



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.5

Authority to Spend for the Greater South East Energy Hub

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 June 2021

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Alan Downton, Interim SRO

Key decision: Yes

Forward Plan ref: KD2021/035

Recommendations: The Combined Authority Board is recommended to:

- a) Note the BEIS grant funding of £1,372,289 for public sector decarbonisation program;
- b) Delegate authority to the Director of Business and Skills in consultation with Chief Finance Officer and Monitoring Officer, to recruit 6 fixed term contracted employees for the Greater South East Energy Hub (GSEEH);
- c) Delegate authority to the Director of Business and Skills, in consultation with the Chief Finance Officer and Monitoring Officer to enter into contracts with consultants for the purpose of the Public Sector Decarbonisation Skills Funding and COP26;
- d) Approve an increase in the core Energy Hub budget, CX0072 of £270k; and
- e) Give permission to the Greater South East Energy Hub to bid into the Sustainable Warmth Competition being run by BEIS.

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

1. Purpose

- 1.1 BEIS Issued the Combined Authority a Public Sector Decarbonisation Skills Funding of £1,372,289. The anticipated budgets for an 18-month program, of which £870,000 is for circa 6 staff on fixed term contracts within the Greater South East Energy Hub (GSEEH). In addition, oncosts of £502,289 for the strategic program design consultancy and technical framework consultants.
- 1.2 BEIS have approached the Combined Authority requesting support for the delivery of events for the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow on 1 – 12 November 2021.
- 1.3 BEIS have informed the Greater South East Energy Hub and the 5 other national energy hubs of a Sustainable Warmth competition being launched immediately to bid into a further fund worth £350m, c.£70m potentially for the GSEEH.

2. Background

- 2.1 On 24th March 21 the Greater South East Energy Hub business plan was presented at the Combined Authority meeting. The decarbonisation grant was awarded after this date and therefore requires approval by the board.
- 2.2 The purpose of the public sector decarbonisation skills funding grant is to provide funding to the Local Energy Hub towards expenditure on staff with skills and expertise that will be used to help public sector organisations to identify and deliver building energy efficiency and decarbonisation measures with a focus on reducing direct emissions; or to develop net zero organisational plans in the public sector. External consultancy will also be required, procurement will be via a framework or Dynamic Purchasing System (DPS) if available, alternatively a procurement will be undertaken by CPCA.

2.2.1 Proposed activities of funded staff:

- Provide support in identifying and delivering low-carbon opportunities to public sector organisations.
- Develop net-zero organisational plans that identify pathways to reduce emissions in line with the UK's net zero target and embed low-carbon principles into public sector asset management, maintenance and procurement.
- Develop investment grade proposals that the public sector can take forwards to gain internal approvals, secure budget for or make an application to current and future government funding opportunities, including in particular to the Public Sector Decarbonisation Scheme.
- Develop and deliver any proposals that have either stalled or abandoned due to lack of project management and delivery capacity to take the project through to completion.
- Maximise the use of resources made available through other government low-carbon initiatives such as Modern Energy Partners, applying the toolkits and expert advice

available to the public sector to consistently develop decarbonisation plans for public sector campus-style sites.

2.3 BEIS are funding the Energy Hubs to support the delivery of events for the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow on 1 – 12 November 2021.

The anticipated funding to be in the region of £270K, the funding is for:

- Zero Carbon Tour – Race to Zero 31st August – 10th September: 3 flagship events in GSE (£20K funding per event - £20K match funding, venue, staff etc). Locations Cambridge, Oxford, Brighton
- Green Zone Events – COP fortnight November with £60K minimum for 2 events
- £20K storytelling and £30K management costs

This will be confirmed by BEIS imminently and the request is for the Greater South East Energy Hub use funding from core funds to commence delivery and an MoU will be issued in September 21 for the COP26 funding.

On receipt of a letter from BEIS and the slide deck, then the GSEEH with the Combined Authority's communications team, can start to develop the events and commence engagement with stakeholders, partners, community groups and businesses. External consultancy may be procured to provide additional capacity or specific services.

2.4 The Sustainable Warmth Competition is a funding opportunity being launched by BEIS to bring together two fuel poverty schemes:

- I. LAD Phase 3: In March 2021, Government announced £200m for low-income households heated by mains gas through a third phase of Local Authority Delivery (LAD) funding. This funding builds on Phase 1 and 2 of LAD, with the majority of eligibility rules staying consistent with the earlier phases with the most prominent change refining the scope to gas fuelled homes only.
- II. HUG Phase 1: £150m available to support for low-income households off the gas grid through the Home Upgrade Grant (HUG) Phase The primary purpose of the funding is to raise the energy efficiency rating of low income and low EPC rated homes, those with E, F or G being prioritised (band Ds will be limited), on the gas grid and off the gas grid and support economic resilience and a green recovery.
- III. The new £200m phase of LAD and the initial £150m HUG scheme will be running simultaneously, with delivery expected from early 2022 through to March 2023.
- IV. The fund is open to direct application by Local Authorities, consortia bids and consortia led by the Energy Hubs.
- V. The GSEEH are offering to act as lead authority on behalf of local authorities who do not wish to bid directly. The Hub will prepare and submit the bid and utilise the delivery model we have developed for LAD2, contracting with the

procured Managing Agents as our delivery partners for the respective areas. Additional services provided will include, project manager resource allocated to participating authorities, data licensing, data analytics, SME local supply chain development, framework management, PAS2035 compliance, capacity and capability building.

- VI. For those LAs who wish to bid directly but who do not have an appropriate procurement or specifications for PAS2035 compliance works, both the Managing Agent Framework and Dynamic Purchasing system is available to all LAs in our region.
- VII. The bid has to be submitted by 04th August 2021 and resource is available within the GSEEH and the Combined Authority to develop this and submit it

Significant Implications

3. Financial Implications

- 3.1 The acceptance of and approval to spend the Decarbonisation Skills Funding will create a budget line within the MTFP, and this will therefore allow for monitoring of the spend against funds received.
- 3.2 Point 2.3 involves spending at risk without written confirmation from BEIS of the funding. The MoU is due by September 2021 and it is not envisaged that the £270k will have been spent by that time, therefore, the risk will be lower than mentioned. Given the international profile of this event, it is considered very low risk that the funding will not be received from BEIS.

4. Legal Implications

- 4.1 The recommendations accord with the powers of the Combined Authority as set out at Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

5. Other Significant Implications

- 5.1 None.

6. Appendices

- 6.1 Appendix 1 - BEIS Pre-Launch Sustainable Warmth Competition Presentation

7. Background Papers

- 7.1 [GSEEH Report & Business Plan - Combined Authority Board 24th March 2021 \(Item 3.5\)](#)