Terms of Reference April 2019 (Version 1.0)

Review Date – April 2020

Status of the Terms of Reference

The Terms of Reference (**"ToR"**), which are in draft until they are approved by the LEPs and CPCA, will form an Appendix to the Accountable Body Agreement between the Cambridgeshire and Peterborough Combined Authority and the Greater South East LEPs and/or lead local authorities (the **"Agreement"**).

The ToR set out the purpose and structure of the Greater South East Energy Hub Board and the Energy Hub Operational Team.

The Agreement sets out the governance arrangements between Cambridgeshire & Peterborough Combined Authority (the "**CPCA"**) and the Greater South East regional LEPs and lead local authorities (the **"LEPS"**).

Status of the Decision-making Process

The decision-making process appended to this document has been reviewed by BEIS and is agreed by the five (5) Regional Energy Hubs Boards and Accountable Bodies. However, it sits outside of the ToR and may be updated by the Greater South East Energy Hub (the **"Energy Hub")** with the approval of the CPCA and the Greater South East Energy Hub Board.

The Energy Hub Project Assessment Framework sets out the processes and criteria for Energy Hub project support and Rural Community Energy Fund grants.

1. Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them.

BEIS allocated £1.6m for Energy Strategy development by LEPs with the first tranche of 13 LEPs receiving a total of £600K in March 2017 with the remaining 25 LEPs in England offered £1m in September 2017. One of the main outcomes of the strategies was to identify a pipeline of energy investment opportunities for each LEP area.

Following on from the strategies and as part of the Local Energy Programme, BEIS allocated funding to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth. The model for the delivery of this support was the establishment of five regional Energy Hubs in England to support the capacity of LEPs and local authorities to deliver energy projects.

Each Hub has been set up to serve a number of LEP areas which were agreed by mutual consent with the constituent LEPs, with the expectation that the LEPs work closely with their local authorities in the process of setting up and working with the Hubs. The Hubs in turn would work on behalf of all the LEP areas served and their member local authorities, it is a requirement of the BEIS for governance arrangements to be agreed in support of this.

The Hub Board was formed in November 2017 to establish the Greater South East Energy Hub, comprising the consortia of eleven (11) LEPs/lead authorities in the Greater South East. All LEPs were able to put forward proposals for hosting the Hub (as Lead Authority and Accountable Body for the Section 31 grant). The CPCA became the Accountable Body by mutual agreement in March 2018. The Energy Hub was set up in April 2018 and became operational in September 2018.

The Energy Hub is to be funded by BEIS for an initial period of three (3) years, as detailed in the Local Energy Capacity Support Memorandum of Understanding entered into by BEIS and the CPCA (the **"MoU"**) and the Variation to MoU (26/3/19).

The Energy Hub will administer the Rural Community Energy Fund for a minimum period of two (2) years as detailed in the Rural Community Energy Fund Memorandum of Understanding entered into by BEIS and the CPCA (the **"RCEF MoU"**).

2. Objectives of the Greater South East Energy Hub

The key objective of the Energy Hub is to work collaboratively with LEPs and their member local authorities across the greater south east area to co-ordinate the identification and prioritisation of local energy projects and to undertake the initial stages of development for priority projects up to a point where investment can be secured. The governance structure of the Energy Hub allows for decisions to be made at a local level and to be aligned with local strategic priorities. The Energy Hub

will seek to: Increase the number, quality and scale of local energy projects being delivered;

a) Raise local awareness of the opportunity for and benefits of local energy investment;
b) Enable local areas to attract private and/or public finance for energy projects;
c) Identify options for the Energy Hub model to be financially self-sustaining after the funding period.

3. Hub Board and Operational Team Structure

The Energy Hub will operate under an Energy *Hub Board* (the **"Hub Board"**) and an Energy Hub *Operational Team* (the **"Operational Team"**). The ultimate purpose of this dual arrangement is to ensure that the Energy Hub delivers the required quality outcomes outlined in the MoU and the Local Energy Strategies and responds appropriately to changing requirements of both the LEPs and the operational environment.

4. Hub Board Roles and Responsibilities

The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board will provide oversight of the Operational Team's delivery of the programme to ensure it fulfils the aspirations and expectations of key stakeholders in line with the scope outlined in the MoU. The decision-making process for the allocation of project support is detailed in the Project Assessment Frameworks appended hereto as (Annex 1 Local Energy Capacity Support & Annex 2 Rural Community Energy Fund).

The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

The Hub Board shall:

a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
e) approve the criteria for selection/prioritisation of pipeline projects;
f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
g) approve bids to BEIS for tools to support capability building;
h) utilise existing CPCA governance structures to deliver the RCEF scheme;
i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);

j) comply with the Assurance Framework.

The Hub Board shall ensure that the Energy Hub has:

a) a suitable financial model;
b) appropriate delegated authority and agreed financial thresholds;
c) the appropriate strategic direction in accordance with the MOU;
d) robust frameworks for the operation of the Hub;
e) monitor and evaluate progress against the objectives defined in the MOU;
f) an agreed communication strategy; and
g) clear plans for self-sustainability by the Exit Date.

The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 grant agreements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval of the Section 73 officer.

The Hub Board shall be required to approve:

a) the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Operational Team;
b) the allocation of RCEF grants;
c) decisions made regarding the allocation of any future funding delegated to the Hub.
d) All Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

5. Board Composition

The Hub Board comprises representation of:

a) one (1) board member from each LEP area served;
b) one (1) board member representing the Accountable Body Section 73 Officer; and
c) One (1) Chairperson.

Each LEP board member will have a substitute nominated by the LEP and BEIS will have a position as observer and advisor.

The Energy Hub comprises the following members:

- Cambridgeshire & Peterborough Combined Authority (Accountable Body)
- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP
- Thames Valley Berkshire LEP

- Buckinghamshire Thames Valley LEP
- Greater London Authority
- BEIS is a permanent observer representing Local Energy

6. Recruitment of Hub Board Members

The Hub Board shall appoint an Independent Chairperson.

Hub Board Members and Substitutes are nominated by each LEP/lead local authority. Board Members must have the capacity and capability to deliver their role and have delegation for decision-making from their LEP Board or if delegated, the Chief Executive. Hub Board Members are expected to represent their organisations at a strategic level.

The Chief Finance Officer (s73) (or deputy) shall have a non-voting position on the Hub Board.

Whilst all appointments to the Hub Board will be on merit, in accordance with Government requirements, the Hub Board will aim to maintain the gender balance and representation of those with protected characteristics on its board with the following minimum requirements:

- that women make up at least one third of Hub Board by 2020
- with an expectation for equal representation by 2023, and
- ensure its Board is representative of the businesses and communities they serve

The Hub Board is currently comprised with an equal gender balance.

Chairperson & Vice Chairperson of the Hub Board

The Hub Board will appoint an independent Chairperson.

The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Combined Authority's diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Hub Board's appointments panel. The Hub Board will consult widely and transparently before appointing a new Chairperson. Each Party shall, should they so wish, nominate an individual for the position of Chairperson and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;

Nominated individuals must have:

i) previously held a similar position;
ii) significant energy sector experience; and
iii) an understanding of how authorities operate.

The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.

The Hub Board shall then select a panel of no less than five (5) Representatives (the **"Interview Panel"**) to interview the shortlisted nominees.

The appointment of the Chairperson shall be made by the unanimous decision of the Interview Panel.

Terms of Appointment

The term of office for **independent Chairperson** will normally be one (1) year, and subject to a maximum of one(1) consecutive term, unless:

(a) they resign from their position and communicate this in writing to the Hub Board and CPCA Monitoring Officer; or

(b) upon receipt of a vote of no confidence by the Hub Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.

The position of Chairperson shall be reviewed annually.

The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chairperson. The Chairperson will be remunerated for allowable expenses.

The Hub Board shall appoint a vice Chairperson from amongst its membership, the term of office is at their discretion.

Working Groups

The Hub Board may appoint informal non-decision-making working groups or panels. Any such subordinate body set up by the Hub Board shall include one or more Hub Board members as nominated by the Board. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the Combined Authorities Assurance Framework and Hub Terms of Reference.

RCEF Funding Panel

The Hub Board may appoint a formal decision-making Funding Panel for the RCEF Grants. This subordinate body set up by the Hub Board shall include one or more Hub Board members as nominated by the Board, Local Enterprise Partnerships, lead local authorities and a BEIS official. To guard against any potential conflicts of interest that could potentially arise through Combined Authority involvement with the application or project, the Hub Board must ensure that there are several local authorities represented on the Funding Panel. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the Combined Authorities Assurance Framework and Hub Terms of Reference.

7. Accountability

The Hub Board members are responsible for acting as points of contact and communication 'leads' for their LEP area and as such are required to ensure that

(a) all relevant LEP and local key stakeholders are kept fully informed of Energy Hub activities; and

(b) they represent the views of the LEP area.

8. Collaboration

The Hub Board members are required to take a collaborative and coordinated approach across multiple LEPs, including supporting the Operational Team to identify strategic collaborative projects. Projects that are supported by the Hub and develop collateral and assets, such as business cases, templates and toolkits shall be shared with other LEPs for the benefit of the greater south east area.

9. Duty of Confidentiality

Hub Board members have a duty to maintain the confidentiality of information that they acquire by virtue of their position. Each shall keep confidential any and all information marked as confidential and any and all materials relating to specific project beneficiaries or prospective beneficiaries of support unless compelled by legal process to disclose such information, or authorised to do so by the Hub Board. The Hub Board members can disclose confidential information to their respective LEP Board and/or Secretariat, providing that information is treated in confidence.

10. General Operational Procedures

Meetings

Meetings of the Hub Board shall not be open to the public unless determined otherwise by the Chair.

Agendas and Minutes

Agendas and reports for the Hub Board will be available on the Hub's website www.energyhub.org.uk at least five clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the Combined Authority constitution. Any funding decisions shall be ratified by the Combined Authority as accountable body for the Hub Board.

The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.

Likely exemptions that are likely to make information reserved include but are not limited to:

- Commercial sensitivity
- Information provided in confidence
- Personal data
- Legal professional privilege
- Information intended for publication at a future date

Representation in meetings:

A representative of each LEP should be present at the meetings of the Hub Board, the Board Member. Each LEP may appoint a substitute or proxy, to attend and vote at any meeting and each representative shall participate in a cooperative manner in the meetings.

Convening meetings:

The Chairperson of the Hub Board shall:

- authorise and approve a relevant schedule of business for the Hub Board;
- convene meetings of the Hub Board on a frequency no more than six (6) weeks apart;
- give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
- prepare and send each Representative a written agenda no later than five (5) clear working days prior to any meeting.

Meetings of the Hub Board may be held:

- face to face in various locations that are geographically accessible to the Parties; or
- by teleconference or another telecommunication means where it is not possible to meet face to face.

Quorum

The Hub Board shall not deliberate and decide validly unless at least seven (7) Representatives are present or represented (**"Quorum**");

During any meeting if the Chairperson counts the number if members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chairperson does not fix a date, the remaining business will be conducted at the next ordinary meeting.

Decision Making and Voting

Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chairperson considers it to be necessary to establish whether a consensus exists.

- Each LEP Representative present or represented in a meeting shall have one (1) vote.
- The CPCA Section 73 officer does not have a vote;
- Decisions taken shall require a majority of the votes cast of those attending;
- In the event of a tied vote, the Chairperson shall have the deciding vote.

The vote will be by way of show of hands and recorded in the minutes.

Decisions: The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

Decisions of the Hub Board

The draft minutes of the Hub Board will be posted on the Hub's website within 12 clear working days of the meeting taking place. Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within two (2) clear working days of them being accepted.

- The Chairperson of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- Draft minutes will be accepted as final at the subsequent Board meeting.
- Objections lodged with the Chairperson should be considered and actioned at the following Board meeting.

Where decisions need to be ratified by the CPCA as Accountable Body and the Combined Authority does not agree, they will refer the matter back to the Hub Board with the reasons and ask the Hub Board to reconsider.

Urgency Procedure

In order to ensure that the Hub Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Regional Hub Manager or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

(a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
(b) The date responses are required by;
(c) The name of the person or persons making or putting forward the proposal/decision

Two working days after the close of responses, the following will be circulated to all Hub Board Members:

(a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
(b) Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Hub Board.

Complaints and Whistleblowing

Any complaint received about the Hub Board will be dealt with under either the Combined Authority Complaints or Confidential Complaints Policy.

Any complaint about an individual Hub Board member alleging a breach of the Code of Conduct will be dealt with in accordance with the code of conduct.

Any whistleblowing concerns raised about the Hub Board will be dealt with under the Combined Authority's Whistleblowing Policy.

Each of these procedures or policies shall be published on the Combined Authority web-site and accessible from the Hub Board's web-site.

11. Code of Conduct

All Hub Board members are expected to adhere to the Nolan Principals of public sector bodies. The Combined Authority has a Code of Conduct which applies to members of the Hub Board.

12. Conflicts of Interest

Register of Interests

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Hub Board member must complete and keep up to date a register of interest form required under the Combined Authority's code of conduct. The register of interest form will be published on the Hub's website within 28 days from the date of the appointment and is a condition of appointment. A member must within 28 days of becoming aware of any change in their interests provide written notification of this.

It is the responsibility of Board members to declare any interest on any item of business being conducted at a Hub Board or working group meeting. Any declarations of interest made by a Hub Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within 7 days of the meeting if a new interest has been declared.

Any alleged breach of the Hub Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

13. Grievance Procedure

There are three (3) key points for the grievance procedure:

1. Issues must be dealt with promptly and consistently;
2. The LEPs should have an opportunity to put their case to the Hub Board; and
3. The decision of the Hub Board will be final

The Procedure

i. Raise the grievance in writing

a) If a LEP has a grievance the LEP Representative should raise it with the Hub Board without unreasonable delay, and within one (1) month of the incident which gave rise to the complaint. The LEP Representative must provide the Hub Board with details in writing of the specific circumstance or circumstances which constitute the grievance, with dates, etc.

ii. Invitation to a Grievance Meeting

a) The Hub Board will invite the LEP Representative to attend a meeting, without unavoidable delay to discuss the matter. The meeting should ideally be arranged within five (5) working days of the Hub Board receiving the written grievance.

iii. Grievance Meeting

a) Where possible, a note-taker, who must be uninvolved in the case will take down a record of the proceedings.
b) The Chairperson of the Hub Board will introduce the meeting, read out the grounds of the grievance, ask the LEP Representative if they are correct and require the LEP Representative to provide clarification regarding details of the grievance if unclear.
c) The LEP Representative will be given the opportunity to put forward her/his case and say how they would like to see it resolved.
d) The meeting may be adjourned by the Chairperson of the Hub Board if it is considered necessary to undertake further investigation. Any necessary investigations will be carried out to establish the facts of the case. The meeting will be reconvened as soon as reasonably practicable.
e) Having considered the grievance, the Chairperson of the Hub Board will give her/his decision regarding the case in writing to the LEP Representative within five (5) working days. If appropriate, the decision will set out what action the Hub Board intends to take to resolve the grievance or if the grievance is not upheld, will explain the reasons.

14. Accountable Decision Making

Local Energy Capacity Support

All LEPs have set a strategic direction for their respective areas through a Local Energy Strategy. Funded by BEIS in 2017/18, energy strategies were required to provide strategic fit with BEIS policy, (energy related aspects of the Industrial Strategy and the

national trajectory for decarbonisation and clean growth) and align with other national and local energy and low carbon policy. The Energy Strategies were signed off at LEP Board level after consultation with all the key engagement groups.

In the Greater South East Hub region there are six (6) Local Energy strategies:

- Local Energy East, a tri-LEP strategy for CPCA, NALEP and Hertfordshire LEP;
- South2East a tri-LEP strategy for SELEP, C2C and EM3;
- Oxfordshire LEP
- South East Midlands LEP
- Thames Valley Berkshire LEP
- Buckinghamshire Thames Valley LEP

LEPs also have responsibility to set strategic direction through Strategic Economic Plans and emerging Local Industrial Strategies.

These strategies form a key element of the Energy Hub's decision making for Local Energy Capacity Support, as for a project to be supported it must contribute to the achievement of strategic priorities and benefit multiple LEP areas.

The decision-making process for Local Capacity Support is governed by the Local Energy Capacity Support Project Assessment Framework.

Rural Community Energy Fund

The Energy Hub, as part of the BEIS Local Energy Programme was allocated Rural Community Energy Funds (RCEF) to further the objectives of RCEF across the Greater South East. The RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community. The Energy Hub will appoint a Rural Community Energy Fund Manager who will provide support to communities in developing grant applications and managing funded studies. The Energy Hub will offer funding to support successful applicants to the RCEF fund by either:

i) Stage 1 Feasibility Grants – up to £40K;
ii) Stage 2 Grants – up to £100K for business development and planning of feasible schemes. Each community receiving funds would need to provide a) resources to Community Energy England for sharing across all new schemes; and b) support the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at a local level.

The main objectives of the fund are to:

i) increase the uptake of the RCEF scheme;
ii) increase the number of rural communities engaged ;
iii) monitor the impact of communities of projects funded, included but not limited to:
    a. Jobs created
    b. Volunteers engaged
    c. MW produced

The Hub Board will:

a) set up a **'Funding Panel'** for the approval of the RCEF Grants which shall include one or more Hub Board members as nominated by the Board. The Funding Panel shall include representatives from several local authorities. A BEIS official shall be present on the Funding Panel to represent the views of BEIS and ensure the criteria for RCEF are met.
b) appoint an independent **Assessment Panel** to review applications and make recommendations to the **Funding Panel**.
c) The Terms of Reference for the **Assessment Panel** and **Funding Panel** shall be approved by the Hub Board and comply with the Combined Authority's Assurance Framework and Hub's Terms of Reference.

The decision-making process for the RCEF will be governed by the RCEF Project Assessment Framework that is aligned with the CPCA Assurance Framework.

15. Operational Team

The Operational Team is employed on behalf of the consortium by the CPCA and perform the tasks assigned to it as per the programme objectives set by BEIS and the Hub Board.

The Regional Hub Manager (the **"Regional Manager"**) is the senior responsible owner for the Energy Hub and the CPCA Section 73 Officer acts as the Chief Finance Officer.

The Regional Manager reports to the Hub Board, the Combined Authority's Director for Business, Skills & Energy and BEIS.

The Regional Hub Manager will provide, for Hub Board approval, the Energy Hub:

- Financial forecasts;
- Business Plan;
- Communications Plan;
- Stakeholder Engagement Strategy;
- Communications Framework (agreed);
- Communications Protocol (agreed);
- Project Assessment Frameworks;
- Risk Register (agreed);
- Any other framework or plan required by the Hub Board.

The Regional Hub Manager will have freedom to deliver and act on behalf of the Hub within the scope of the Hub Board approved plans and frameworks. This includes the delegation of technical consultancy allocation of up to £5K and discretion to reallocate up of 1% of the Local Capacity Support grant budget between cost centres.

The Regional Hub Manager provides monthly and quarterly progress and performance reports for BEIS for the Local Capacity Support Grant and RCEF. All reporting and minutes from meetings of the Regional Leads from the five (5) Local Energy Hubs will be shared on the Hub Board SharePoint site hosted by the CPCA.

The Regional Hub Manager will provide operational and financial reports for each Board meeting

The Operational Team is managed by the Regional Hub Manager and comprises energy specialists and support staff and – at their discretion – key subcontractors. The Operational Team are responsible for the development of the project pipeline, delivery of the RCEF, day-to-day delivery of the programme, dealing with technical delivery matters, financial monitoring and compliance, interaction with BEIS and stakeholders.

The Regional Hub Manager provides the secretariat to the Hub Board, minutes are taken by the Hub Support Coordinator; programme and local capacity support is provided from across the Operational Team. The Rural Community Energy Manager will support the delivery and administration of RCEF. The CPCA corporate support services (e.g. financial and human resources) will be provided from within the CPCA's existing support arrangements.

Annex 3 of the BEIS **Local Energy Capacity Support Grant MoU** sets out the scope of the Energy Hub and Annex 4 the KPIs and outputs to be provided by the Energy Hub.

The BEIS **Rural Community Energy Fund MoU** sets out the grant principals and governance arrangements for the fund and Annex A sets out the KPIs for the Energy Hub.

The Energy Hub operates on behalf of all LEP areas served, and their member local authorities.

16. Stakeholder Engagement

Working with stakeholders is critical to the success of the Energy Hub. The Energy Hub's Stakeholder Engagement Strategy sets out the people and groups with whom the Energy Hub should and does engage with and how this is done.

The Energy Hub was set up to work with LEPs and their local authorities to provide local capability and capacity. The LEPs through the development of their Local Energy Strategies are engaging with stakeholders and will support the Energy Hub to build relationships in their respective areas.

The Energy Hub will build relationships with local stakeholders to identify need, inform the Hub's support activities, share information and facilitate the development of local energy projects.

The Energy Hub will undertake and/or participate in a range of engagement activities to develop the stakeholder network, which may include; events, roundtables, thematic conferences, regular meetings and exchanges with advisory groups.

The Energy Hub will participate in external events, and the Hub Board members and the Regional Manager promote the work of the Energy Hub in a range of speaking engagements and events.

The Energy Hub participates in local energy conferences, supports programme development and is the BEIS local energy representative at the regional annual National Energy Efficiency Awards. The Energy Hub will work with other local energy promoters in Energy Hub region to promote the local energy agenda.

The Energy Hub utilises a range of communication channels to engage with stakeholders. An Energy Hub Communications Group with representation from the eleven (11) LEPs has been set up to develop and align communications activity and promote the Energy Hub; this group works to the Energy Hub's Communications Protocol and Communications Framework.

The Energy Hub has a channel on the BEIS Local Energy Team Huddle which is an online forum and networking website for LEPs, Local Authorities and other partners across England to support delivery of local energy projects. The Huddle enables collaborative working, the sharing of documents, access to resources, news and events.

17. Accountable Body

The CPCA is the employer of the Operational team. All Hub employees will be subject to the policies, terms and conditions of the CPCA. These may change from time to time and the Accountable Body will inform with the Hub Board on any significant changes to employment terms and conditions.

Financial Provisions

The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

Distribution of Funds - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board.

Justifying Costs – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No LEP shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to the Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant.

In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS

Record Keeping – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date

State Aid - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules

18. Scrutiny Arrangements

The Combined Authority's Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Hub Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Hub Board decision-making and achievements.

Any Hub Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.

The Combined Authority's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

19. Exit Strategy

The Energy Hub is funded by BEIS for an initial term of three (3) years. The Regional Hub Manager will, in collaboration with the Hub Board, identify options for financial sustainability. Hub Board Members are expected to liaise with their member local authorities to explore the feasibility of options identified.

If and/or when the funding model changes and revenue is generated the Hub Board will review the Terms of Reference and replace the Accountable Body Agreement with a Partnership Agreement.

If and/or when the Energy Hub receives capital funding the Hub will address the need to adopt independent due diligence for project assessment processes.

20. Amendments to the Terms of Reference

These terms of reference will be reviewed annually. The Hub Board will recommend any proposed changes to the Terms of Reference to the Combined Authority.

The Combined Authority's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

(a) as a result of any government guidance, legislative change or decisions of the Hub Board, or
(b) to enable the documents to be kept up to date, or
(c) for the purposes of clarification only.

This terms of reference and other governance documents shall be published on the Combined Authority website and accessible from the Hub's website www.energyhub.org.uk.

Annex 1 – Local Capacity Support: Energy Hub Project Assessment Framework

Annex 2 - Rural Community Energy Fund Project Assessment Framework