

Greater South East Net Zero Hub (GSENZH) Board Meeting - 6 September 2022

This meeting was conducted via online conference.

Attendees

Ed Barlow (Buckinghamshire Council) - Buckinghamshire LEP (BucksLEP)
Swapna Uddin – Local Net Zero Programme Manager, Department for Business, Energy, and Industrial Strategy (BEIS)
Sheryl French - (Cambridgeshire County Council) – Cambridgeshire and Peterborough Combined Authority (CPCA)
Richard Hall (RH) – Greater South East Net Zero Hub - Consultant for Local Authority Delivery Phase 2 and Sustainable Warmth
Paul Kemp (PK) – Greater South East Net Zero Hub – Energy Project Manager
Scott Matthews (SM) - Greater South East Net Zero Hub - Consultant for Sustainable Warmth

Maxine Narburgh (MN) - Greater South East Net Zero Hub – Regional Hub Manager
Erica Sutton (ES) - Greater South East Net Zero Hub – Hub Support Coordinator
Helen Pollock - Hertfordshire LEP (HertsLEP)
Ellen Goodwin - New Anglia LEP (NALEP) - Chair
Kunal Prasad - (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 Marsha Robert, Coast to Capital LEP; Robert Emery, CPCA; Enterprise M3 LEP; Simon Wyke, Greater London Authority; Chris Starkie, New Anglia LEP; Sarah Gilbert (Oxfordshire County Council) OxLEP.
- The meeting was chaired by Ellen Goodwin, NALEP.
- The meeting welcomed Sheryl French, deputising for CPCA, and Kunal Prasad, deputising for OxLEP.

2. Minutes, Actions and Matters Arising

2.1 Minutes

- The minutes of the previous GSENZH Board meeting 19.07.22 were agreed as a true account.

BOARD DECISION: The minutes of the previous GSENZH Board meeting, 19.07.22 are agreed as a true account.

ACTION 1. EG to sign off the minutes of the GSENZH Board meeting 19.07.22 as agreed.

2.2 Actions and Matters Arising

- **Actions from previous Board meetings** – The following updates were provided by MN. Other actions were confirmed as complete or covered within the agenda.
- **A Face to Face GSEZHZ Board Meeting** – This is proposed as an additional meeting for the Board in November 2022, to discuss strategic priorities and technical consultancy support allocation.
- **Net Zero Development Vehicle** – Reporting on progress and outcomes from this initiative, which is receiving GSEZHZ technical consultancy support, has been delayed and will be brought to the Board in October or November 2022.
- **Upper Heyford Heat (RCEF Stage 2 project)** – The project has commissioned a new contractor. The Board will receive an update in due course.
- **CPCA Interim Monitoring Officer, Accountable Body Agreement and Terms of Reference concerning the transition of governance arrangements and the new BEIS MoU** – The Board will receive an update on these matters in due course.

ACTION 2. MN to add the above matters to the GSEZHZ Board agenda when an update is ready.

- **Chair for GSEZHZ Board meetings** – MN thanked those who had volunteered to act as chair for the forthcoming scheduled Board meetings. A volunteer is still needed for the 06.12.22 meeting.

ACTION 3. Board member needed to volunteer to chair the 06.12.22 GSEZHZ Board meeting.

3. Finance

- MN confirmed that a replacement GSEZHZ Finance Manager has been provided by CPCA and is in post. The Finance Manager is currently working on the Hub's capital programmes and will then review the GSEZHZ budget.

ACTION 4. MN to provide a full report on all cost centres to Board members once this has been produced by the new GSEZHZ Finance Manager.

4. Sustainable Warmth - Project Board

- The meeting was attended by Scott Matthews (SM), Interim Consultant, Driving Change Forward Ltd, who provided a presentation on the proposed new governance arrangements for the BEIS Sustainable Warmth programme as delivered by GSEZHZ.

ACTION 5. ES to circulate to the Board a copy of the Scott Matthews presentation slides on the new governance arrangements for the Sustainable Warmth programme.

- The BEIS MoU for the programme does not provide sufficient guidance on delegated authority. The programme is complex and challenging to deliver and requires the involvement of multiple groups and organisations. The proposed new governance arrangements seek to define the decision-making process, clarify roles and responsibilities, enhance communication across the project, improve relationships with stakeholders and embed project controls.
- The new governance structure will include a Sustainable Warmth Project Board, which will be comprised of representatives from different consortia. Steering Groups in the tier beneath will feed into the Project Board. This is to ensure that the local authority voice is heard.
- Engagement with stakeholders, which includes this meeting with the GSEZHZ Board, is currently taking place to inform the development of the governance structure. It is expected that development will be completed, and the new governance framework be in place, followed by core documentation, September-October 2022. There will a review of the framework performance in December 2022.
- The Board had the following comments and questions on the new governance proposal presented by Scott Matthews:
- CPCA asked about the scale of the Sustainable Warmth programme. MN advised that Sustainable Warmth programme now had a target spend of £55-59 million. £62 million funding has been returned to BEIS.

- TVBLEP commented that time is running out to spend the Sustainable Warmth funding and expressed a hope that this issue is well reflected in the management of risk for the programme.
- TVBLEP asked when and how decisions for the programme would go through the GSENZH Board. SM advised that more detail would be added to the decision structure including timelines. The Project Board would deal with the day-to-day decisions, and that it would be in the event of a difficult issue, when a steer is required, or if there is a big change to the scope of the programme, that the GSENZH Board would be involved. If a decision is required within a short timeframe, within which it is not possible to convene the GSENZH Board, the matter can be taken straight to the CPCA Board. TVBLEP commented that the delegations for the GSENZH Board would need to be well set out. SM confirmed that the delegations would be clear and well set out.
- CPCA observed that client-side capacity would also be a risk, as there is reliance on local authorities being able to make their contribution to the programme and asked whether this risk had been captured.
- BucksLEP observed that, as regards the programme delivery and governance structure, meeting preparation and attendance is manageable for the Board, but that members cannot take on extra responsibility.
- CPCA asked whether the governance and delivery mechanisms would be robust enough to support each other.
- SM advised that the role of the GSENZH Board in the governance arrangements would involve being provided with reports and to focus on any specific issues. It was not expected to be burdensome. Board members would be able to bring any issues concerning the programme from their areas, so that these could be worked through.
- MN advised that the Sustainable Warmth programme teams were highly aware of risk concerning capacity, especially in respect of senior decision-making. The Steering Group should be well resourced. The decision-making delegation on the Steering Group could be challenging. There should be a long-term strategic work stream. GSENZH is working with the local authorities that could not bid for the programme independently and need the support of the Hub and this is part of the capacity building in the region.
- SM proposed that the comments made by the Board would be taken away and given consideration as part of the new governance arrangements being developed for the BEIS Sustainable Warmth programme as delivered by GSENZH. The feedback from the Board covered a requirement for clarity around decision-making related to the GSENZH Board such as timelines and delegations, and a need for clarity related to programme risks such as the delivery window and client (local authority) capacity.

BOARD DECISION: To inform the development of the new governance arrangements for the Sustainable Warmth programme, the next steps are that further consideration is to be given to Board feedback as follows: a requirement for clarity around decision-making related the GSENZH Board such as timelines and delegations, and a need for clarity related to programme risks such as the delivery window and client (local authority) capacity.

6. Public Sector Decarbonisation Scheme (PSDS)

- The Board was provided with a presentation by GSENZH Energy Project Manager, Paul Kemp (PK) about how GSENZH has enabled public sector organisations to bid for the government Public Sector Decarbonisation Scheme.

ACTION 8. ES to circulate to the Board a copy of the Paul Kemp presentation slides providing an update on the Public Sector Decarbonisation Scheme and related GSENZH activity.

- Support for the decarbonisation of public buildings by GSENZH has also included support for bids to the BEIS Low Carbon Skills Fund, administration of the Public Sector Decarbonisation Scheme Skills Fund, and support to enable other individual funding and finance approaches.
- The range of support provided by GSENZH for public sector estate decarbonisation has covered the deployment of the OnGen tool to accelerate the assessment of technical suitability and the business case for projects, engagement with DNOs where projects have been connections dependant, engagement with Salix to facilitate and support the funding

application process, acting as a critical friend to public sector organisations concerning their projects, and helping to building the Public Sector Decarbonisation Scheme bid pipeline.

- **Local Partnerships** – To support the scale-up of public sector estate decarbonisation in the region and maximise its potential, GSENZH has commissioned Local Partnerships to carry out a needs assessment to identify the estimated total requirements of public sector estates to reach net zero across the Greater South East. Local Partnerships has also been commissioned to support the GSENZH with programme design, recruitment, and project management, to develop a dedicated Skills Team within GSENZH, and add value to the Hub's future activities in this area of work.
- The Board had the following comments and questions on the Hub's public sector estate decarbonisation work:
- TVBLEP asked what kind of support was being provided by GSENZH to public sector organisations, and whether this comprised a conversation with pointers or was more intensive, for example whether GSENZH submitted funding applications on their behalf. PK advised that organisations must submit their own bids and that the role of GSENZH has been to use the Ongen assessment tool to identify sites, survey what measures they can have, the cost, payback, and internal rate of return, so that they can present a robust funding bid. PK added that GSENZH has also supported stalled projects, helping them move forward to completion, including support for their discussions with DNOs and Salix. Learning is being shared via webinars provided for local authorities, about the need to engage early with DNOs in the planning stage of projects to avoid connections issues arising. PK explained that GSENZH helps local authorities at the tier of Borough, District and Parish, that do not have the capacity to identify sites and gather data. County Council and Unitary authorities that have already done this work can still benefit from lighter touch support from GSENZH such as the address of queries. TVBLEP asked when the webinars would take place and when the window to receive Ongen support would be open. PK advised that organisations could get in touch with GSENZH whenever they need help and TVBLEP confirmed that they would refer local authorities in their area to GSENZH.
- TVBLEP raised the issue of the extremely limited application windows for the Public Sector Decarbonisation Scheme, citing the experience of Reading Borough Council that the window closed within 20 minutes of opening. PK agreed that this was an issue.
- CPCA advised that they had had a similar experience of the Public Sector Decarbonisation Scheme application window closing and that it was not possible to complete the form any quicker. CPCA asked whether there was strategic manoeuvring taking place and whether people are mobilising at scale, rather than applications being accepted on a first-come-first-served basis, and whether clarity could be provided on this point. PK offered to speak to Salix and suggested that it would be helpful to have a view on the matter from BEIS as well. CPCA suggested that feedback should be given to BEIS, that a different process for application to the Scheme was needed. PK advised that the Scheme has caps on the various kinds of sites, whether education, health, or local authority, and that the application window may also depend on the type of site being submitted.
- OxLEP highlighted that the above points concerning the application process have been flagged to Salix repeatedly. OxLEP suggested that good quality applications are disadvantaged over quicker applications. The Oxfordshire County Council experience included an application prepared within 15 minutes that had not been in time for the application window. Nor were Salix always keen to say when the application window would open.
- CPCA highlighted a further issue to draw to the attention of BEIS, that the installation of air source heat pumps has increased energy bills for some organisations. CPCA suggested that there is a duty of care towards organisations such as schools in respect of this issue. TVBLEP observed that BEIS is using Green Book costings and suggested that the Department for Education should factor in the need for school building decarbonisation and associated running costs into funding.
- CPCA also highlighted that the tightening of PSDS criteria, such as the maximum amount of funding provided to save a direct tonne of carbon, and the requirement for more cash, placed

some organisations at a disadvantage. There are other inequalities for applicants. For example, some schools have no specific in-house resource to make an application, whereas some schools have a bursar who has the capacity to do so. MN and PK advised that GSENZH has been able to support some small schools to make applications.

BOARD DECISION: The GSENZH Board agreed that the matters of concern raised by Board members about the Public Sector Decarbonisation Scheme should be drawn to the attention of BEIS by GSENZH. These concerns include the difficulties experienced with the application process, the duty of care to applicants should low carbon heating lead to higher running costs, and inequalities in the capacity of public sector organisations to make an application.

ACTION 9. MN and PK to feedback to BEIS the concerns raised by GSENZH Board members about the Public Sector Decarbonisation Scheme: The difficulties experienced by local authorities on submitting a bid within the very narrow application window, the request that clarity be provided about how the application window is operated, and the proposal that a different process of application is needed. That a duty of care is needed towards public sector organisations, such as schools, which may have higher heating costs in consequence of the installation of a low carbon heating system, and the proposal that financial support is given to organisations in this situation. That disadvantages have been caused to some applicants by the tightening of Scheme criteria, the maximum amount of funding that can be provided to save a direct tonne of carbon, and the requirement for more cash. That there are inequalities in the ability of applicants to apply, for example, schools that can draw on in-house professional resource, such as a bursar, have more capacity to make an application.

7. Regional Hub Manager Report

- A written report from MN was provided with the Board papers 06.09.22 in advance of the meeting. MN highlighted the following points:
- **Programme dashboard** – MN encouraged the Board to raise any questions about the GSENZH Programme dashboard supplied with the Board papers 06.09.22. None were raised at the meeting.
- **Home Decarbonisation Skills Training Competition** – The £9.3 million BEIS-funded competition launched 05.09.22 and has a closing date of 05.10.22. The aim of the competition is to increase the number of retrofit professionals available to deliver Government energy-efficiency and low carbon heating schemes. MN urged Board members to use their contacts and networks to encourage any training providers in their area to bid into the competition: <https://www.midlandsnetzerohub.co.uk/national-schemes/retrofit-training/>

ACTION 10. Board members to use their contacts and networks to encourage training providers to bid into the Home Decarbonisation Skills Training competition.

- **GSENZH Retrofit Dynamic Purchasing System (DPS)** – The GSENZH DPS now has 68 installers registered, of which 33 are now contracted. However, supply chain capacity issues are not yet resolved.
- The Board had the following comments and questions on the GSENZH DPS:
- CPCA observed that many installers prefer to focus on urban, high density housing, where it is more profitable, which is also an inequality issue, but there are some installers who could be incentivised to work in rural areas. MN confirmed that GSENZH is aware of this issue.
- **GSENZH Evaluation** - Stakeholder interviews (case studies) are being undertaken and a governance workshop and focus group are planned by ARUP as part of the independent evaluation to examine the Local Energy programme delivery since commencement.
- **Rural Community Energy Fund Evaluation** – A scope to evaluate this programme has been agreed between the five Net Zero Hubs and is to be contracted end October 2022.
- **GSENZH Board Workshop** – MN proposed that an in-person workshop be arranged for November 2022. The agenda would cover strategic priorities, technical consultancy, and governance of programme frameworks. MN suggested that as part of the agenda, the workshop could look at how to broaden project types with strategic interventions and what the Hub can do to progress net zero. MN offered the example of SELEP which is seeking carbon calculation and benchmarking for projects.

BOARD DECISION: The GSENZH Board agreed to meet in-person for a workshop in November 2022 with the agenda to cover strategic priorities, technical consultancy, and the governance of programme frameworks.

ACTION 11. ES to arrange a date in November 2022 for a GSENZH Board workshop, to cover strategic priorities, technical consultancy, and the governance of programme frameworks.

- **Target Operating Model (TOM) and future governance** – MN advised that external resource is needed to develop a Target Operating Model for GSENZH. This is especially important since the governance for the Hub is to be restructured in future (as discussed at the 19.07.22 GSENZH Board meeting) and the operating structure will need to accommodate that. There is also a need ensure staff retention in a competitive market. MN presented a list of activities that are to be undertaken to inform the design of the TOM, and asked Board members for their feedback. The list includes the determination of the GSENZH operating strategy and how to train people and obtain interim resource.

ACTION 12. ES to circulate to the Board a copy the slides outlining the development of the GSENZH Target Operating Model.

- The Board had the following comments and questions on the GSENZH Target Operating Model:
- TVBLEP observed that energy strategies were developed by the Local Enterprise Partnerships at the inception of the Hub and asked whether net zero strategies are a missing element. MN advised that the Local Net Zero Hubs look to the [national Net Zero Strategy](#) and the net zero strategies of local authorities. BEIS has made it clear that it does not want the Hubs to fund the creation of strategies. MN highlighted the availability of the [Climate Action Plans Explorer](#) tool, the searchable database developed by MySociety, which gathers information on every net zero action plan from every UK local authority, so that they can be searched and compared.
- TVBLEP suggested that a link to the energy sector (for example the Ofgem conversations with DNOs) to hydrogen development and to carbon capture and store was needed. MN advised that GSENZH is involved in these aspects and that they would be added to the Board's Forward Plan.

ACTION 13. MN to add an update on GSENZH interaction with Ofgem conversations with DNOs, hydrogen development and carbon capture and store to the GSENZH Board Forward Plan.

- CPCA observed that there was an issue of alignment with national and local net zero targets and asked what the Hub's role was in this regard.
- CPCA also observed that some local authorities are using systems thinking at organisational strategic level and asked how GSENZH is aligning systems, for example, what to do, in what systems, and when. MN asked whether GSENZH would be able to have a conversation with the Cambridge County Council team working on systems thinking. CPCA proposed Tom Barden and Chloe Richard. MN asked CPCA for their opinion on whether a systems approach should be undertaken prior to the development of the TOM. CPCA suggested that a systems approach should be commissioned early on but to proceed with the TOM.

ACTION 14. MN to contact Tom Barden and Chloe Richard at Cambridge County Council for further insight into how systems thinking is being used by the authority.

- CPCA highlighted a piece of research conducted by the University of Cambridge which has considered where local level power can be leveraged to cut carbon. Local authorities have 40% of carbon reduction within their power, related to assets, policy and regulatory mechanisms, which is yet to be deployed. CPCA also highlighted UK100 as a useful sounding board to help establish where net zero delivery could be maximised.
- MN asked the Board whether the list of activities to be undertaken to inform the design of the TOM were sufficient for use as a scope for commissioning a consultant to develop the model. CPCA suggested that social value should be included.

BOARD DECISION: The Board approves the list of activities to be undertaken to inform the design of a Target Operating Model for GSENZH, and their use as the scope for commissioning a consultant to develop the TOM.

8. Forward Plan and Horizon Scanning

- The latest GSENZH Board Forward Plan was provided with the Board papers 06.09.22 in advance of the meeting. MN proposed to the Board, the following new items for the Board's Forward Plan:
 - Green Finance study outputs
 - Further updates on the progress of the Sustainable Warmth programme
 - GSENZH Operating Strategy (for Board meeting 06.12.22)
 - New BEIS-Net Zero Hub MoU, once signed
 - Ofgem and DNO work
- The Board had the following comments and suggestions for the Forward Plan:
- TVBLEP suggested matters related to electric vehicles (EV) to be added.
- CPCA suggested Local Area Energy Planning (LAEP). CPCA observed that many LAEPs have been done and asked how these connect to wider discussions. CPCA observed that DNOs are not doing LAEPs. Energy Systems Catapult has provided guidance and templates for LAEPs, but other more dynamic models are coming forward. A steer would be useful on what's being used and how these might align.

BOARD DECISION: Add Green Finance Study outputs, Sustainable Warmth programme updates, GSENZH Operating Strategy, New BEIS MoU and Ofgem and DNO work, EV matters and LAEP to the GSENZH Board Forward Plan.

ACTION 15. MN to add Green Finance Study outputs, Sustainable Warmth programme updates, GSENZH Operating Strategy, New BEIS MoU and Ofgem and DNO work, EV matters and LAEP to the GSENZH Board Forward Plan.

9. Any Other Business

- CPCA asked whether the GSENZH Board minutes could be distributed more widely. MN advised that minutes are made available on the GSENZH website once they have been agreed by the Board: <https://www.gsenetzerohub.org.uk/about/governance/>
- HertsLEP asked that the Board Papers be circulated a week before the meeting to allow members sufficient time to read them and be fully prepared to participate in discussions. MN confirmed that the Hub would aim to do so.

10. Dates of Future Meetings

BOARD DECISION: The next GSENZH Board meeting, **18 October 2022**, 10:00-12:30, is to take place virtually. Ben Burfoot, TVBLEP, is to chair the meeting.

- Subsequent Board meeting dates are scheduled 10:00-12:30, to take place virtually, on the following dates:
 - 6 December 2022 (chair TBC)
 - 24 January 2023 (Helen Pollock, HertsLEP to chair)

Minutes approved as a true and accurate record by Ben Burfoot – (Reading Borough Council) Berkshire Local Enterprise Partnership.	
SIGNATURE	DATE