



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 3.5

Greater South East Energy Hub

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 24 March 2021

Public report: Yes

Lead Member: Mayor James Palmer

From: John T Hill, Director, Business & Skills

Key decision: Yes

Forward Plan ref: KD2021/001

Recommendations: The Combined Authority Board is recommended to:

a) review the transfer of the Accountable Body for the Greater South East Energy Hub

b) agree to retain the Accountable Body for the Greater South East Energy Hub as the Cambridgeshire and Peterborough Combined Authority

c) approve the Greater South East Energy Hub Business Plan for the Combined Authority area, subject to the grant being offered by BEIS, approve the creation of a budget line to deliver the services set out in the MoU.

d) Delegate Authority to the Chief Officer to enter into contracts for Managing Agent(s), works or other, as required, to spend the funding for the Green Home Grant Local Authority Delivery scheme.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 To review the Accountable Body transfer of the Greater South Est Energy Hub and recommend the Combined Authority retain Accountable Body Status.
- 1.2 To review and approve the Greater South East Energy Hub Business Plan in Appendix 1 for the Cambridgeshire and Peterborough Combined Authority area.
- 1.3 Delegate Authority to the Chief Officer to enter into contracts for Managing Agent(s), works or other, as required, to spend the funding for the Green Home Grant Local Authority Delivery scheme.

2. Background

- 2.1 The Greater South East Energy Hub is a collaboration of eleven Local Enterprise Partnerships (LEPs). These LEPs are working together to increase the number, scale and quality of local energy projects being delivered across the greater south east region of England. It works with local authorities and LEPs to support local energy projects, from the development stages to investment readiness.
- 2.2 In July 2019, as part of the prioritisation exercise within CPCA the Energy Hub was identified as a non-priority project.
- 2.3 In September 2019 the Cambridgeshire & Peterborough Combined Authority Board resolved to transfer the Greater South East Energy Hub out of the CPCA, as the accountable body. In October 2019, the Energy Hub Board, consisting of the Greater South East LEP CEOs agreed the process and subsequently selected, in March 2020, Peterborough City Council (PCC) as the preferred future accountable body.
- 2.4 Transfer of Accountable Body (AB) was to be made by written procedure between the CPCA and Peterborough City Council (PCC). However, this requires the approval of both MHCLG and Treasury, and for BEIS to be satisfied that there will be no impact on Hub delivery during the process of transfer.
- 2.5 PCC have still not made the decision through Cabinet to accept the Energy Hub and it remains on the forward plan. Hence, the Energy Hub remains with the CPCA.

3. The opportunity

- 3.1 The scale of delivery of the Energy Hub and the associated funding from BEIS has increased significantly since the decision to transfer it was made in September 2019. Funding has risen from:
 - c.£1.31m in 2018 – the level at which the decision to transfer was made, to
 - c.£7.34m in 2019
 - c.£79m in 2020-21 (with a further c.£24m being bid for)
 - c.£200m in 2022 -23

- 3.2 In November 2020 BEIS confirmed £79.6m be awarded to the Energy Hub to:
- Raise the energy efficiency of low income and low energy performing households
 - Support a green recovery and delivering progress towards fuel poverty targets, clean growth, and economic resilience.
 - Utilise learning to inform future schemes and building LA capacity to deliver energy efficiency at scale.
 - Increase the capacity of the supply chain, accredited retrofit business and skills.
- 3.3 The CPCA's refreshed Skills Strategy will identify Green Skills as a priority for investment of future education budgets, such as the Lifetime Skills Guarantee and the Adult Education Budget and FE Capital Transformation Fund. It could provide significant opportunities to upskill and reskill CPCA residents in Green Skills and jobs that are in- demand and better paid, improving prosperity in the region. Local Colleges are already developing Green Skills Academy ideas to address the skills needs of this emerging sector.
- 3.4 The conditions for the newly awarded funding, stipulate that work start by March 21. Given the disruption in the period March 21 to September 21 that a transfer would cause, officials at BEIS are now suggesting they would withhold agreement to the transfer on 'impact to performance' grounds.
- 3.5 The Cambridgeshire & Peterborough Independent Commission on Climate Change was created by the CPCA in 2020, on the recommendation of the Combined Authority Board. The task of the Commission is to provide authoritative recommendations to help the region mitigate and adapt to the impacts of climate change, enabling us to meet the commitment to eradicating net carbon emissions across the area by 2050. The intention is that it will be a shot in the arm for the debate on how best to reduce carbon emissions and enhance our natural environment, moving us on from examining the depth of the issue to the successful delivery of high impact solutions at scale and pace.
- 3.6 Given the CPCA's greater commitment to interventions that mitigate and adapt our economy and place to the impacts of climate change and the newly awarded, and significant funding of the Energy Hub, it is recommended the CA Board retain the Energy Hub.
- 3.7 The scale of the funding, and its application to housing retrofit is around 10,000 properties across the hub region of which around 1100 are in CPCA area, and 5,000 within an area serviceable by a Cambridgeshire supply base.
- 3.8 This includes improved insulation measures (e.g. solid wall insulation), decarbonisation of heat (heat pumps) and increasing renewable energy (PV). Eligible owner occupiers will be 100% funded, social and private landlords will be funded by 66% of the costs of improvements. The scheme will directly support circa 2,000 jobs, and the RMI (renovation, maintenance, and improvement) sector is estimated to need to grow by 162% to deliver retrofit over the course of this Parliament.
- 3.9 With the CPCA retaining the Accountable Body status, it also gives us an agility to respond

to market requirements. The Mayor recently received a request about hydropower on the River Great Ouse and was able to support it.

- 3.10 There are likely to be significant supply chain opportunities for firms, close to and integrated with the Energy Hub's work. This link, and integration of local firms, could be achieved by partnering the Energy Hub with the Business Board's Business Growth Service and Growth Hub. The combination of the Growth Service business support to local firms, and Energy Hub funding to nudge customers to install new equipment, could create a C&P supply chain worth £300m over the next 3 years.

Significant Implications

4. Financial Implications

- 4.1 The financial implications relating to the recommendation to retain the Greater South East Energy Hub are set out in detail in section 7 of the Business plan included as appendix 1.

5. Legal Implications

- 5.1 None.

6. Other Significant Implications

- 6.1 None

7. Appendices

- 7.1 Appendix 1 – Greater South East Energy Hub Business Plan
- 7.2 An accessible version of this appendix is available on request from Democratic.Services@cambridgeshirepeterborough-ca.gov.uk

8. Background Papers

- 8.1 [Combined Authority Report 25 September 2019](#)