



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 5.7

Greater South East Net Zero Hub Local Energy Advice Demonstrator Projects

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 22 March 2023

Public report: Yes

Lead Member: Councillor Bridget Smith, Lead Member for Environment and Climate Change

From: Maxine Narburgh, Regional Head Greater South East Energy Hub

Key decision: Yes

Forward Plan ref: KD2023/012 [General Exception]

Recommendations: The Combined Authority Board is recommended to:

- a) Agree the acceptance of the Department for Energy Security & Net Zero, Local Energy Advice Demonstrators (LEAD) Projects MoU 2022 to 2025.
- b) Delegate authority to the Director of Place and Connectivity in consultation with the Chief Finance Officer and Monitoring Officer to finalise the details of the LEAD MoU and to enter into the LEAD MoU.
- c) Delegate authority to the Director of Place and Connectivity, upon the recommendation of the Hub Board, to approve the award of grants for the LEAD project where the decisions do not impact the Combined Authority budget or staffing arrangements and to execute the corresponding grant agreements. Such approvals or decisions to be reported to the next meeting of the Combined Authority Board on the exercise of that delegation.

- d) Delegate authority to the Director of Place and Connectivity, in consultation with the Chief Finance Officer, to approve the budgets corresponding to the LEAD MoU.
- e) Agree the variation to the Net Zero Memorandum of Understanding (MoU) to incorporate the additional strategic projects and funding detailed in paragraph 2.12 of this report.
- f) Delegate authority to the Director of Place and Connectivity in consultation with the Chief Finance Officer and Monitoring Officer to finalise and execute the variation of the Net Zero MoU.
- g) Delegate authority to the Director of Place and Connectivity, upon the recommendation of the Hub Board, to approve the award of grants, contracts and agreements arising out of the Net Zero MoU where the decisions do not impact the Combined Authority budget or staffing arrangements and to execute the corresponding grants, contracts and agreements. Such approvals or decisions to be reported to the next meeting of the Combined Authority Board on the exercise of that delegation.
- h) Approve the establishment of a Retrofit project board, based on the terms of reference and governance framework for the Sustainable Warmth project board and delegate authority to the Director of Place & Connectivity, in consultation with the Lead Member for the Environment and Climate Change, Chief Finance Officer and Monitoring Officer, to agree the specific terms of reference and governance framework.

Voting arrangements: A simple majority of Members present and voting,

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 To agree acceptance of the Local Energy Advice Demonstrator MoU and delegate authority to the Director of Place & Connectivity, upon the recommendations of the Hub Board to approve the award of grants and approve budgets. In particular:
 - a. To agree the acceptance of the DESNZ Local Energy Advice Demonstrator Projects Memorandum of Understanding (MoU) 2022-2025.
 - b. Delegate authority to the Director of Place and Connectivity, in consultation with the Chief Finance Officer & Monitoring Officer to finalise the details and sign the MoU.
 - c. Delegate authority to the Director of Place and Connectivity, upon the recommendation of the Hub Board, to approve the award of grants for the LEAD project where the decisions do not impact the Combined Authority budget or staffing arrangements and to execute the corresponding grant agreements. Such approvals or decisions to be reported to the next meeting of the Combined Authority Board on the exercise of that delegation.
 - d. Delegate authority to the Director of Place and Connectivity in consultation with the Chief Finance Officer to approve the budgets for the LEAD MoU.
 - e. Delegate authority to the Director of Place and Connectivity in consultation with the Chief Finance Officer and Monitoring Officer, to enter into agreements and approve the budgets corresponding to the LEAD MoU.
- 1.2 To agree the variation to the Net Zero MoU 2022-2025 to incorporate five strategic projects with a value of £270,000. In particular:
 - a) Delegate authority to the Director of Place & Connectivity in consultation with the Chief Finance Officer and Monitoring Officer to finalise and execute the variation of the Net Zero MoU.
 - b) Delegate authority to the Director of Place and Connectivity, upon the recommendation of the Hub Board, to approve the award of grants, contracts and agreements arising out of the Net Zero MoU where the decisions do not impact the Combined Authority budget or staffing arrangements and to execute the corresponding grants, contracts and agreements. Such approvals or decisions to be reported to the next meeting of the Combined Authority Board on the exercise of that delegation.
- 1.3 To establish a Retrofit Project Board for the Sustainable Warmth successor project. In particular:
 - a) Approve the establishment of a Retrofit project board, based on the terms of reference and governance framework for the Sustainable Warmth project board and delegate authority to the Director of Place & Connectivity, in consultation with the Lead Member for the Environment and Climate Change, Chief Finance Officer and Monitoring Officer, to agree terms of reference.

2. Background

Local Energy Advice Demonstrator

- 2.1 The most recent report from the Climate Change Committee stated that Government needs to do more to broaden engagement with consumers to support decarbonisation of buildings. The report recognised that a clear priority is the delivery of an effective energy advice service given the current energy bills crisis and slow progress with decarbonising buildings. It asked for an ambitious advice offer that would save individuals and businesses money and provide advice on how to adapt energy systems to cope with the impacts of climate change.
- 2.2 To address this Government committed, in the Energy Security Strategy, to an energy advice service on GOV.UK (Summer 2022), a phoneline service (Winter 2022) and the launch of local in-person advice pilots in April 2023.
- 2.3 The in-person advice pilots will offer community-led approaches which aim to reach consumers and building types that particularly require in person advice, including, but not limited to:
 - a) Hard-to-treat buildings – the UK has the oldest building stock in Europe. In-person visits can better capture the complexities of these building types, which are harder to address through digital and telephone advice.
 - b) Vulnerable consumers – local, in-person advice may extend the service to certain consumer types e.g., the elderly, disengaged, those with limited internet access, minority ethnic groups, etc.
- 2.4 Third sector organisations, local authorities and not-for-profit organisation will be eligible to apply for grants of up to £2million each over 2 years. Projects must be community led with viable proposals, demonstrating quality and value for money. DESNZ is seeking to fund a range of different types of project across the five Hubs.
- 2.5 The total capital value of the competition will be circa £20million, subject to HMT approval in March/April 2023, with 10% made available for the administration of the project. This will be apportioned across the five Net Zero Hubs, the GSENGH anticipate ~£4million grant fund and £440K for administrative costs.
- 2.6 The Net Zero Hubs have scoped the competition framework, drafted the application and guidance for DESNZ approval and undertaken stakeholder engagement. The GSENGH will be responsible for the launch, grant administration, management and monitoring of the competition in 2022-2025. This is the subject matter of the draft MoU.
- 2.7 DESNZ issued a draft MoU for the mobilisation of the Local Energy Advice Demonstrator projects, this has been reviewed by legal and is pending final issue. £34K has been incurred by the GSENGH for 2022-23, to cover internal costs to design the competition, engage with potential applicants and prepare for launch.
- 2.8 Between April 2023 to 2025 the GSENGH will administer the fund, monitor the projects, including progress, ensuring that projects are delivering in terms of scope, value and timeline, escalating issues as necessary, and providing regular monthly reports to the Department. The scope of services and the project fund will be subject to variations to the

MoU.

- 2.9. The Hubs will lead on the assessment of project proposals with DESNZ officers. Funding decisions will be made by a national panel and ratified by the GSENZH Board.
- 2.10. On the 21st October the GSENZH Hub Board approved the following recommendations:
- a) Agree to the Hub Board providing the governance for the project (approval of applications, project oversight and reporting).
 - b) Agree to the Hub procuring technical support to provide advisory services to support the delivery of the project.

Variation to the Net Zero Programme MoU

- 2.11 At the 30th November CA Board it was agreed to accept the BEIS (now Department of Energy Security & Net Zero) Net Zero Memorandum of Understanding (MoU) for core net zero activities (2022-2025).
- 2.12 On 8th March 2023 DESNZ confirmed approval of £270,000 for the following ringfenced strategic projects, these will be subject to a variation to the MoU in March 2023:
- £100,000 Hastings Partnerships for Places and People
 - £70,000 Net Zero Delivery Vehicle Business Case development
 - £50,000 Health and other public estate as anchors for Net Zero - Development of a Mapping and Feasibility tool
 - £25,000 Mapping and decision-making toolkits for zero carbon places
 - £25,000 Park & Ride Zero Carbon Hubs - feasibility and business case development
- 2.13 The GSENZH will contract and manage the projects, reporting to the Net Zero team at DESNZ.

Establishment of a Retrofit Project Board

- 2.14 At the 31st August 2022 CA Board meeting it was approved to establish a retrofit project board for the Sustainable Warmth project, a consortia of 64 local authorities.
- 2.15 The governance framework was developed and through delegated authority to the Interim Chief Executive, in consultation with the Lead Member for the Environment and Climate Change, Chief Finance Officer and Monitoring Officer, the terms of reference were agreed.
- 2.16 The terms of reference were agreed by the Sustainable Warmth Project members at the first meeting on 29 November 2022 and are attached in Appendix 8.1.
- 2.17 A Retrofit Project Board is required for the successor project that will commence in 2023 to 2025, this is a consortium of 48 local authorities.

Significant Implications

3. Financial Implications

- 3.1 The LEAD MoU is for the period 01/07/2022-31/03/2025. The maximum amount of grant offered by DESNZ is £4,440,000. £4million (90%) of the grant is for successful applicants to deliver the programme objectives. £440,000 (10%) is for the GSENGH to administer the competition, manage and monitor the activities of the grant recipient.
- 3.2 The LEAD MoU is due for final issue, signature and return by the end of March 2023. This includes the payment for internal costs incurred in 2022/2023 for the design of the scheme and stakeholder engagement. Internal committed costs have been minimised ahead of funding confirmation to mitigate risk to the Authority.
- 3.3 Should the LEAD scheme be required to launch ahead of the funding confirmation, DESNZ will provide a letter of intent. No grant agreements will be entered into with successful applicants until the funds are confirmed for 2023/2024.
- 3.4 The Net Zero Programme MoU variation is for five ringfenced strategic projects, the MoU is due for final issue and return by the end of March 2023. The project funding will be ringfenced for the delivery of these projects.

4. Legal Implications

- 4.1 The LEAD MoU is a non binding agreement between the Department for Energy Security and Net Zero and the CPCA as accountable body for the Net Zero Energy Hub. Accordingly, it is not legally enforceable by either party however, it states that the parties enter into it intending to honour their obligations.
- 4.2 The draft LEAD MoU provides that the grant funding must be used for the LEAD Projects MoU and cannot be used for extraneous activities.

5. Public Health Implications

- 5.1 The report recommendations have positive implications for public health.

6. Environmental and Climate Change Implications

- 6.1 The report recommendations have positive implications for environment and climate change.

7. Appendices

- 7.1 Appendix 1: Sustainable Warmth Project Board Terms of Reference
- 7.2 Appendix 2: Sustainable Warmth Governance Framework

8. Background Papers

8.1 [Combined Authority Board Report 30 November 2022](#)

8.2 [Combined Authority Board Report 31 August 2022](#)