highlighted the following aspects of the finance update:
 - BEIS has advised that the five Local Energy Hubs have core funding support to 31 March 2023, so MN is now able to profile the variance in the budget and allocate it to other purposes, for example technical consultancy funding.
 - Staff funding is ringfenced to posts.
 - RCEF staff recruitment will be profiled from April 2021, so this element of the underspend will be addressed soon.
 - Grants for RCEF are profiled to October 2021.
 - Physical events can also be reprofiled, by enabling them to take place with online engagement instead, for example by use of the MIRO online collaboration tool.
- There was an opportunity for the Board to ask questions about the finance update:
 - BucksLEP asked for clarification on the use of the £170.5k variation to the MoU amount. MN advised that this is a profile variation from March 2020. MN reminded the Board that it had decided not to profile this amount until the Spending Review, but now that BEIS has confirmed that the core costs of the GSEEH are covered, this funding is available for other aspects of the Energy Hub's work, such as paying for assessment tools like OnGen and PVSyst.
 - There were no other questions on the finance report or update from the Board.
- MN proposed to the Board that since the staffing position is now known to 31.03.23 the budget can be reprofiled.

ACTION 2. MN to prepare two options to present to the Board for the GSEEH's reprofiled budget: either the employment of an extra Energy Project Manager or for the funds to be directed to consultancy support.

- MN advised that she now had some financial templates available to her, provided by CPCA, to use instead of Excel spreadsheets, and that will use this new format for the reporting at the next Board meeting.

ACTION 3. MN to use new CPCA financial report templates for the next financial report to the Board at the next Board meeting.

6. Accountable Body Transfer – Update

- MN provided the Board with an update on the Accountable Body transfer. MN confirmed that CPCA are now very positive and enthusiastic about hosting the GSEEH. CPCA Senior Management and Executive are supportive of retaining the GSEEH. CPCA as an organisation has more staff on board with experience and activities that are relevant to the Energy Hub. It is hoped that approval for retaining the GSEEH will be forthcoming at the March 2021 CPCA Board. Consequently, RCEF posts can now be recruited and the LAD2 delivery team can also be recruited once the LAD2 MoU is received from BEIS.

7. 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 was circulated to the Board in advance of the meeting with the GSEEH Board papers, 19.01.21.
- The Board responded to the presentation with the following comments and questions:
 - Bucks LEP noted that great progress has been made by the GSSEH operations team in preparing for LAD2 delivery in the timescale available.
 - BucksLEP asked whether the 50% cap on Energy Performance Certificates (EPC) Band D properties is at consortia level. MN confirmed that the 50% cap is a consortia-level target and will be implemented at a consortia level.
 - BucksLEP noted that privately-rented homes are out of the scope of LAD2 as this would be too difficult to deliver and asked what the proportion is of owner-occupier and social housing. MN clarified that this is 50/50 and that it depends on the subsidy control involved for social housing providers (allowance dependent).
 - BucksLEP asked whether the individual home-owners would contract with the lead local authority of the consortia. MN confirmed that the home-owner's contract will be with the local authority and the installer. The owner-occupier will receive the energy efficiency measures at no cost, while a 30% input from social housing providers is required. MN also advised that GSEEH will support householder engagement with owner-occupiers and that delivery will be by an area-based approach, which targets high fuel poverty. MN further advised that privately-rented housing may also be included in measures if there is a practical driver, for example in the instance of a house in a terrace of social or owner-occupier housing. However, MN confirmed that privately-rented housing will generally not be involved in LAD2, as the potential effort involved in engagement could be difficult in the timeframes.
 - BucksLEP asked what overlap there is between the fuel poor and owner-occupiers. MN advised that the GSEEH is using [Maplango](#) data and mapping expertise to identify EPC Bands D, E, F and G and overlaying areas of high fuel poverty to find eligible householders and properties that fit the LAD2 criteria. An area-based approach is being used to get the benefits of scale that will attract installers.
 - BucksLEP asked whether those in fuel poverty are mainly in privately-rented and social housing or are owner-occupiers, such as older people on low incomes. MN advised that there are a considerable number of owner-occupiers in fuel poverty and that such properties are often small and lower-cost such as terraced houses. The LAD2 scheme needs to have flexible criteria so that it can be accessed by anyone who struggles to keep their home warm.
 - BucksLEP asked whether the local authorities involved with LAD2 will have a grant agreement with CPCA. MN explained that the local authorities within a consortium will work together and have a nominated lead local authority that will contract with CPCA.
 - BucksLEP asked how many Managing Agents there will be. MN advised that there will be 16 consortia areas. Each Managing Agent can bid for up to six consortia and it is anticipated that they are most likely to bid for three. The preference of GSEEH is for Managing Agents to be localised.
 - NALEP asked about the role of the GSEEH Board in making financial decisions for LAD2: the expected strategic guidance the Board would provide concerning allocation of the LAD2 grant funds (with the observation, that reallocation of funds could be quite significant). NALEP asked for clarification that the consortia allocation amounts shown in the presentation were indicative but will be set. MN confirmed that this was so, but that clarification was needed on the process, hence the need for the GSEEH Board's Terms of Reference to be reviewed. NALEP advised that the GSEEH Board's LAD2 role might require the LEP to make a NALEP Board paper.
 - EM3LEP advised that the allocation amounts were above the current delegated authority held for the LEP and so there would be a need to amend the authority. EM3LEP also noted that the LAD2 programme would have high visibility and increased risk: that there might be public and political interest in which local authorities were allocated what amounts and how.

- BucksLEP asked whether it was likely that the GSEEH Board's approval of the allocations would happen just once or twice, or whether it would occur regularly, perhaps on a monthly basis. MN advised that touch-points with the Board will be required approximately every eight weeks. There is a need for this frequency due to the required speed of the programme, as 75% of the installation of measures are to be completed by September 2021.
- MN advised the Board that should local authorities and/or consortia fall behind on the delivery of the scheme, the primary step would be to try to address the situation, with reallocation of funding being a secondary recourse.
- SELEP thanked MN for the comprehensive presentation and asked, with reference to the Board's position concerning approvals for grant allocation, how the indicative allocations for the consortia had been arrived at, and whether this was based on anticipated local authority spend. MN clarified that allocations are based on an objective methodology, informed by statistical information of scaling by population and the number of households in fuel poverty. However, if local authorities or consortia advise that they cannot deliver, this will need to be reviewed. The GSEEH will inform consortia of their allocations and then have development meetings with them and obtain more detailed information. The aim is that high poverty households will be targeted.
- SELEP asked how the GSEEH would reach out to those local authorities that had not come forward to be involved in the scheme. MN advised that LEPs will be informed if some local authorities do not want to participate. However, there is a requirement for the GSEEH to deliver the scheme and to do so at pace.
- SELEP observed that given the speed of the work, the 1% allocation of the capital budget for local authority capacity would be needed right away. MN confirmed that the 1% is allocated for local authority support.
- SELEP asked for clarification on the remit of the Board concerning the allocations, and whether BEIS would define the allocations for the consortia. MN advised that BEIS has allocated the budget between the five Local Energy Hubs, but it is the role of each Energy Hub to allocate the budget within its region.
- SELEP stated their understanding that the funds would be cascaded from BEIS to CPCA and then from CPCA to the local authority lead for each consortium and asked whether the Board would approve the allocation to each consortium. SELEP observed that the robustness of the allocation process is important and asked to what extent it was the responsibility of CPCA: that is, whether CPCA were accountable for the allocation process and the Board for approving it. MN advised that an alternative option was that CPCA could set the allocations and the Board could approve them, rather than the Board setting the criteria. However, if there was a need to change the allocations, that might prove challenging, as CPCA would not have the benefit of the insight held by the Board.
- SELEP considered whether a paper could go to each LEP Board concerning the allocations but noted that this would add time to the process, which would be problematic in the context and so best avoided. SELEP further considered that, provided the process to define the allocations is robust, and that the process is what the GSEEH Board approves, and it is a statistical, scientific process, then that will be an approach that is acceptable to LEPs.

BOARD DECISION: The GSEEH Board is to approve the process and criteria for defining the LAD2 consortia grant allocations (to be circulated).

ACTION 6. MN to provide to the Board for its approval, the process and criteria for defining the LAD2 consortia grant allocations.

- BucksLEP asked how the reallocation of the grant would work and whether this would be determined by the other consortia's capacity to accept and deliver the reallocation. BucksLEP raised the point that the amount of reallocation necessary could be significant. MN proposed that the approach for reallocation follow a tiered system, whereby any re-allocation will be offered firstly to local authorities within a consortium, secondly to other consortia within a LEP and thirdly to other consortia within the GSEEH. MN further proposed that the Board could review the process and criteria for reallocation to define the over and under performance by consortia and the trigger to initiate reallocation of grant funds. This could be agreed in principle and refined closer to delivery.

BOARD DECISION: The GSEEH Board is to agree in principle the process and criteria to define over and under performance by LAD2 consortia and the trigger to initiate reallocation of grant funds.

ACTION 7. MN to provide to the Board for its agreement in principle, the process and criteria to define over and under performance by LAD2 consortia and the trigger to initiate reallocation of grant funds.

- BucksLEP asked what the timescale was for this process. MN advised that the Managing Agent will be appointed 3 April 2021, the Dynamic Purchasing System will be published early February 2021, the local authority proposals are to be finalised in March 2021 and delivery will be May 2021 onwards. BucksLEP proposed that there was a need to address the matter at the 02.03.21 GSEEH Board meeting.
- NALEP suggested that there would be more acceptability for each individual LEP to make consortia-level decisions and for the GSEEH Board to make decisions across the LEPs.
- SELEP suggested that the lead local authority for each consortium could make the decision if the criteria was provided to them, as they would be well-placed to lead discussions across the other local authorities in the consortium. The Board could approve the process and criteria rather than the individual reallocation decisions.
- 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.
- BucksLEP proposed that the process be set up for the GSEEH Board to approve at its 02.03.21 meeting.

ACTION 8. MN to prepare an update to the GSEEH Board Terms of Reference to include the process and criteria for allocation and reallocation of LAD2 funds.

- SELEP asked whether the governance arrangements for LAD2 would require a subgroup to be formed, as this had been an option suggested at the 01.12.20 Board meeting. MN clarified that no further feedback from GSEEH Board members on their expectations about the arrangements had been put forward since the 01.12.20 meeting. The Board was now being asked about the decision-making points: the proposal was that there would be monthly meetings of the consortia, which would be fed up to the GSEEH Board. SELEP observed that the capacity of each LEP should be considered, that the process could be time-consuming and there was a need to know how much time would be required of the LEPs.
- EM3LEP asked what the role of Action Surrey was in Surrey. MN explained that Action Surrey is an energy advice scheme managed by ThamesWey, which itself is a Teckal company owned by Woking Borough Council.
- EM3LEP asked whether the Board would need to meet between scheduled Board meetings to ensure that the LEPs were aligned and given the time pressure of delivering the scheme.

ACTION 9. MN to arrange an online, hour-long meeting before the next Board meeting, 02.03.21, for the Board to consider the developing LAD2 arrangements.

ACTION 10. Board members to aim to attend an interim online meeting on LAD2 arrangements if they are available.

8. Operational Update

- An update on the various elements of the GSEEH Programme of Work was set out in the GSEEH Board Papers 19.01.21, which was circulated in advance of the meeting. This included:
 - **Regional Hub Manager Report** –There was limited time available to discuss the Report, so MN asked Board members to raise any questions they had about it with her directly.
 - **Public Sector Decarbonisation Scheme** – MN asked to Board to note the report on the Scheme that had been provided by GSEEH Energy Project Manager, Paul Kemp.

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 19.01.21.

- MN proposed that once the process and method for allocation and reallocation of LAD2 funding had been determined, these would be incorporated into the GSEEH Board Terms of Reference, and once signed off by the CPCA Monitoring Officer, would be brought to the GSEEH Board meeting, 20.04.21 for agreement and adoption.

BOARD DECISION: The GSEEH Board will consider its updated Terms of Reference (incorporating the LAD2 allocation and reallocation process) for approval and adoption at its meeting of 20.04.21. This will be added to the GSEEH’s Forward Plan.

ACTION 11. MN to add to the GSEEH Board Forward plan, the consideration of its updated Terms of Reference (incorporating the LAD2 allocation and reallocation process) for approval and adoption at its meeting of 20.04.21.

- SELEP asked whether the LAD2 sourcing strategy would also require GSEEH Board approval. MN advised that BEIS is approving the sourcing strategy, so there is no need for the Board to do so. MN will circulate the sourcing strategy to the GSEEH Board once it has been approved by BEIS.

ACTION 12. MN to circulate to the GSEEH Board the GSEEH LAD2 sourcing strategy, once it has been approved by BEIS.

10. Risk Register

- There were no new or existing items identified for the Board’s special attention.

11. Any Other Business

- **Thanks –** The Chair thanked MN for the detail provided on GSEEH activities and the LAD2 programme. MN thanked the Board for their support.

12. Dates of Future Meetings

BOARD DECISION: The next GSEEH Board meeting, **2 March 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:
 - 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
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