

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 29 April 2022

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

KEY DECISION Yes (Number 255)

REPORT OF THE PORTFOLIO HOLDER CLIMATE EMERGENCY & RENEWABLE ENERGY AND EXECUTIVE DIRECTOR OF INVESTMENT AND DELIVERY

NORTH WEST ENERGY HUB

1. PURPOSE OF REPORT

This report seeks approval for the transfer of the North West Energy Hub from the Liverpool City Region Local Enterprise Partnership to the Combined Authority and delegated authority for the allocation of additional funding from the Department for Business Energy and Industrial Strategy. It also notes the change in name of the Hub to North West Net Zero Hub and its focus to be upon zero carbon.

2. RECOMMENDATIONS

It is recommended that the Liverpool City Region Combined Authority:

- (a) approve the transfer of the North West Energy Hub from the Liverpool City Region Local Enterprise Partnership Growth Platform to the Combined Authority;
- (b) approve the change of name to the North West Net Zero Hub;
- (c) note the change of focus and increased emphasis on zero carbon;
- (d) approve a delegation to the Director of Investment and Delivery in consultation with the Portfolio Holder for Climate Emergency & Renewable Energy and the Executive Director Corporate Services to allocate core and any additional funding allocated from the Business, Energy and Industrial Strategy (BEIS) for the North West Net Zero Hub, currently c£2.5m.

3. BACKGROUND

- 3.1. The North West Energy Hub (the Hub) was one of five Hubs created in April 2018 through funding from BEIS to support the development of energy projects and share best practice across regions. The Hub had been located in the Liverpool City Region Local Enterprise Partnership until a recent review reflected a better alignment with the net zero work of the Combined Authority. The Combined Authority has also been the accountable body for the Hub funding from BEIS.

- 3.2. The current Hub programme is fully funded until March 2024. It is anticipated that additional funding will be provided by BEIS sufficient to extend core programme activities until March 2025. This is subject to a final decision by BEIS.
- 3.3. The current core staff complement consists of five posts: Head of Programmes; Hub Administrator; Home Energy Lead; Public Sector Buildings Lead and Energy Surveyor. The Hub also supports each sub-regional area with an Energy Lead post funded for two years and a Community Energy Investment Lead post is hosted by Lancashire County Council.
- 3.4. With the publication of the Government's Net Zero Carbon Strategy in October 2021, BEIS have indicated that they wish to rebrand the Hubs to be 'Net Zero Hubs'. The nature of this change is still under discussion and whilst the core work of the Hubs will remain the same, there is the potential to expand the work further and provide more resources. This ambition aligns with the publication of the Combined Authority's Net Zero Pathway document in January 2022 as well as that of our fellow NW sub-regions.
- 3.5. The change to the Net Zero Hub will involve signing a new Memorandum of Understanding with BEIS. It is proposed to delegate this and the allocation of any associated funding to the Executive Director of Investment and Delivery in consultation with the Portfolio Holder for Climate Emergency & Renewable Energy. During the year, BEIS often provide additional funding for research or dissemination of good practice that must happen within the financial year. It is proposed that the delegation extends to these funds to ensure the NW as a whole benefits from new funding.
- 3.6. The governance of the Hub is intended to remain as a Board constituted from the five sub-regions, chaired by Greater Manchester Combined Authority to remain inclusive. For the city region, the Hub will report through the Climate Emergency & Renewable Energy Advisory Board, and internally to the newly established Net Zero Delivery Board.

4. RESOURCE IMPLICATIONS

4.1. Financial

The Hub received its most recent tranche of funding of £400,000 in February 2022. This report outlines the current financial situation for the Hub with £500,000 core funding allocated to staff costs and Combined Authority programme management for the period April 22 to March 24. In addition, there is a budget of £550,000 to support sub-regional posts and £1,000,000 resource allocation for research commissions by the CA or for granting to partner organisations to undertake project development. The Hub manages a separate programme budget of £625,000 to support a programme of Public Sector Building Decarbonisation Skills in the North West which funds two additional posts in the CA and a commissioning budget. BEIS throughout the year often request the Hubs to step in to promote new policies or projects with funding and the delegations outlined above will allow the Combined Authority to quickly spend these funds to support the NW sub-regions.

4.2. Human Resources

The existing staff complement are already members of the Combined Authority and will report into the existing staff structure in the Housing Delivery team of the Investment and Delivery Directorate.

4.3. Physical Assets

There are no implications for physical assets in this report.

4.4. Information Technology

The NW Hub operates a website which requires updating and this has been submitted to the IT Delivery plan for implementation.

5. **LEGAL IMPLICATIONS**

The Combined Authority will continue to be the accountable body for the NW Hub. The Hub currently holds contracts for Local Authority Delivery 2 retrofit funds of just under £60m with the five LEP areas with funding to be spent prior to June 2022.

6. **RISKS AND MITIGATION**

- 6.1 There is limited risk associated with taking the Net Zero Hub into the Combined Authority. The risk of not supporting this body to continue the excellent work to enable the city region and other NW sub-regions to move towards net zero carbon is much greater.
- 6.2 There is a responsibility to achieve the Key Performance Indicators and targets associated with Local Authority Deliver 2 programme. The CA were already responsible for this and chair the Board that oversees the LAD2 work. At present the programme is on track to deliver by the June 2022 deadline after remedial action was taken in January 22 with re-allocation of funds.

7. **EQUALITY AND DIVERSITY IMPLICATIONS**

The Hub will consider all equality and diversity implications in running the programme. Engagement across the North West happens with a wide variety of mainly public and community organisations in an inclusive manner. Where funding opportunities arise, contracts will have a social value. The work on the Local Authority Delivery 2 programme at a NW level has benefitted the city region with a range of work and learning opportunities for hard to reach groups such as ex-offenders.

8. **PRIVACY IMPLICATIONS**

There are limited privacy implications to this proposal.

9. COMMUNICATION ISSUES

The Hub has a communications strategy and will acknowledge its position in the Combined Authority along with the core funding received from BEIS.

10. CONCLUSION

The integration of the Hub into the Combined Authority will allow closer working with our constituent Local Authorities and sharing of best practice across the NW region. The benefits of closer working relationship with the Hub has already been seen with support to the Combined Authority earlier this year in a successful £1.9m grant to retrofit our first Net Zero Carbon building. This success will be mirrored in future support across the public sector in the year to come.

COUNCILLOR DAVID BAINES
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Background Documents:

None

Appendices:

None