

## Greater South East Net Zero Hub (GSENZH) Board Meeting - 25 April 2023

Conducted in person at London Councils, Southwark, London SE1 0AL  
and via online conference.

### Attendees

<p><b>Ben Burfoot (BB)</b> - (Reading Borough Council) - Berkshire LEP (Berks LEP) - <b>Chair</b></p> <p><b>Ed Barlow</b> - (Buckinghamshire Council) Buckinghamshire LEP (Bucks LEP)</p> <p><b>Sheryl French (SF)</b> - (Cambridgeshire County Council) - Cambridgeshire and Peterborough Combined Authority (CPCA)</p> <p><b>Esther Fadahunsi (EF)</b> - Cambridgeshire and Peterborough Combined Authority (CPCA) – Finance Manager for Greater South East Net Zero Hub</p> <p><b>Richard Hall (RH)</b> – Consultant for Cambridgeshire and Peterborough Combined Authority (CPCA) / Greater South East Net Zero Hub, Local Authority Delivery Phase 2, Sustainable Warmth and Home Upgrade Grant Phase 2</p> <p><b>Patrick Allcorn</b> - Department for Energy Security and Net Zero (DESNZ)</p> <p><b>Swapna Uddin</b> - Department for Energy Security and Net Zero (DESNZ)</p> <p><b>Simon Wyke</b> - Greater London Authority (GLA)</p>	<p><b>Chris Bailey (CB)</b> - Greater South East Net Zero Hub – Energy Efficiency Programme Manager</p> <p><b>Genevieve Dady (GD)</b> - Greater South East Net Zero Hub – Supply Chain Engagement Officer</p> <p><b>Peter Gudde (PG)</b> - Greater South East Net Zero Hub – Energy Project Manager</p> <p><b>Paul Kemp (PG)</b> - Greater South East Net Zero Hub – Energy Project Manager</p> <p><b>Maxine Narburgh (MN)</b> - Greater South East Net Zero Hub – Regional Hub Manager</p> <p><b>Erica Sutton</b> - Greater South East Net Zero Hub – Hub Support Coordinator</p> <p><b>John Taylor</b> - Greater South East Net Zero Hub – Energy Project Manager</p> <p><b>Vicky Kingston</b> - Local Partnerships</p> <p><b>Rachel Toresen-Owuor</b> - Local Partnerships</p> <p><b>Helen Pollock</b> - Hertfordshire LEP (Herts LEP)</p> <p><b>Sarah Gilbert</b> - (Oxfordshire County Council) Oxfordshire LEP (OxLEP)</p> <p><b>Arthur Le Geyt</b> - South East Midlands LEP (SEMLEP)</p> <p><b>Jo Simmons (JS)</b> - South East LEP (SELEP)</p>
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### Minutes

#### 1. Apologies, Introductions

- The meeting was chaired by Ben Burfoot, Berks LEP.
- Apologies were given by Robert Emery, CPCA; Marsha Robert, Coast to Capital LEP; Chris Burchell, EnterpriseM3 LEP (EM3LEP); Marida Cable-Lewis, EM3LEP; Chris Starkie, New Anglia LEP, and Sally Andreou, Oxfordshire LEP.

## 2. Minutes, Actions and Matters Arising

### 2.1 Minutes

- The minutes of the previous GSENZH Board meeting 07.03.23 were reviewed and agreed as a true account.

**BOARD DECISION:** The minutes of the previous GSENZH Board meeting 07.03.23 are agreed as a true account.

**ACTION 1.** BB, Berks LEP to sign off the minutes of the GSENZH Board meeting 07.03.23 as agreed.

### 2.2 Actions and Matters Arising

- The actions from the previous Board meeting 07.03.23 were confirmed as complete or covered within the agenda, with the following exceptions:
- **Collective statement about the Home Upgrade Grant scheme from the Sustainable Warmth Project Board (about how it will improve through transition from HUG1 to HUG2)** - With reference to Action 2, Maxine Narburgh (MN), Regional Head, GSENZH confirmed that the next meeting of the Sustainable Warmth Project Board, where this matter could be raised, was 28.04.23. However, MN advised that it might be difficult for the local authorities on the Project Board to provide a collective statement on agreed issues, and that a statement from a broader collective might be a better approach, that is via the regional meeting of local authorities to be convened by GSENZH on lessons learned from retrofit schemes and how to inform the way forward.
- **Regional meeting of local authorities and Net Zero Hubs to be convened by GSENZH on lessons learned from the retrofit schemes and how to inform the way forward, with agenda developed by Oxfordshire County Council and GLA** - Actions 3 and 4, which are to develop an agenda for this meeting and to convene it, are to be carried forward. CPCA advised that Jo Dicks of Cambridge City Council would like to be involved in the meeting. CPCA also advised that Nigel Riglar of [ADEPT](#), would be providing feedback on improvements to inform future retrofit schemes at the forthcoming Local Net Zero Forum 04.05.23. MN, GSENZH proposed that a table of retrofit lessons learned, which has been compiled by GSENZ and reviewed by the Sustainable Warmth Project Board, be shared with Nigel Riglar to help inform the feedback to the Local Net Zero Forum.

**ACTION 2.** MN, GSENZH to invite Jo Dicks of Cambridge City Council to the regional retrofit lessons learned meeting, when it is convened.

**ACTION 3.** MN, GSENZH to share the GSENZH table of retrofit lessons learned with SF, who will send it to Nigel Riglar, ADEPT, to inform his feedback on the improvement of retrofit schemes at the Net Zero Forum 04.05.23.

**ACTION 4.** SF, CPCA to send the GSENZH table of retrofit lessons learned to Nigel Riglar, ADEPT to inform his feedback on the improvement of retrofit schemes at the Net Zero Forum 04.05.23

- **What information is needed by the GSENZH Board to share with their stakeholders** – With reference to Action 8, a discussion about this at a future Board meeting is to be carried forward.
- **Update to GSENZH Terms of Reference** – With reference to GSENZH Board meeting 06/12/2022 Action 7, Berks LEP asked what progress has been made with the update to the GSENZH Terms of Reference. MN, GSENZH advised that this was with the legal team at CPCA, for its review and advice. CPCA is developing a Single Assurance Framework, and it is anticipated that it will be approved at the September 2023 CPCA Board. All GSENZH frameworks, need to align with the CPCA Single Assurance Framework, so its approval is awaited. MN, GSENZH also advised that GSENZH has requested that delegation is given at Directorate level within CPCA, to enable a Director to take decisions on the recommendations of the GSENZH Board, rather than these decisions being taken by the CPCA Board, which should help to streamline the GSENZH decision-making process.

**ACTION 5.** MN, GSENZH to make an update to the GSENZH Board Action Log, item 06/12/2022 A7: Request that CPCA look at the governance structure and agreements within the GSEZH Terms of Reference and obtain formal advice on these points.

### 3. Finance

- A report on the GSENZH financial position to 31 March 2023 was presented at the meeting by Esther Fadahunsi (EF), CPCA, Finance Manager for GSENZH, who highlighted the following points:
- EF clarified that the financial year end reporting for GSENZH was still in preparation, so that the figures presented to the Board will need to be updated when it is completed.
- **Revenue Expenditure –**
- COP26 budget is fully spent and now closed.
- Public Sector Decarbonisation had a budget of £1.15 million, with a £0.156 million spend and an estimated £0.994 underspend. The underspend is due to the delay in the recruitment of staff.
- RCEF had a budget of £1.974 million, with £1.642 spent, and an underspend of £0.332. This is subject to change, pending completion of the year end process.
- Net Zero Investment Design had a budget of £1.5 million, with £0.873 million spent, however, the budget will be fully spent this year.
- Local Authority Delivery Phase 3 (LAD3) has been extended to September 2023. It had a budget of £5.95 million, with a £3 million spend, though there will be reprofile of the remainder into the next year.
- Home Upgrade Grant Phase 1 (HUG1) has not had a time extension. The budget is £1.295 million, with a spend of £1.1 million. This is subject to change pending completion of year end.
- Home Upgrade Grant Phase 2 (HUG2) had a £0.892 mobilisation budget which has a £12k underspend only.
- The Board had no questions or comments about the revenue expenditure.
- **Capital Expenditure –**
- Local Authority Delivery Phase 3 (LAD3) has been extended to September 2023. It had a budget of £33.676 million, with a £20.449 million spend, though there will be reprofile of the remainder into the next year.
- Home Upgrade Grant Phase 1 has not had a time extension. The budget is £6.194million, with a spend of £3.234 million. As part of the Return of Unspent Grant Funding letter and the Managed Closure Recovery Plan, it is anticipated that the total budget for both capital and revenue will be £7.485 million, leaving an anticipated overall underspend of £8.658 million of which £6.929 million (80%) is due to be returned to DESNZ by 31.05.23 and the remaining following a full spend analysis and internal audit will be due as final return to DESNZ. This is subject to change pending completion of year end, with some spend still expected for the project: invoices are to be submitted for payments and payment is to be made for all measures with an allocated TrustMark lodgement.
- The Board had the following questions and comments about the capital expenditure:
- Berks LEP asked what would happen to the underspend amounts where there are areas of underspend. MN, GSENZH advised that HUG1 funding will be returned to DESNZ as it cannot be moved into LAD3 due to HM Treasury rules. GSENZH did ask for extra funding for LAD3 in January 2023, however, it has only recently been confirmed, 17.04.23, that it is being made available. This is too late in practice, as referrals have already had to be closed, and retrofit coordinators need to be deployed to support the closure of the HUG1 scheme. Berks LEP commented that feedback should be given to DESNZ about the effects of the stop-start approach of government retrofit funding. Berks LEP asked how the RCEF underspend would be used. MN confirmed that the funding will all be spent on RCEF projects that have extensions to their feasibility or development work.

**ACTION 6.** EF, CPCA to circulate to the GSENZH Board, a copy of the GSENZH Finance Report to 31 March 2023.

## 5. Ofgem Consultation – Future of Local Energy Institutions and Governance

- A presentation was provided by Peter Gudde (PG) Energy Project Manager, Greater South East Net Zero Hub on the [Ofgem consultation: Future of local energy institutions and governance](#) for the information of the GSENZH Board.

**ACTION 9.** PG to provide to GSENZH Board members a copy of the presentation slides used for the briefing on the Ofgem consultation: Future of Local Energy Systems and Governance.

- PG, GSENZH emphasised the importance of the consultation, since currently local authorities are not involved in the design or operation of the network, but they and their local area are impacted by it.
- The consultation runs until 10 May 2023. GSENZH is preparing a response. GSENZH also responded previously to a call for evidence by Ofgem in May 2022 and ran a stakeholder workshop to gather views. A key point from this was the varied level of engagement and understanding that local authorities have with the network operators and other actors. There is some engagement through spatial planning, and some local authorities have a strategic relationship with their DNO. However, local authorities and the Net Zero Hubs are less engaged with Ofgem as the regulator and this needs to be improved.
- The consultation is an important opportunity for the public sector to get a stake in the energy system change, and to be part of a relationship with Ofgem, DNOs and system operators, concerning energy system planning and the flexibility of the system. The public sector interacts with others that play a part in the flexibility of the network and are impacted by a lack of flexibility. Without reform to the electricity system, markets and the grid will become an obstacle rather than an enabler to net zero.
- GSENZH has sent out an email about the consultation to the local authorities in the region and is talking to the other Net Zero Hubs. GSENZH is happy to hear comments back from them. The consultation covers three key areas:
- **1. Energy system planning** – A need for change has been identified via the Ofgem call for input. Local authorities are not commonly engaging with network operators. Ofgem has proposed a *Regional System Planner*. This would be a single accountable body responsible for engaging with stakeholders and developing and owning the plan for a region. The scale of the region is something to be determined via the consultation. It is not clear to whom this body would be accountable, whether to Ofgem, or to those operating in the local area, etc. This plan should be the starting point for investment planning decisions. This investment is specifically system investment, however, interaction with others who are investing in the local area/energy system also needs to be recognised, so that all are working to a common understanding, and so that there is no duplication or unintended consequence of investment. The regional system planner would also need to understand the different contexts of stakeholders in the regional area. There is a relationship between energy system planning and local area energy planning.
- Energy Systems Catapult has proposed that there should be two-way engagement between the Regional System Planner and the DNOs, and two-way engagement between the Regional System Planner and local authorities. The regional system planner has a facilitator role and is a 'branch' of the Future System Operator, which has a national role.
- **2. Flexibility and management of the market mechanism** – This aspect of the consultation is about balancing the grid and using local generation and demand to do that. It also aims to avoid unnecessary investment. Currently, the market mechanism for flexibility is not formally regulated and the process varies. There is a lack of accountability and inconsistency between markets. Piclo Flex is an example of one market trading process, but it is difficult for smaller, less traditional generators to join it, due to its scale and complexity. A *Market Facilitator* is proposed so that markets can trade in a fair, open, and effective way, so flexibility can be managed at regional level.

- **3. Real time operation of the regional system** – There is a need for progression rather than change. It is about the development of DNOs to be more active network system operators. This is a less relevant area for input to the consultation by local authorities.
- The Board had the following questions and comments about the Ofgem consultation:
- Berks LEP commented that due attention was needed to the consultation but proposed that given the complexity of the matter, a separate session on it would be helpful. MN, GSENZH advised that the consultation submission deadline is too close, 10.05.23, for a separate session. However, there are post-consultation workshops planned by Ofgem for local authorities (dates to be advised). MN proposed that the GSENZH response to the consultation be shared and comments from the Board be taken on that. PG, GSENZH also encouraged Board members to send in their own response.
- OxLEP asked whether GSENZH could share its written draft response with the GSENZH Board members. PG, GSENZH confirmed that a draft could be provided 28.04.23, prior to submission to Ofgem, however this would not be a quality-checked version.

**ACTION 10.** PG to send to GSENZH Board members the draft GSENZH response to the Ofgem consultation: Future of local energy institutions and governance.

- CPCA asked how the regional system planners would be funded and whether this would be the same way as the DNOs, via the submission of plans, via the regulator and from tax. PG suggested that some elements would be funded through distribution system user charges or other standard user charges. The process will fit into the Future System Operator model and start up alongside RIIO-3. Patrick Allcorn (PA) Head of Local Net Zero, Department for Energy Security and Net Zero advised that under RIIO-2, there is a proportion of money for strategic enhancements and net zero funding that is under a re-opening opportunity. Ofgem wants to link the re-opening process and strategic need to a new planning mechanism. Factors such as hydrogen, heat pumps and EVs will change demand over time and place and this needs to be understood. There is no way for Ofgem to prioritise other than by what DNOs tell them. Local authorities need to have more input where they have strategic plans. Currently either the DNO or the first comer provides funding for upgrades. This needs to be changed and an alternative found. For example, a £30 million development with a £40 million connection cost is not viable, and in Ebbsfleet the local authority owns the substation. Development is taking place by chance rather than strategy. PG, GSENZH commented that the issue of who pays for funding of local area energy planning has been pushed to one side by the consultation. CPCA commented that where you have significant retrofit, who pays for the upgrade is the difficult question, which it would be helpful to resolve. Berks LEP commented that Reading Borough Council has just experienced an issue where a developer could not meet local plan requirements due to a DNO cap on connections.
- NALEP asked what the links are to the Local Industrial Decarbonisation Plans competition and what the cross-over is with the consultation and with infrastructure investment projects. PA, DESNZ commented that there are lots of plans being put in place. The benefit of local area energy planning is that it can bring plans together with agreed data. It is transparent, everyone makes decisions using the same data and everyone has the same plan. How to pull the data together needs further work. Everyone needs to do their own segment, such as the Local Industrial Decarbonisation Plans, as there is no overarching process yet. Local area energy plans are a good idea, but are static documents, costly to produce and go out of date quickly. Connected Places Catapult has done work on digital processes and twins. Digitalised information is quick to update and can be built in real time rather than based on plans with different dates. Data is not being used effectively. PG commented that the Local Industrial Decarbonisation Plans competition focuses on dispersed clusters to cover areas where there is no activity currently. The Greater South East region has an opportunity to benefit from this competition.
- NALEP asked what the timing is for local area energy planning. PG, GSENZH advised that it is not a mandated activity. PA, DESNZ advised that UK Research and Innovation has

commissioned a study by Regen to conclude the Prospering from the Energy Revolution programme. This study, which is due to be published shortly, will act as a review point to look at methods and data to see what can be done with local area energy planning. The requirement for local authorities to produce a local area energy plan was withdrawn from the Energy Bill. Spatial planning should not sit with DNOs, but with local authorities, as it is broader than just energy. However local authorities would need the capability and capacity to do it.

- Berks LEP asked how local area energy planning sits alongside the consultation. Berks LEP highlighted that some commonality is needed and asked how that to reflect this to Ofgem.
- PG, GSEZNH proposed to reflect the fact that local area energy planning is being recognised by local authorities and should be taken on board by regional system planners. The plans need to interact, be compatible with regional and national plans, and there needs to be mechanism for that.
- Berks LEP commented that their DNO had asked Reading Borough Council to support its RIIO-2 bid, but there is a conflict between local authorities, DNOs and Ofgem, which needs to be corrected. PA, GSEZNH commented that there is a need for local area energy plans to be standardised to feed into the system effectively. For example, what is a region or geography. There are different ideas between DNOs and local authorities. Political and energy regions do not align, so how do you align them. There is conflict and someone needs to understand how this works. PG, GSEZNH confirmed that these issues are referenced in the GSEZNH consultation response.
- PG, GSEZNH then highlighted that the GSEZNH response proposes that the system should support the customer and not the other way round, and asks how that is addressed, and who determines the system rules.

**ACTION 11.** GSEZNH Board members to send Peter Gudde, GSEZNH any comments for the GSEZNH response to the Ofgem consultation: Future of local energy institutions and governance. It is proposed that Board members provide practical examples and especially those about the problems they face.

- PA, DESNZ commented that consumers are supplying as well as taking from the grid, which impacts on the need for upgrades. In terms of aggregation and opportunity to save money on investment, there is a choice of single large-scale transmission grid feeder systems and multiple small feeder systems. Ofgem will prefer to go for the single feeder system, although it does not save as much money as the smaller feeder systems and does not meet the needs of supply to rural areas.
- OxLEP asked whether, given the uncertainty of local area energy planning and the need for a standardised approach, whether there is a need to discuss how GSEZNH Board members in the region are proceeding. It would be good to pool ideas and not close doors. PG, GSEZNH advised that the Net Zero Hubs have a cross-Hub planning group of which GSEZNH is chair. The ambition is to broaden the scope of the group, beyond spatial planning and net zero housing policy, to include broader planning such as local area energy planning. This would include an inventory activity to support local authorities, so that an action learning group can be created. The Energy Systems Catapult approach will not suit all local authorities and local area energy planning is not on the radar of some.
- Berks LEP as chair thanked Peter Gudde, GSEZNH for his work on the Ofgem consultation response.

## 6. Regional Hub Manager Report

- In consideration of the limited time available at the meeting for regular business, a brief update was provided to the GSEZNH Board by MN, GSEZNH on two significant areas of current activity:
- **GSEZNH Recruitment** – The first phase of the GSEZNH recruitment campaign will roll out 02.05.23 – 21.05.23. GSEZNH Board representatives are needed for interview and

stakeholder panels which will be both in person and online. Stakeholder panels will be required for the senior roles.

**ACTION 12.** MN, GSENGH to send GSENGH Board members the details of the recruitment panels.

**ACTION 13.** GSENGH Board members to advise Maxine Narburgh, GSENGH if they can volunteer for the GSENGH recruitment panels when further information about them is circulated.

- **Local Energy Advice Demonstrator (LEAD) Competition** – GSENGH has received 19 applications to the competition, with a total of £11.9 million funding applied from a funding pot of £4 million. Assessment of the applications is underway and will be completed by 28.04.23. The GSENGH Board Panel will convene 03.05.23 to consider the recommendations of the assessment process.

## 7. Forward Plan and Horizon Scanning

- As noted earlier in the meeting, it has already been agreed that a discussion about what information is needed by the GSENGH Board to share with their stakeholders is to take place at a future GSENGH Board meeting.

## 8. Any Other Business

- There was no other business raised.

## 9. Strategy

### i) Strategic Objectives, DESNZ

- Patrick Allcorn (PA), Head of Local Net Zero, Department for Energy Security and Net Zero, provided a perspective to Board members on the strategic objectives of the Net Zero Hubs:
- DESNZ is thinking about governance, outputs, and priorities for the Net Zero Hubs. The MOU has five key strategic objectives, but it is not possible to deliver all of these across the region with the funding provided, so there are trade-offs and decisions to be made. Consideration needs to be given to the structure needed to enable the Net Zero Hubs to function effectively, both for delivery of its core purpose and the additional programmes it is required to deliver, such as the Home Upgrade Grant.
- The Rural Community Energy Fund has concluded, so we are building partnerships between local authorities and communities to enable access to the Levelling Up funds.
- For the core work to support local authorities with their net zero ambitions, what capacity should be provided at Net Zero Hub level for a combined or shared resource, for example, for the development of local area energy planning.
- The Office for Local Government is considering what metrics local authorities should use to report on net zero going forward. There is growing interest in the work of local authorities.
- How do we decide what the Net Zero Hubs should prioritise and focus their work on, and how do we best support them to do that? Where do the Net Zero Hubs want the emphasis to be?
- Knowledge transfer is important for capacity building. How do we learn from other authorities, so that we avoid reinventing the wheel and duplicating effort? What capability and capacity do local authorities in the South East need to deliver net zero, and where is training best targeted. What is the role of the Net Zero Hubs to convene training and share best practice? This might be national training, or local peer-to-peer learning. What does the Net Zero Hub want its role to be, what are its strengths, what is needed from DESNZ to deliver that?
- The Board and meeting guests had the following questions and comments for Patrick Allcorn, DESNZ, in response to the views expressed:
- Vicky Kingston (VK) Senior Strategy Director for Climate, Local Partnerships, commented that regarding the disconnect between the ambitions of local authorities and DESNZ, has any research been done to identify the gap? PA, DESNZ advised that there is a perception about a gap in net zero targets, as some local authorities have earlier targets than the 2050 national target. However, the reality is that the gap is not big. The things local authorities control like buildings and transport are the things that need to happen earlier. These need to be closer to 100% by 2035, as areas like agriculture, shipping and aviation will be more difficult to achieve. The next parliamentary Budget will provide for £6 billion for domestic retrofit and

heat. London alone will need £94 billion. There is a disconnect between need and money available to meet targets. Competitions are disliked but there is not enough money to go around. Even with a devolved model for domestic retrofit allocation there will still be winners and losers, or there will be too little money apportioned for it to be an effective amount. And who will be accountable to parliament, will it be the local authority or the Department? Will the local authority responsibility include the fuel poverty targets for which the Department is currently responsible? The perception is different, but what local authority and government is trying to achieve is the same.

- Berks LEP commented that GSENZH offers opportunities for strategic resource to help local authorities. We need all local authority staff to be involved in the net zero challenge. There is ambition to be ahead of net zero targets, but there is no clear, coherent pathway. Clarity is needed, for example, there is a need for heat pumps to be installed and to use the Green Book, but there is no requirement. Tools need to be standard in local authority delivery, otherwise officers are left trying to justify the cost. It needs to be normal and consistent practice. Consistent programmes are important and should not be done on a stop-start, first to apply basis. Where can GSENZH add value, to get a standard way forward for local authorities and to get a consistent approach from DESNZ programmes.
- PA, DESNZ commented on the need for balance between provision of technical people, and provision of standardised tools or documents such as [SCATTER](#) and [Carbon Literacy](#) and the fact that these are different staff skill sets. Local authorities vary enormously as their needs are very different and there are 136 in the South East. PA, DESNZ asked whether we should help those that are doing well or those that have made little advance. Currently we are helping all and that is a decision based on fairness, but it is not a strategically-informed rationale.
- Bucks LEP commented that the variation between the advancement of different local authorities towards net zero will not be addressed unless a duty is placed on local authorities. A key consideration is how GSENZH gets input from all local authorities. To an extent there is a closed shop, as around seventy local authorities never get involved. Other authorities have been through their challenges before and the less-advanced can benefit from this experience. There is a pivot towards standardisation, however, the concern is that until there is a requirement, it is always going to be the same local authorities that are using these tools.
- VK, Local Partnerships commented that the GSENZH Needs Assessment undertaken by Local Partnerships, has revealed that there is a huge amount to be done in the most basic projects, like LEDs and insulation. Proactive support to those doing least, to start them on their net zero journey is likely to bring the greatest impact, as these local authorities will then continue to go forward. VK, Local Partnerships urged that the way forward should be informed by data, i.e., the progress and impact of GSENZH. The Needs Assessment findings are reflected in the GSENZH resourcing strategy. For example, what is needed in the Greater South East, rather than specialists in heat networks, is guidance for local authorities about the internal process for getting commitment to such projects, and how to demonstrate the financial and social returns.
- MN, GSENZH confirmed that the GSENZH Needs Assessment research identified priority sectors for public sector decarbonisation, types of measures and the level of investment. Similar work has been done for domestic retrofit. Alongside this, a skills assessment has been done. This has helped GSENZH to identify priorities such as region-wide training infrastructure. We can also research the investment opportunity to help achieve our 6:1 objective<sup>1</sup>. We need to balance the need, the acceleration and the learning and blend them together to provide a service offer.

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<sup>1</sup> A key output required by the DESNZ-GSENZH MOU is the leverage of a pipeline of 'investment ready' low carbon projects supporting local and national priorities with a minimum target of 6:1 across the programme.



- Bucks LEP asked Board members about the existing energy strategies for the region, which are now dated, and whether there is appetite among LEPs to produce net zero strategies to replace them.
- SEMLEP agreed and commented that the LEP would like to produce something new, however the consideration is the limited budget for LEPs to be able to do it. The other issue is local area energy planning, as the LEP does not want to produce anything that might not interact suitably or undermine other efforts. In addition, the Ox-Cam Climate Partnership is working on an energy and water strategy, which is at an early stage.
- OxLEP agreed that new strategies are needed and that considerably more collaboration and resource is now needed to produce something fit for purpose.
- NALEP commented that, regarding energy strategies, in Norfolk and Suffolk, LEP functions will be transferred to local authorities, 1 March 2024. Economic strategy will be one of the functions and net zero and clean growth are a major part of that. LEPs have approached strategy from an industry perspective. We must remember industry, the need for join-up and for that to remain part of the conversation. Join-up on the many plans and strategies is needed. Roles and responsibilities of the different groups need to be clear. For example, how do local climate change partnerships feed in and how does it all fit together?
- SELEP commented that the idea behind the GSENZH engagement strategy is to understand the different stakeholder groups. Regarding the refresh of the LEP energy strategies, the time is not right. The LEPS are at different stages of integration and in a state of change. Local authorities are taking on the functions of LEPs, so for LEPs to write a strategy that includes local authorities is not the right approach. Energy strategies did a good job at the time to bring in everyone on the decarbonisation journey. It is now about keeping and nurturing the local authorities that were brought on board. There will be buy-in to county-level net zero strategies, so it is about providing resources to local authorities to enable them to take the next step on their net zero strategies.

**ii) Local Partnerships – Governance, policy/strategy landscape review**

- MN, GSENZH requested that the Board members help to inform the Local Partnership work. GSENZH wants to understand what the local priorities are and where they meet the national ambition and where the gaps are. The stakeholder mapping and sub-board representatives identified will give a say to what GSENZH does and how, so that its work reflects local needs and strategic objectives.
- Vicky Kingston, Local Partnerships provided the following overview of their work for GSENZH to this end:
  1. Stakeholder and policy /strategy mapping as a desktop review, hold stakeholder interviews, including interviews with staff and with the GSNZH Board, and workshops, to get knowledge of local areas and work out common themes across the region to prioritise support. A report will be produced to identify stakeholder groupings, key strategies and plans and identify commonalities.
  2. Review and development of GSENZH Board governance to build on the Arup GSENZH evaluation report recommendations. This includes GSENZH structure, and Terms of Reference, understanding how options for a main Board and sub-boards will work in practice and their terms of reference, the transition of governance arrangements, and membership.
  3. Review of projects assessment frameworks, i.e., how can we assess projects and their suitability. How can GSENZH be most effective and achieve the 6:1 ratio. A scoring mechanism to support and streamline this process.
  4. Operational strategy development. Support GSENZH to provide recommendations to enhance the offer.
  5. Ad hoc support for public sector building decarbonisation work, such as project management support. Bolster existing Energy Project Manager capacity and maximise drawdown of the respective proportion of funding for the Greater South East region.

- VK, Local Partnerships, invited GSNEZH Board members to get in touch to give their feedback on the above, and particularly to inform the stakeholder and policy mapping.
- Genevieve Dady, Supply Chain Engagement Officer, Greater South East Net Zero Hub asked whether Local Partnerships wants to be invited sit in on key meetings such as regional steering group meetings to expedite the intelligence gathering. VK, Local Partnerships confirmed this would be welcome.

**ACTION 14.** GSENGH Board members to get in touch with Vicky Kingston, Local Partnerships [Vicky.Kingston@localpartnerships.gov.uk](mailto:Vicky.Kingston@localpartnerships.gov.uk) with any input to their work for GSENGH, particularly to inform the stakeholder and policy mapping and specifically what organisations GSENGH should engage with, including any key group meetings they could attend.

- OxLEP asked about the 6:1 ratio required of GSENGH and whether that would be a key driver to inform how to target GSENGH resources. MN, GSENGH advised that the 6:1 ratio is likely be met by a small number of interventions in relation to projects looking for commercial investment that GSENGH can support, and there are many other Key Performance Indicators (KPIs) in the MOU that need to be met. Municipal bonds are an opportunity for finance. Community energy projects have already done share offers. The GSENGH KPI is how to scale this. The 6:1 ratio equates to £6-7 million per annum, which is achievable. GSENGH is allowed to work with the private sector if a local authority is working with them and GSENGH supports the local authority. PA, DESNZ, confirmed that 6:1 could be met by one single big project and should not be a challenge. The key consideration would be what the barrier is to such a project. Scale, i.e., where you can bring a range of project types together, is the big challenge. The [3Ci](#) project works to aggregate projects and bring in commercial partners. The 6:1 ratio is a local growth fund measure. We want to show that the projects are as commercially attractive. The leverage is a policy guideline and what HM Treasury use to sign off spending on a growth basis. Local authority investment can be for commercial outcomes, if it is for its own benefit, and it still counts as leverage.
- Berks LEP asked, with reference to the Board's input to Local Partnerships, what other key questions should be addressed at the meeting. MN, GSENGH, confirmed that it would be useful to have information about what key groups GSENGH should engage with. VK, Local Partnerships, asked the Board to include any groups that were difficult to engage.
- Berks LEP proposed the Climate Change Partnerships for Reading and for Berkshire. Berks LEP also advised that representation from the community, industry and academia should be included.
- Local Partnerships asked whether such groups would find it difficult to identify one representative only for Board membership. Berks LEP suggested that the chair of such groups be invited.
- SEMLEP proposed that its Energy Stakeholders Group (local authorities, DNO, private sector), its Net Zero Review Stakeholder Group (mainly private sector and some local authority) and that the SEMLEP Universities Group be involved for innovation.
- OxLEP suggested the Ox-Camb Arc Universities Group, the [University of Oxford Environmental Change Institute](#), and the [Centre for Research into Energy Demands \(CREDS\)](#).
- OxLEP asked how Local Partnerships wanted the engagement to be fed through and what level of engagement was required. Local Partnerships advised that their immediate objective was to map stakeholders and understand their role, therefore information was needed rather than engagement. The engagement would then be with the individual who Local Partnerships approach for representation.
- Herts LEP referred to the comments made by PA, GSENGH about strategic resources and the balance between provision of knowledgeable people versus technical information. Herts LEP commented that this needs to be linked to GSENGH objectives. There are two levels of

objectives: firstly, standardisation, for example getting retrofit training aligned to enable delivery of retrofit, secondly, enabling future innovation through technical support for projects.

- PA, DESNZ highlighted that while the core funding for GSENZH is put in place, if critical strategic resources are required in the Greater South East, and these can be developed as open source resources that could be delivered more widely, to inform DESNZ via MN, GSENZH, as DESNZ could provide funding this year for that purpose. We are aware of duplication of work among local authorities, so if a central resource can be created whether digital, procurement or legal, etc., let us know how we can help you to help everyone else.
- CPCA observed that UKPN has procured Advanced Infrastructure (AI) to deliver a dynamic digital platform called [CLEO](#) to inform a dynamic local area energy plan. AI also did the [Project LEO](#) platform, so the hope is that there is going to be alignment and consistency with that. This platform will inform the strategic network planning to deliver net zero.
- PA observed that procurement is inefficient for local authorities for net zero and could be provided as a central resource via GSENZH.
- MN, GSENZH observed that the development of a framework for digital services was something being considered by GSENZH.
- MN, GSENZH asked for clarity on the timescale for the development of a strategic resource proposal. PA, DESNZ advised that a full business case is not needed. A proposal can be included in outline with a value and the detail then worked out afterwards.

**ACTION 15.** Maxine Narburgh, GSENZH, Sarah Gilbert, Oxfordshire County Council, Ben Burfoot, Berks LEP and Sheryl French, CPCA, to have conversation as soon as possible about how to take forward the development of a strategic resource proposal (digital, procurement or legal for example).

- Berks LEP observed that the GLA-Local Partnerships [Re:fit](#) programme is coming to an end and is something that has worked well. VK, Local Partnerships confirmed that the programme is finishing in April 2024 and there is an opportunity to provide feed-in now to help shape a successor programme.
- John Taylor, GSENZH commented that Coast to Capital LEP and the Greater Brighton City Region should be added to the stakeholder list being developed by Local Partnerships.
- VK, Local Partnerships commented that the Arup GSENZH evaluation mentioned a GSENZH governance working group, with five member attendees and asked whether any recommendations or minutes were available. MN, GSENZH clarified that that this group was a subset of the GSENZH Board and that it was a one-off session. Sheryl French, CPCA and Jo Simmons SELEP have volunteered to act as a sounding board for the development of the GSENZH Terms of Reference.
- Berks LEP asked what the next steps were for GSENZH development. MN, GSENZH advised that the desk-based review of stakeholder and policy mapping being done by Local Partnerships will feed into the Operating Strategy. There is also the recruitment drive and framework for specialist consultants to increase capacity of the GSENZH team to deliver its core and programmes of work. Feedback from GSENZH Board members on the operating strategy and logic model would be very welcome.

**ACTION 16.** Board members to provide MN, GSENZH with feedback on the GSENZH operating strategy and logic model.

- Berks LEP suggested that it would be useful for local authorities to understand how they fit into the future energy system landscape. A standard way forward would be helpful. MN, GSENZH advised that Oxford is the only digitised local area energy plan. Peterborough has also produced a local area energy plan. There are different types of specification. The critical point is that the different types of planning, spatial, energy, etc. need to be brought together, and it needs to be digitised so that it stays in date. There would be a need to identify what the local area energy plan requirement is and whether GSENZH can provide standard

procurement for it. Paul Kemp, GSENGH advised that the cost of producing a local area energy plan is a barrier for many local authorities, so replication would be helpful.

- VK, Local Partnerships observed that Energy Systems Catapult (ESC) has a programme and want to upscale it and suggested that ESC could be approached to explore whether a licencing and training replicable model could be agreed. ESC does not have the capacity to work with every local authority. PA commented that Energy Systems Catapult model, is not available to the customer, so it needs payment. Project LEO has opened a data platform with live links, which has a better model. Local net zero transition pathways are needed, with no regrets about decisions, for example the inclusion of hydrogen. Local area energy planning has no single definition. It needs to be about more than 'energy' and it should not be 'a plan'.
- Berks LEP as chair, concluded the meeting, and thanked Maxine Narburgh, Regional Head, GSENGH for her leadership and for making space to plan the way forward for GSENGH among all the other demands of the GSENGH core work and programmes.

## 10. Dates of Future Meetings

**BOARD DECISION:** An extra GSENGH Board meeting will take place virtually, 3 May 2023, 15:00-17:00, as the assessment panel for the Local Energy Advice Demonstrator competition. The next regular GSENGH Board meeting is scheduled for 6 June 2023, 10:00-12:30. The meeting is to take place virtually. The meeting chair is to be confirmed.

- Subsequent Board meeting dates are scheduled 10:00-12:30, to take place virtually, on the following dates:
  - 18 July 2023 (meeting chair to be confirmed)
  - 5 September 2023 (meeting chair to be confirmed)
  - 17 October 2023 (meeting chair to be confirmed)
  - 5 December 2023 (meeting chair to be confirmed)
  - 23 January 2024 (meeting chair to be confirmed)