Minutes of the LEP Place Leadership Group
11 February 2021

VIA TEAMS

Attendees
Mel Squires (MS)- NFU (Chair and Board Member)
Adam Bell – BEIS (Speaker
Andy Wood – East Devon Council
Chris Evans – Exeter University
Chrissie Ingle – HotSW LEP Rural Productivity Lead
Claire Gibson – HotSW LEP Lead
Corinne Matthews – HotSW (Speaker)
David Edmondson – Torbay Council
David Lewis – SW Energy Hub Project Manager
David Northey – Network Rail
Derek Phillips (DP) - Exeter Chamber of Commerce & Industry
Hazel Williams – Regen (Speaker)
Helen Dobby – Environment Agency
Ian Harrison – HotSW Transport Board
Julian Gray – South West Coastpath
Mike Deaton (MD) - Devon County Council
Paul Hickson (PH) - Somerset County Council/HotSW LEP
Peter Paddon – Somerset Local Authorities
Richard Gibson - Cross Country
Sally Bell - Openreach
Steve Mewes – Somerset LNP
Sven Hoffmann – Western Power Distribution (Speaker)
Tim Jones (TS) - Devon and Cornwall Business Council

Supporting Officers
Anne-Marie Spalding - HotSW LEP Place Secretariat/Somerset County Council

Apologies
Andrew Ardley – South Western Railway
Caroline Ayre - Confor
David Northey (DN)- Network Rail
Eifion Jones – HotSW LEP
Helen Dobby (HD)– Environment Agency
John Dixon (JD) - Plymouth City Council
Judith Gannon – Abbey Manor Developments
Mark Worsfold - South West Water
Mel Sealey - HotSW LEP
Mike O'Dowd Jones (MODJ) - Somerset County Council
Richard Grant – Plymouth City Council
Ruth Lambert – Federation of Small Businesses

	Agenda item	Lead
1.	**Welcome, introductions and apologies** MS welcomed everyone to the meeting and went through protocols. Apologies are noted above. MS highlighted the aim to establish the **top 5 priorities for** Energy to move forward the Clean Growth agenda.	MS
2.	**Declarations of Interest** None	MS
3.	**Minutes of the Last Meeting** No amendments recorded	MS **AMS** – To *forward minutes to publish*
4.	**Building Back Better: The Energy White Paper** Strategy laying the groundwork for achieving Net Zero in 2050. Energy is an enormous part of the emissions portfolio (70% of UK emissions). Need to set out the strategy towards achieving this. Some of this will be achieved through consumer funding and there is a need for them to also get a 'good deal'. Energy in 1991 is not that different to today – still a lot of gas, petrol for vehicles, electricity. By 2050 this will be very different. Almost all Fossil fuel removed, use of hydrogen coming in. Big story of the White Paper is the expansion of electricity use – almost doubling from where we are today. Not just about homes and businesses, it is about transport and heat – electric vehicles and heat pumps. Massive change to the economy. A lot more generation will be needed – dominated by renewables - offshore, onshore wind, solar – there will be additional nuclear, potentially hydrogen. Radically different mix from where we are today. Headline details of the White Paper provided on how this is to be achieved (see slide) – Offshore wind – shallow and deep waters CCUS around Clyde and North East where there is heavy industry. Consultation on UK Emissions Trading system to take place later in the year New homes – need to become more efficient and also move from gas One more large-scale nuclear reactor – speaking to EDF about Sizewell C Increase installation of heat pumps – current installation of 1.8m boilers per year Energy Data Strategy to be published to guide investment Green Recovery Decarbonise industrial clusters by 2030 Two clusters in the next 5 years, further two clusters by 2030. Aim to develop 5GW of low carbon hydrogen by 2030 – more detail to follow Consumers – Move towards collective switching – no longer put onto standard tariff at the end of the contract, put into an auction so that companies can bid for the right to supply. Use of EV and heatpumps means consumers have more to offer – possible modulation of tariffs Small businesses – looking at how to regulate brokerage and price comparison websites to ensure mis-selling is diminished – consultation 2021.	Adam Bell - BEIS

heart of the south west
local enterprise partnership

	Future homes standard from 2025 to ensure that new build homes are zero carbon ready Existing home improvements – perhaps seek finance from mortgage companies for improvements as well as the cost of buying the house – consultation 2021. Rented properties to be improved by 2030. Vulnerable consumers – extend the Energy Company Obligation to help the less well off – making homes more energy efficient and providing discounts on bills. Q – what proportion of the production is seen as community based in next 10/20/30 years? A - changes to encourage this type of project to come forward – transparency around what these can offer, expand governance of local energy networks to distribution system operators to ensure that the markets are as open as they possibly can be. Enhance the scale of local participation in energy issues Q – National Grid has high estimates of the costs of reaching Net Zero pricing could be a big issue for fuel poverty in the South West. How robust will we need to be about fuel poverty? A – One- tackle fuel poverty with the Warm Home discount. Some big bidders have come into the market but they will have to deliver something that is cheap enough to get the consumers. Increased deployment of offshore wind will drive down costs – strong focus on costs working towards Net Zero. Q – From your perspective, what do you see being the 3 main energy priorities/key priorities for the Heart of the South West? A – (Personal View) Specific challenges in the South West – Grid infrastructure, moving towards electric heating and vehicles will require more Grid capacity. Combining local generation and storage is part of the solution. Work with the DMO to identify pinch points and identify what investment may become available. Geography of the South West means it is further away from North Sea carbon stores therefore much less likely to be using hydrogen therefore stronger role for heat pumps. Opportunity to invest for the future to get skills etc right. Need for engagement with authorities and businesses to maximise value of installation etc – co-ordinated approach to ensure best value. Emphasised this is a **persona**l not departmental view.	
5.	**What Does the White Paper mean for the Heart of the South West?** Regen is a mission led organisation committed to transforming the World's energy systems for a Zero Carbon future - originally focused on the South West but then became an independent organisation with wider aspirations. Key statistics – see presentation. Change of Government opinion on Wind and Solar. Solar in the Heart of the South West is not that strong compared to other regions, eg East and West Midlands have a large amount of solar in planning. This situation is probably due to connection issues. Electric vehicles – double per head of population compared to other areas. High levels of eco-efficiency roll out. Zero carbon buildings, retrofit and heat pumps – see presentation.	Hazel Williams - Regen

	Government policy focus is very strong on investment in retrofit and decarbonising heat – vital to achieving net zero ambitions. Target of 6000 heat pumps per year by 2028. New building strategy from Government in 2021 with more detail. Consultation to take place on gas for new homes from 2025. White Paper mentions both heat pumps and hydrogen for heating. Regen's recent research has identified that hydrogen will be limited to certain circumstances. Hydrogen focused on transport and industrial applications. Funding schemes have not reached the amount of energy efficiency schemes that is needed. Start stop approach – there is a need for long term supply chain and investment. Funding to date has been very short term. This should be a focus for investment in the Heart of the South West – 200,000 heat pumps will generate up to 2,000 jobs. Over 400,000 homes need retrofitting. High job multipliers in the energy sector, plus other benefits around health, fuel poverty and savings. Opportunity to capture value locally – currently national models being used. Working with the supply chain and having locally validated companies to do the work would support this. Also direct investment by the LEP into retrofit, subsidising measures and the advice services that is needed alongside them. Smart Flexible Electricity System – See presentation. By 2030 we will see two thirds of the electricity system coming from renewable generation with wind a solar dominating. This is now being supported with the announcement of a 4th round of Contracts for Difference subsidy system. Consultations next year on a high renewable net zero electricity system which is a big shift for the Government. Opportunity to capture local community generation and jobs, reducing leakage of energy bills that leaves the area. Opportunities for collaboration with WPD to overcome Grid issues. Transport – see presentation Investment by manufacturers and 2030 ban on sales of new ICE (Internal Combustion Energy) vehicles is creating a tipping point – estimate over 300,000 vehicles by 2030. Significant funding available around the charging infrastructure. Need to look at mobility not just cars – broadband, working from home – car free developments, active transport and car clubs. Need to invest in a charging network that benefits everyone. Innovation and High Tech – See presentation Hydrogen – there might be opportunities around industrial clusters or linked to Hinkley but there will be a lot of competition for funding from areas. Marine Energy – strength for HotSW and floating wind in particular. Currently a pause on new licences for floating wind whilst consideration is given to the best way to move this forward. **Point raised – only 1 in 6 homes looking to retrofit can find an installer – need to look at delivery and education as part of this**	
5.	**Western Power Distribution Grid Capacity Issues** WPD need to ensure they are ready to help the Government reach the Net Zero target by 2050 which does provide challenges. Initially identifying constraint points on the network, incorporating several sources to inform this. Future Energy scenarios modelled by the National Grid – series of reports published (see presentation) available on website to view.	Sven Hoffmann WPD

	Data for Forecast of Network Capacity is two years old and will be updated as things progress. Highlights spread and uncertainty Map based network capacity model available on website which can be used to identify WPDs forecast of the uptake of various technologies coming forward, eg charge points, solar, domestic and commercial uses. Having identified pinch points on the network, what can be done about the constraints is considered. Three main methods used – straightforward asset reinforcement (fatter cables, more cables, bigger transformers, more substations etc. Need to recognise that these can be expensive and time consuming to install plus they can be unpopular. Also developing smarter ways of releasing/shifting capacity of the Grid. At a commercial level they have been offering ‘flexible connections’ – this is where additional capacity is identified but the customer may not be able to afford the work required. This allows for speedier, cheaper connections in exchange for the customer agreeing to some levels of curtailment. Everything monitored in ‘real time’ and if capacity can’t be met then the customer is sent a signal to reduce their consumption to alleviate constraints on the network. Also procure flexibility services to alleviate constraints – these services are not tied to a particular connection. Heat maps available on website. This enables people to bid in with assets that are capable of being operated flexibly – eg air conditioning, heating that can be turned down without people noticing. Electric vehicle will offer an opportunity. Customers can engage with flexibility products through www.flexiblepower.co.uk Q – Green Recovery Fund – call for evidence – 6 weeks to respond A - Sum of money to engage with projects – request from WPD to let them know what their requirements will be. Environment Agency to provide links to information.	
6.	**Nuclear, Fusion and Hydrogen** Technologies of the future but providing an opportunity for HotSW Fusion power is very different from Fission – currently all power stations in the UK are fission. Fusion is reported to have no carbon emissions – only bi-product is helium which can be safely released into the environment. Fusion is always quoted as being 30 years off however there has been some technological advances that make the UK Atomic Energy Authority feel relatively confident that they will be able to build the first reactor by 2040. They have launched a siting competition for the test reactor and this is an opportunity that HotSW is looking at with interest, not least because the South West has the highest percentage of licenced sites and we are the only region that is building a new nuclear power station. We do have a competent nuclear supply chain that has been supported over the last 5/6 years plus we have a full raft of facilities in place to support the construction of Hinkley that we feel can be repositioned over the next decade to support the construction of a Fusion reactor. Including Nuclear Skills Academy, Somerset Energy and Innovation centre (SEIC) campus, many training facilities including a centre of excellence for welding, mechanical engineering and electrical engineering. EDF Energy and local authorities have invested in local infrastructure to	Corinne Matthews HotSW

	support the development which includes things like the Park & Ride, campus accommodation etc. We think there is a good story to tell. If it is located in the South West then it will bring the first test fusion reactor and also a huge eco system to support the research and development, design and construction of the facility plus the associated technologies. There is talk of training up to 1000 apprentices a year during the construction period. We envisage two site location nominations in the South West – one being Hinkley and one focused on Oldbury and Berkeley in Gloucestershire. Both locations have shared assets, for instance the AGR fleet with staff trained in the use of high temperature materials, the type of skills required for STEP Fusion activity. Timescales – closing date of 31 March 2021, working to have nomination form completed and submitted by then. UKAA will then have conversations with nominees over the next 18 months to 2 years. Secretary of State decision as to where site goes. We know that this will be very competitive and that there will be competition from other areas of the UK. Once nomination has been submitted then there will be a focus on highlighting the South West as a good place to site the test reactor. We would like to see it located in Somerset however it is in Gloucestershire there will be significant economic downstream effects to our facilities. Reactor timescale – expected to be constructed and operating by 2040 with work starting at the end of this decade. Hydrogen – at the beginning of the journey as to what can be done with hydrogen and how we can fund our niche. Recently supported a Hydrogen Summit for the West of England Aerospace Forum. The forum has a big interest in Hydrogen as the aviation fuels are going to be one of the more challenging areas to decarbonise – looking at decarbonised fuels, electric flights but hydrogen is of interest, if it can be used for aviation it will have a significant impact on that sector. Key message from the summit was that many sectors will need to work collaboratively on this to make it work – trains, shipping, heavy goods etc. Next steps to discuss the areas strategy awaiting the Government's paper on this which will hopefully provide a framework for this.	
7.	**Community Energy Fund/Energy Working Group** Funding – Rural Community Energy Fund – 18 Enquiries, 11 funded – total of £350,00 which is 50% of the regions RCEF funding which means we are reaching above our level there, primarily due to the amount of active community groups in the area. 5 core projects up to £25,000/£30,000, some of which are coming to an end. Ongoing biomass projects, retrofit project, also just approved a marine heat pump investigation for Plymouth City Council. Also supported Taunton to take forward their HND application for their district heating. Working with partners to put together a retrofit fund and early discussions with East Devon around a hydrogen project linked to another project in Wiltshire and Swindon. Energy sub-group are still settling in and is still flexible in structure. Outcomes from this meeting will be useful as to how we take things forward and working with the Clean Growth agenda, how we can add to that. Also looking at skills and supply chain to ensure we retain economic growth within the area. Mapping – looking at local authorities assets – purchase of licences on behalf of LAs which will allow them to map their assets and renewable opportunities.	David Lewis

	HR changes – new project manager coming on board who will take over projects allowing DL to work with the LEP to support key projects coming forward. BEIS funding has been extended for core staffing to March 2023. Request put in for additional funding and perhaps capital funding to support rural projects moving forward.	
8.	**10 Year Plan for Clean Growth** Plan will be turned into a Delivery Plan – comments and observations on this draft are welcome. See Presentation Large part of this is already in place through the Local Industrial Strategy (LIS). Approach to start with the LIS working with the 'Dynamic Heart', embedding zero carbon commitment across all areas of work – not a silo activity embraced by all. Also embracing the lifestyle changes that have happened because of Covid-19 – adapting and driving the low carbon economy. Perhaps not fully reflected in this plan so any thoughts/comments welcome. Clean Growth Priorities – 6 themes – See presentation. Desire to become recognised as Leaders in Clean and Inclusive Growth – core strength in everything that is being done. Commitment to this must inform future funding decisions – quite a transition. Exploring different options as to how this can be done. Recent approval by the Board for the Natural Capital Demonstration Fund also included a priority to work with those who received Getting Building Funds to see how Natural Capital can be a factor in those projects. Working collaboratively with local authority partners on policies and principles to add value – eg public procurement. Accessing as much of the clean growth opportunities as possible to ensure that work is maximised for focus on the UK for UN COP26. If anyone has any plans around COP26 then there would be an opportunity to work together. Low Carbon Energy – building on the good work that is already being done. Nuclear and fusion being worked on – offshore renewables is an obvious area to look at however there are other technologies that we need to support – including onshore wind, solar, bioenergy, geothermal and green hydrogen. A lot has been done on distributed energy but there is more to be supported including storage capacity. Also need to find a way to unlock grid capacity constraints – not just around being a net exporter but also to unlock key employment land opportunities. Green Businesses – groups many things together, eg retrofit. New ways to fund new business start ups who can service the massive clean growth market. Universities are a key strength for the area. Also looking at bedrock sectors – Agriculture and Tourism – what more can be done to support those sectors to embrace this change and realise economic value as a consequence. Accelerate Enterprise Zones to make them a cornerstone of what is being delivered. Also need to look at Rural Areas. Providing business advice to help SMEs to manage their resources more efficiently. Sustainable Communities – reflects retrofit push. Look at supporting a retrofit programme. Need to ensure that all developments supported are committed to high sustainable	Clare Gibson HotSW Head of Delivery

	construction standards. Enable new garden communities to highlight how this can be done well. Energy. Green infrastructure projects. Decarbonised Transport – clean growth cannot be achieved without looking at this – we are a partner and have funded transport schemes. Clean strategic network – ev charging, electrification of at least part of the rail network, use of public transport, rural mobility (challenge fund). Need to look at how to get freight off roads. Building clean growth into our key sectors – aviation and maritime. Natural Capital – potentially one of our USPs – we can demonstrate how best we can look at using natural capital to deliver on this agenda and for the economy. New delivery money – looking at how to deliver effectively on the ground. Looking at an offset programme focused on the HotSW area encouraging people to invest. Explore potential for Environmental Enterprise Zones – needs further work. Next steps – talking to key stakeholders to ensure focus on right priorities. Develop delivery plan with short, medium and long term opportunities. Identify funding to deliver quick wins. Secure approval from the LEP Board in April 2021. Point raised – EA is doing a lot around low carbon construction including supply chain and procurement. Where relevant they would be happy to share with partners. Opportunities for positive messages around climate emergency. Highlighted Investment Readiness fund which might support some of the schemes. Qs – the role of agriculture around biofuels, renewable, etc? Looking at energy production from used oils in the food industry could this be done in HotSW? How do we take communities with us on the net zero agenda – example from Scotland highlighted fairness in this process. As – lots of work being done to encourage behaviour change, thoughts around what could be possible would be appreciated. Needs to be a collective approach. Agriculture offers challenges but also solutions. Potential market opportunities for farmers – offsetting needs to come out. Energy opportunities for SMEs to work collaboratively. **Priorities** Number of points made – priorities raised by BEIS etc are in the plan. It feels that people are broadly comfortable with the focus so we now need to get into what this actually means in practice. Interested to hear from others as to what the priorities should be. Capture the points discussed but a need to keep the conversation ongoing. **Reflective feedback appreciated**	
9.	**Pipeline Projects** LEP Board is keen to keep a pipeline of projects live, focused on delivery. Currently in an exercise to review, refresh and strengthen the pipeline. We are coming to the end of the Growth Deal and short term Getting Building Fund and it is currently not clear what the funding streams will be in the future. We however want to be ready with thoughts across the area against our priorities so that we are ready when any new funds are announced. Process being undertaken to look at local capital schemes and, also across the various specialist themes. The Place Group may wish to review once the initial process has been completed.	**Paul Hickson**

Transport – Ian Harrison
Main impetus is going to come from the 4 transport authorities – no final thoughts on proposals yet. These need to be looked at in the context of the Clean Growth Decarbonising Transport slide. The investments made through Growth Deal and GBF have been tactical interventions with a lot being highway based. The Clean Growth highlights a move towards sustainable modes of travel, trying to support walking and cycling and encouraging the use of public transport. Also electrification of both roads and rail.

Rural Productivity – Chrissie Ingle
Meeting took place on 4th February – pipeline projects will come from the Steering Group. Discussions have taken place around the Rural Commission document (2017) also a task looking at Covid recovery – looking at surveys and documents across the HotSW to identify any emerging themes. Discussion around priorities and have identified the top 5 priorities – these are around Clean Growth, working with farming and forestry, also expanding to other sectors. New markets – building on things that have happened as a consequence of Covid – eg online sales, etc, also to look at the new environmental markets that may come out of the Clean Growth agenda. Discussions also around the circular economy/doughnut economy . Next priority was Innovation – agri-tech, environmental big data. Final two were around skills/training and business support to support the earlier activities mentioned. Further collaboration being undertaken via online whiteboards. This will hopefully bring forward some programmes of work.

A proposal was submitted to F&R for developing a Community Led Local Development study To pull out some of the detail from previous programmes like LEADER but also things like Defra Farm Resilience, engaging rural micros etc. This will inform how we can deliver similar rural schemes in the Heart of the South West. Waiting to hear if that has been successful. Timescale – aim to bring final report to Place Group meeting 1 July 2021.

Energy/Natural Capital – Anne-Marie Spalding
Most of the information has already been given. Working with Energy group to identify priorities. District and County authorities are working well individually the key will be to get them to work together on the HotSW larger programmes of work to help us to achieve our aims.

The same with Natural Capital – starting discussions with South West Water and Wessex Water and other potential private sector partners to see what can be delivered for mutual benefit. Doughnut economy could be a good focus for the next meeting. Retrofit projects in particular need to be fulfilled by local supply chains to keep the money in the local economy.

Point made that the infrastructure projects need to be looked at in view of adjustments for Covid and needs more thought around wellbeing.
This does need to have a post Covid review – which will probably mean that we are less likely to invest more highway capacity as it no longer seems as relevant as it might have done. However walking and cycling schemes or public transport – particularly in rural areas – are things that we should be contemplating for the future I line with the Clean Growth proposals.

	Digital Strategy - has been updated. This will be brought back to this group for a special session **Think Piece around Market Towns** – now commissioned – stakeholders will be engaged in the work and the final report will be brought back to the Place Group.	
10	**AOB** Please read papers which accompanied the agenda and also the OKRs which guide the work of the group. **Please feed back priorities and comments of the Clean Growth Plan. We are looking to establish the top 5 priorities for Energy.** Also please keep in touch between meetings to raise any points of interest/concern. Critical to keep sharing.	
	Next meeting: 20 April 2021 – 15:00 – 16:30 via Teams	

Actions Log Summary	**Meeting Date**	**Owner**	**Status Update**	**Next Steps**
To forward previous Place Leadership Group meeting minutes for publication on HotSW LEP website.	11/02/2020	Anne-Marie Spalding		N/A
Information on funding opportunities to be shared with the LEP	08/05/19	All	Ongoing	Ongoing
A presentation on rail freight development to be brought to a future meeting	08/05/19	David Northey	Future Meeting	
Natural Capital Advocacy Document next Steps	Ongoing	Anne-Marie Spalding	Next Steps to be developed	
OKRs for Q4 2020/21	Circulated	Paul Hickson	Feedback requested.	
Explore additional resource for Natural Capital task group	Ongoing	Paul Hickson		
CDS to be invited to provide update on Delivery Contracts	Next Meeting	CDS		
Clean Growth and Priorities for Energy	ASAP	Claire Gibson	Feedback requested	

ANNEX – Strategic intervention Ideas for Infrastructure and Place

Foundation – Infrastructure	
Clean Energy	• Enabled distributed generation capacity/capability • Grid distribution capacity • EV infrastructure (roads) • Electrification of rail
Advanced Manufacturing	• Distribution network and connectivity e.g. resilience of A303 • Access to ports and airports e.g. for international connectivity/exports • Supply chain efficiencies… (export region)
Artificial Intelligence and Data	• Digital connectivity and resilience • (Big) data management e.g. to facilitate/optimise smart transport and grid networks • Data management/ownership etc • Added value from data
General Business	• Mobility services e.g. to support zero carbon cities • Green infrastructure e.g. cycle routes, pedestrian walkways • Urban green spaces?

Foundation – Place	
Clean Energy	• Development of regional renewable energy resources e.g. solar, wind, biomass and tidal • Innovative local energy solutions e.g. heat networks, ground source heating, efficient build etc • Grid distribution capacity
Advanced Manufacturing	• Regionally developed renewable energy technologies/solutions? • Land management/agri-technologies to promote clean productivity gains e.g. monitoring and autonomous systems • Food processing opportunities
Artificial Intelligence and Data	• Systems and analyses to support land management to facilitate resource use and agri-tech productivity gains • Smart energy management • Food supply chain management • Data analysis opportunities/services – competitive advantages • Better equip businesses about data ownership, management, exploitation, marketing e.g. through cooperation/collaboration
General Business	• Carbon capture/sequestration opportunities • Land management opportunities e.g. natural flood protection and payment for ecosystem services and for the "pubic good" • Digital connectivity • Feedback loop with infrastructure piece and natural capital • Carbon balance sheet • Circular economy • Health and well-being benefits