

Greater South East Net Zero Hub (GSENZH) Board Meeting - 18 October 2022

This meeting was conducted via online conference.

Attendees

Esther Fadahunsi (Cambridgeshire and Peterborough Combined Authority (CPCA) – Finance Manager for Greater South East Net Zero Hub

Genevieve Dady - Greater South East Net Zero Hub – Supply Chain Engagement Coordinator

Richard Hall (RH) – Greater South East Net Zero Hub - Consultant for Local Authority Delivery Phase 2 and 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)

Arthur Le Geyt (ALG) - South East Midlands LEP (SEMLEP)

Ben Burfoot (BB) - (Reading Borough Council) Thames Valley Berkshire LEP (TVBLEP) - Chair.

IMPORTANT NOTE: This Board meeting was not quorate for decision-making. Therefore, an Extra Board meeting is to be scheduled to complete those agenda items requiring decisions.

Minutes

1. Apologies, Introductions

- The meeting was chaired by Ben Burfoot, TVBLEP.
- Apologies were given by Ed Barlow (Buckinghamshire Council) Buckinghamshire LEP (BucksLEP); Elinor Bendell, Department for Business, Energy, and Industrial Strategy (BEIS); Swapna Uddin, BEIS; Sheryl French (Cambridgeshire County Council) CPCA; Robert Emery, CPCA; Marsha Robert, Coast to Capital LEP; Enterprise M3 LEP; Simon Wyke, Greater London Authority; Chris Starkie, NALEP; Sarah Gilbert (Oxfordshire County Council) OxLEP; Jo Simmons, South East LEP (SELEP)
- MN advised that Swapna Uddin, BEIS, has been seconded to work on the Net Zero Review and that Elinor Bendell, Head of Local Net Zero Programme, BEIS, would attend future Board meetings.
- The meeting welcomed Esther Fadahunsi, CPCA, the new Finance Manager for GSENZH, and Genevieve Dady, GSENZH. Genevieve attended the meeting to support the agenda items relating to the retrofit supply chain and skills needs research.

2. Minutes, Actions and Matters Arising

2.1 Minutes

- The minutes of the previous GSENGH Board meeting 06.09.22 were reviewed and agreed as a true account.

BOARD AGREEMENT: The minutes of the previous GSENGH Board meeting, 06.09.22 are agreed as a true account.

ACTION 1. BB to sign off the minutes of the GSENGH Board meeting 06.09.22 as agreed.

2.2 Actions and Matters Arising

- **Actions from previous Board meetings**

- The following comments and questions were raised by Board members:
- **06/09/2022 A9 – Feedback on the Public Sector Decarbonisation Scheme** - GSENGH to feedback to BEIS about the concerns raised by GSENGH Board members at their 06.09.22 meeting about the Public Sector Decarbonisation Scheme. OxLEP asked whether there was any feedback from BEIS in response to the comments from GSENGH. MN confirmed that GSENGH was continuing to raise issues with BEIS. No policy changes have been advised, however, GSENGH would not hear ahead of any announcements. TVBLEP commented that it would be useful to know about the process for change.
- The following updates were provided by MN:
- **06/09/2022 A3 – Chair for GSENGH Board meetings** – MN thanked those who had volunteered to act as chair for the forthcoming scheduled Board meetings and observed that a volunteer was still needed for the 06.12.22 meeting. SEMLEP agreed to step forward.

ACTION 2. ALG to act as chair for the 06.12.22 GSENGH Board meeting.

- **06/09/2022 A13 – Conversations with DNOs** – GSENGH Board Forward Plan to include an update on GSENGH interaction with Ofgem conversations with DNOs. MN advised that GSENGH and the other Net Zero Hubs were bringing an evidence base together to re-submit to BEIS about delays to connections, lack of availability of connections and high connections costs. The transition from Distribution Network Operators to Distribution System Operators is expected by 2030. The BEIS networks lead is due to meet with Net Zero Hub leads. MN requested that Board members feed in any issues experienced by local authorities in their areas.

ACTION 3. Board members to provide any evidence from local authorities on connection difficulties back to MN.

- **06/09/2022 A14 – Systems Thinking** - GSENGH to contact Cambridge County Council for further insight into how systems thinking is being used by the authority. MN advised that this will be done after the Hub evaluation is complete and at a time close to the Target Operating Model work being done, which is expected to be December 2022.
- Other actions were confirmed as complete or covered within the agenda.

3. Finance

- A report on the GSENGH financial position to 31 August 2022 was provided to the GSENGH Board in advance of the meeting with the Board papers 18.10.22 (page 13-15).
- Esther Fadahunsi, CPCA, the new Finance Manager for GSENGH, who had prepared the report, attended the meeting to present it to the Board and provide clarifications.
- **Revenue Expenditure Budgets 2022/23** - The Board had the following questions and comments:
- HertsLEP expressed a concern about the Revenue Expenditure Budgets 2022/23, that the GSENGH might need to return funds if these were left unspent and asked whether the expected expenditure for Public Sector Decarbonisation could be achieved. MN advised that BEIS had confirmed that all budget profiled into this financial year can be moved into next financial year. Planned recruitment costs account for a considerable proportion of underspend, which are expected to come forward in January 2023, and £600k can be moved

into next financial year along with ringfenced projects. Forecasting will need to be done to set this out. Local Partnerships, which is providing an interim resource, is conducting research into public sector estates in the region. This will inform the GSENGH staff resource for this area of work. The invoicing for Local Partnership will come though this year. There is also a lag in some project expenditure, for example Hounslow 3Ci, due to claims being awaited for work already delivered, rather than being due to outstanding project delivery. BEIS had anticipated that revenue expenditure would be profiled to September 2022, however, it has not been forecast into the next financial year as GSENGH has recently been without a dedicated Finance Manager (pending recruitment to the role) which is now in place. For the next finance report to the Board, all ringfenced projects that are contracted and committed will be removed from the core GSENGH revenue line. At the 24.11.22 GSENGH Board workshop, members will be updated on the financial position, including the technical consultancy that can be deployed in the region.

- TVBLEP commented that it would be helpful to see a detailed breakdown in the report so that it is clear what is due to be billed and therefore already delivered and spent, and what is true underspend. MN advised that the other Net Zero Hubs are profiling two years ahead due to lack of staff. The North West Net Zero Hub has been undertaking research projects or technical consultancy in the interim. TVBLEP asked whether there was value in having staffing as a discussion item at a future GSENGH Board meeting. MN clarified that Local Partnerships has already been commissioned by GSENGH to work on recruitment and to consider how recruitment could be supported by training, so that less-qualified people could be recruited to develop into roles for which otherwise they might not be eligible, and thus increase the number of candidates that can come forward. TVBLEP asked which vacant posts at GSENGH had not been filled. MN advised that the Local Energy Project Manager roles (three posts) are still vacant. NALEP observed that jobs market is very challenging due to competitive salaries, and this is the key issue, rather than the recruitment process.

4. Domestic Energy Efficiency Supply Chain – Market Intelligence

- The meeting was attended by consultants to GSENGH, Sarah Howard, Kmatrix, and William Nicholl, Mace, who provided a presentation on the findings from the market intelligence research on the domestic energy-efficiency supply chain in the region.
- A copy of the slides from the presentation is to be circulated to the Board with the minutes of the meeting.

ACTION 4. ES to circulate with the Board minutes the slides from the Kmatrix/Mace presentation on Domestic Energy Efficiency Supply Chain – Market Intelligence.

- The Board had the following questions and comments on the presentation:
- HertsLEP asked for clarity about the various levels of information into which the findings were organised, and particularly for some clarity about Levels 2 and 3.
- Kmatrix explained that Level 1 was split into four activities: Energy efficiency measures, electricity and heat, making good after works, and advisory/related activities. At Level 2, an activity, for example, energy efficiency, is divided into three types: ventilation and airtightness, energy management and energy-saving lighting. At Level 3, for ventilation and airtightness for example, there are 11 sub-sections, such as roof, floor, external wall insulation, etc. There are activity codes for these, to identify whether they relate to sales or employment. Employment is split into manufacturing, installation, or professional services. Then under manufacturing, what proportion is sales, product design, etc. For solar panels, this is sub-divided into photovoltaic PV and solar thermal. There are values for research and development, sales, manufacturing. Wall insulation research and development does not change. For geothermal, there are lots of research and development variations. Sales values are used as opposed to reported turnover, as the values look at available sales and exports, so this shows the market available for growth.

- TVBLEP asked how it was possible to kick-start the 117% growth mentioned in the presentation. Kmatrix explained that by frontloading with social housing, training providers have a better chance of upskilling, due to certainty of supply. People train on fewer measures and there is a gradual upskilling of the same person. Mace added that the view from Tier 1 contractors was that training providers value a guaranteed supply. Contractors do not want to level-up if work is short term. A big chunk of the market is not installers, it is manufacturers.
- Genevieve Dady, GSENZH, advised that reports from the research are being reviewed and will be available soon.
- HertsLEP suggested that this part of the report is important to show to colleges. Colleges need to know that the horizon is more than five years, so funding needs to be for a longer period. Evidence of this is essential. Kmatrix advised that there is no policy forecast. The findings of the research give the baseline, because policy keeps changing, so it is better not to be reliant on what is happening at the present time.
- OxLEP asked how the project deliverables and the LEP breakdown of data would be used and what the plan is for using it. TVBLEP asked whether LEPs would get the granular data. Kmatrix confirmed that there was a Hub level report with appendices for each LEP report. There is data within the report on Level 2 subsectors. There are Excel spreadsheets behind that, which will be made available for inhouse use. Mace added that the next steps are to produce focus reports to give LEPs direction for the way forward.

5. Domestic Retrofit Skills Assessment

- The meeting was attended by consultants to GSENZH, Rob Hargraves, Energy Systems Catapult, Zoltan Karpathy, Delta-EE, and Peter Griffin of Parity Projects, who provided a presentation on the domestic retrofit skills assessment research, which aims to develop a roadmap that will grow a skilled workforce to decarbonise all homes in the Greater South-East region.
- A copy of the slides from the presentation is to be circulated to the Board with the minutes of the meeting.

ACTION 5. ES to circulate with the Board minutes the slides from the Energy Systems/Delta-EE/Parity Projects presentation on Domestic Retrofit Skills Assessment.

- The Board had the following questions and comments on the presentation:
- TVBLEP asked whether Energy Performance Certificates (EPCs) are the right thing to use as an indicator, as they are aimed at gas and whether that focus would remain, especially if heat pumps take a central role. Energy Systems Catapult advised that the final target is net zero and the interim is EPC. Parity Projects added that the reason EPCs have been chosen is that they are in government policy. They are a milestone and are just fabric measures, and it is necessary to think about the end point. It is difficult to know how EPCs will change in the future.
- TVBLEP asked how the findings would be reported. Energy Systems Catapult advised that there will be a dissemination event in December. How the research findings are communicated is key. There is an aspiration to start a conversation with other regions about what can be shared, to drive up consistency and quality.
- OxLEP asked whether there would be a dissemination event, whether this would be an in-person event and where it would be held. Energy Systems Catapult advised that an online event was planned, but there was an option to do an event in London at the end of November 2022, which they were keen to do.
- HertsLEP asked whether there was a breakdown per LEP of the skills information. Parity Projects advised that the data is from the English Housing Survey and is by region. Pathways modelling covers local authorities, but statistical data does not have that resolution.
- HertsLEP observed that there was a lack of teachers and tutors and asked how their own training could be made certain. HertsLEP also asked what the next steps are and what the focus group feedback was. Energy Systems Catapult explained that colleges have tried to address the issues. Courses tend to get selected at colleges on a business model basis, by

finding out what the local demand is. One college wanted to put a course on, but it was linked to electric boilers. They could not find one for the technology that they wanted. Staff have been offered free training courses but have refused to take them. It is difficult to attract people. Salaries are around £30-40k whereas engineers can earn double the amount. Zoltan Karpathy, Delta-EE confirmed that the desk research and surveys echo this issue. Salary levels are problematic. Trainers go back to manufacturing. Manufacturers do offer training linked to brands, but not qualifications.

- Energy Systems Catapult advised that the team will run a follow-up workshop to look at options, for example, bringing in industry experts, including manufacturers, to provide masterclasses or adapt existing courses.

6. Local Energy Advice Pilot

- Information on the Local Energy Advice Pilot project was provided to the GSENZH Board in advance of the meeting with the Board papers 18.10.22 (page 16-23).
- This BEIS project will trial up to five different face-to-face energy advice services in the Greater South-East region, which are to be located in different areas across the geography. These services will be established through a regional competition run by GSENZH.
- Discussion was invited from the Board on the following GSENZH recommendations concerning the project: 1) To note the codesign approach to the regional Consumer Advice and Information pilot projects. 2) To agree to the setup of a Project Board for the evaluation of bids, project oversight and reporting.
- MN highlighted the following points to the Board:
- The Local Energy Advice Pilot is part of the [Local Area Advice for Home Energy Retrofit](#) initiative from BEIS. This comprises three strands: a phoneline, a website, and a one-to-one service, to give simple, home-energy retrofit advice to consumers.
- The Local Net Zero Hubs have each been provided with an MOU from BEIS to support the development of the one-to-one, in-person, local-energy advice component.
- The project seeks to address different socio-economic needs and different types of areas (rural and urban) and to do this via different providers. It will target both the able-to-pay market and those on lower incomes, especially those who are less likely to go online to seek advice. The aim is to increase consumer confidence. Availability of advisers and training for advisers are key gaps in the retrofit context.
- The BEIS MOU is in two parts: Part 1 is an MOU for mobilisation of the project. Part 2 is an MOU for capital funding of £26 million. This capital funding is still pending approval.
- To start the project, an expression of interest will be launched and an evaluation of bids from providers will take place between now and December 2022. Between January-April 2023, bids will be assessed by a panel managed by BEIS, with the Boards of the Local Net Zero Hubs to be involved and ratify decisions. From April 2023, the local energy advice one-to-one pilot services will start to roll out.
- The Board had the following questions and comments:
- HertsLEP asked whether the energy advice services were aimed at the business or domestic audience. MN clarified that they were aimed at the domestic audience. HertsLEP commented that trainers for advisers were not generally available and asked whether there were sufficient people with the necessary skills to manage the services, given that recruitment is an issue. MN agreed that availability of advisers is an issue, though highlighted that The Retrofit Academy runs a Level 5 advice course. MN advised that there is no mandatory guidance from BEIS on this aspect of the project, however the MOU for GSENZH is awaited and could contain further information. HertsLEP asked that GSENZH give feedback to BEIS that good quality advisors are essential. MN explained that the advice was also about managing consumer expectations and guiding them through the retrofit process, for example pointing out measures that would cause disruption.

ACTION 6. MN to flag to BEIS the feedback from the Board that to have good quality advisors for domestic energy retrofit advisory services is essential.

- TVBLEP asked whether the procurement was expected to result in a single organisation to deliver the services, since this might cause capacity issues for contractors. MN clarified that the Part 1 MOU provided £4 million funding per Hub and that a multiple number of projects, supported by large and small providers, was envisaged to fill the gap in one-to-one service provision. There are many different models already in existence, for example Retrofit Works and Cosy Homes, or the Cleaner Greener Bromley pilot. The BEIS local energy advice pilot will look at different scales, types and areas. TVBLEP asked how many pilots there would be. MN explained that there would be four or five per Hub, depending on the quality of bids received and the steer from the national assessment panel.
- HertsLEP proposed that marketing would be needed. MN clarified that each of the four or five services would cover a small geographical area so marketing would need to be done locally. The services would be spread across the region as far as possible and be in different types of area, for example, rural or urban, and would also cover different socio-economic circumstances.
- TVBLEP asked whether the Board to be established for the project could be linked to the Sustainable Warmth Project Board. MN advised that the role of the Sustainable Warmth Project Board would not be compatible with the Local Energy Advice Pilot project as it related to two capital funds linked to local authorities. The governance and delivery of the Pilot would ideally be supported by those with relevant retrofit experience, for example, the Association for Environmentally Conscious Building (AECB) to help evaluate the bids coming forward and provide expertise to projects in delivery. HertsLEP observed that evaluation would be an integral part of the project and so the Board's role for the Pilot project would be to have oversight and ensure delivery. Local authorities would be keen to promote the pilot services. HertsLEP also raised the issue of having multiple Boards in operation and the challenge of having effective communication between them. MN proposed that while the project would not be relevant for the Sustainable Warmth Project Board, as an alternative, financial decisions could be made through the existing GSENGH Board, which could include advice from technical advisory members. TVBLEP suggested that the technical advisors report to the GSENGH Board so that it can make sensible decisions. HertsLEP agreed and commented that this arrangement would help to keep decision-making joined up.
- MN proposed to redraft the recommendation to the GSENGH Board in consideration of the above discussion. MN also noted that the Board was not quorate, and that this was only a discussion. An extra meeting was required for the Board to make a decision on this item.

BOARD AGREEMENT: That the GSENGH recommendations to the GSENGH Board for the Local Energy Advice Pilot project should be redrafted, and that an extra meeting should be convened for decision-making on this agenda item and any other items requiring a decision.

ACTION 7. MN to redraft the recommendations to the GSENGH Board concerning the Local Energy Advice pilot project, based on the discussion at the GSENGH Board meeting 18.10.22.

ACTION 8. GSENGH Board members to convene for an extra meeting of the Board, date to be arranged, to make a decision on the GSENGH recommendations concerning the Local Energy Advice Pilot.

ACTION 9. ES to arrange an extra meeting for the GSENGH Board for items on the 18.10.22 agenda that require a decision.

ACTION 10. BB to chair the extra meeting for the GSENGH Board for items on the 18.10.22 agenda that require a decision.

7. Regional Hub Manager Report

- A written report from MN on the GSENGH core programme of work was provided in advance of the meeting with the Board papers 18.10.22 (pages 24-43).

- **Home Upgrade Grant Phase 2 (HUG2)** – MN highlighted the following points about this programme, as set out in pages 40-41 of the Board papers 18.10.22.
- HUG2 is a £700 million domestic retrofit challenge fund being run by BEIS and is aimed at off-the-gas-grid homes.
- GSENZH has received an expression of interest from 51 local authorities to bid into the fund on their behalf. GSENZH needs CPCA approval in order bid into the first-stage outline application to the fund, and to do so at the first opportunity, which is 18 November 2022. This timescale would enable GSENZH to keep the Hub’s energy-efficiency team in contract and to take make use of existing procurement arrangements with managing agents. These would lapse if the later application deadline of 27 January 2023 is met instead.
- A discussion was invited from the Board on the following GSENZH recommendations concerning HUG2: 1) To support the proposal for the Greater South East Net Zero Hub to bid into the Home Upgrade Grant Phase 2 challenge fund being run by BEIS. CPCA would act as Lead Authority on behalf of local authorities who have requested to be part of the consortia.
- The Board had the following questions and comments:
- OxLEP commented that they were happy to support the recommendation and asked how duplication is avoided if local authorities want to bid independently. MN advised that there is not much that GSENZH can do to support individual local authorities if they wish to bid independently, as there would be too much work involved and GSENZH needs to prioritise its resources for the consortia bid.
- OxLEP asked whether there was flexibility on procurement for HUG2 delivery. MN advised that GSENZH will consider turnkey provision and maintain the GSENZH DPS. A DPS for professional services and quality assurance is also being considered.
- OxLEP asked what the deadline was for local authorities to join the GSENZH consortia. MN advised that the expression of interest deadline for local authorities was 07.10.22, so the GSENZH bid into the HUG2 fund will be based on that. The Hub needs to go back to local authorities that have submitted an EOI and get a letter of support from them.
- OxLEP asked how many local authorities had submitted an interest and whether any LEP areas were bidding separately to the fund. MN advised that GSENZH was bidding on behalf of those local authorities that lacked capacity to contract with BEIS independently, however, it was not possible in any case for GSENZH to accommodate bids from all 136 local authorities in the region, as such a scale would be akin to a national programme.
- TVBLEP commented that widening the involvement of managing agents would help to avoid a bottleneck in delivery and asked how HUG2 would integrate with Sustainable Warmth and with the managing agents E.ON and City Energy. MN advised that a new framework was needed for turnkey procurement to give additional capacity.

BOARD AGREEMENT: That the decision concerning the GSENZH recommendation to bid into the HUG2 first stage outline application, deadline 18 November 2022, should be made at the GSENZH Board extra meeting (date to be arranged).

ACTION 11. GSENZH Board members to make a decision on the GSENZH recommendation to bid into the HUG2 first stage outline application, deadline 18 November 2022, at an extra meeting of the Board, date to be arranged.

8. Forward Plan and Horizon Scanning

- The latest GSENZH Board Forward Plan was provided with the Board papers 18.10.22 in advance of the meeting.
- An in-person workshop event has now been scheduled for the Board, 24 November 2022, 11:00-14:30, at London Councils, to consider the strategic priorities for GSENZH. MN is to facilitate. Full details of the programme for the workshop will be circulated to the Board nearer the date. This was noted by Board members.

9. Any Other Business

- **Net Zero Review** - MN highlighted the [Net Zero Review Call for evidence](#) which has a 27 October 2022 deadline. GSENZH will submit a response. BEIS is seeking individual responses from local authorities and LEPs, so organisations should write their own response to add weight to the review. MN requested that those that a making a response would copy in GSENZH for information. SEMLEP advised that the LEP is running an event to gather feedback for a response to the call for evidence.
- **GSENZH Governance** - MN observed that the 18.10.22 GSENZH Board has not been quorate for decision-making, that an ongoing lack of representation from some of the LEPs in the region has contributed to the situation and that this presented an issue for GSENZH governance. There is a need to look at how governance is done and to bring in local authorities to enhance representation. MN reminded the Board that consultants are to be commissioned to examine and make recommendations on future governance for GSENZH. TVBLEP commented that they supported this approach.

10. Dates of Future Meetings

BOARD AGREEMENT: An extra GSENZH Board meeting with a quorum of members is to be convened as soon as practicable, date to be arranged. The meeting will make decisions, currently outstanding, on the Local Energy Advice Pilot and HUG2 items from the 18.10.22 agenda. The meeting will 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 (Arthur Le Geyt, SEMLEP to chair)
 - 24 January 2023 (Helen Pollock, HertsLEP to chair)
- The GSENZH Board will convene for an in-person workshop at London Councils, 24 November 2022, 11:00-14:30, to consider the strategic priorities for the Hub.

Minutes approved as a true and accurate record by Ed Barlow – (Buckinghamshire Council) Buckinghamshire Local Enterprise Partnership.	
SIGNATURE	DATE