

## ADEPT - Energy & Clean Growth Working Group Minutes

<b>Date &amp; Time:</b>	<b>Monday 11<sup>th</sup> March 2024, 15:30 – 17:00</b>
<b>Venue:</b>	Microsoft Teams Meeting
<b>Chair:</b>	Sheryl French - Assistant Director, Climate Change & Energy Services, Cambridgeshire County Council (SFR)
<b>Attendees:</b>	Alexander Beckett – Climate Change Programme & Partnership Manager, Buckinghamshire Council (ABE) Daire Casey – Energy Services Manager, West Sussex County Council (DCA) Danny Olsson – Delivery Manager, Hampshire County Council (DOL) Doug Eltham – Environment and Sustainability Policy Officer, Devon County Council (DEL) Kylie Russell – Deputy CEO, ADEPT (KRU) Melania Tarquino – Strategic Energy Lead, Surrey County Council (MTA) Nicola Stringer – Energy Programme Manager, West Sussex County Council (NST) Patrick Allcorn – Head of Local Energy, Department of Energy Security and Net Zero (PAL) Stacy Sheppard – Retrofit Development Manager, Wiltshire Council (SSH) Steve Palfrey – Assistant Director: Waste & Environment, Suffolk County Council (SPA) Vicky Burvill – Senior Climate Officer, Wiltshire Council (VBU)
<b>Guests:</b>	Tom Hughes – National Infrastructure Commission (THU) Rufus Grantham – Living Places (RGR)
<b>Note Taker:</b>	Bayley Wooldridge – Energy Projects Officer, Cambridgeshire County Council (BWO)
<b>Apologies:</b>	Carolyn McKenzie Chitra Nadarajah Jon Rattenbury Katie Sargent Simon Bowers

Item No.	Item
1.	<p><b><u>Welcome, minutes and actions from the last meeting</u></b> The minutes of the meeting held on 23<sup>rd</sup> January 2024 were agreed as a correct record.</p>
2.	<p><b><u>Electricity Distribution Network Study - National Infrastructure Commission</u></b> THU gave a presentation on NIC's Electricity Distribution Network Study (<i>presentation attached</i>). The following key points were raised:</p> <p><u>Background on NIC</u></p> <ul style="list-style-type: none"> <li>• NIC's role is to provide expert advice to government on long-term infrastructure challenges, focusing on the next 30 years.</li> <li>• NIC publishes a National Infrastructure Assessment every five years. The most recent report was published in <a href="#">October 2023</a>.</li> <li>• They also publish an annual monitoring report to keep track of key sector updates and the government's implementation of the NIC's recommendations.</li> </ul> <p><u>The Electricity Distribution Network (EDN) Study</u></p> <ul style="list-style-type: none"> <li>• The study is researching how to make the EDN fit for net zero, accounting for the significant increase in electricity demand.</li> <li>• The study is a 12-month piece of work due to be published in early 2025.</li> <li>• Five core workstreams within the study: <ul style="list-style-type: none"> <li>○ <b>Technology and meeting capacity:</b> how to manage future demand and peak patterns.</li> <li>○ <b>Price controls:</b> thinking ahead to RII0-3 and what changes should be made to encourage more anticipatory investment. Consider price signals and other markets.</li> <li>○ <b>Governance and strategic planning:</b> project or asset based, and deciding how the new governance arrangements fit in with this work (e.g. NESO, RESPs, etc.).</li> <li>○ <b>Resilience and other policy interactions:</b> ensuring the EDN will be fit for net zero and a changing climate.</li> <li>○ <b>Customer service and connections:</b> lots of work is already taking place on connections. Determine if more action is needed, introduce standardised customer service practices for all customers (e.g. domestic to industrial).</li> </ul> </li> <li>• <a href="#">NIC Call for Evidence</a> is currently live until 10/05/2024.</li> </ul> <p>In discussion:</p> <ul style="list-style-type: none"> <li>• NIC's engagement with LAEP: THU confirms some networks are already in discussion with NIC on LAEP. The challenge is that not all places have a LAEP. LAEPs will be useful for this study to understand what the local area's challenges and priorities are.</li> <li>• Can LAEP's be useful to NIC and DNOs when there are inconsistencies due to the lack of a standardised approach? THU recognises this challenge and agrees consistency is preferable, however DNOs value any local input into their plans despite a non-standardised format.</li> <li>• Local authorities do not have capacity to be an intelligent client to the DNOs. Is funding support available to unlock local authority capacity to enable them to engage with the DNOs? This has not been considered at this stage, however NIC has made similar recommendations in the transport sector in the past, so it is possible.</li> <li>• Key aspects of LAEPs will be land use planning and ensuring individual engagement through supporting community energy projects. It will be important for NIC to consider forward plans so that future demand from new developments is accounted for.</li> </ul>
3.	<p><b><u>Net Zero Neighbourhood Model - Living Places</u></b> RGR gave a presentation on Living Places' Net Zero Neighbourhood Model (<i>presentation attached</i>). The following key points were raised:</p> <p><u>Background on Living Places</u></p> <ul style="list-style-type: none"> <li>• Living Places are a not-for-profit consultancy established in July 2023.</li> </ul>

- Focus on developing and delivering holistic place-based decarbonisation models which achieve a wide range of co-benefits (e.g. health, economic growth, community pride).

### Developing the Model

- The design must:
  - overcome barriers,
  - deliver carbon reduction plus co-benefits,
  - avoid negative unintentional consequences,
  - take a people and community-centred approach,
  - cover the whole lifecycle of a just transition.
- Demand is a key problem – it will be difficult to make people want to engage in retrofit.
- Total cost and contribution from the taxpayer must be minimised, whilst value for society must be maximised.

### Net Zero Neighbourhood Model

- The model is place-based and residential-led (but not residential-only).
- A range of interventions can be implemented.
- Collective funding.
- Economics:
  - Current retrofit models do not create enough value to justify the spend, especially for households that would need to borrow money to afford the retrofit.
  - The household contribution needs to be less than the saving, so they are better off post-retrofit.
- Why place-based?
  - Introducing a public subsidy removes the requirement of an upfront payment for the resident, making the retrofit affordable.
  - A professional design service can be outsourced and provided to the whole community, so residents do not need to seek their own designs and quotes which is a complex process.
  - Disruption can be minimised by providing temporary removal and relocation services to the whole community.
  - Funders and residents will see the value in the co-benefits achieved through this approach.
- What is place-based?
  - Blending three forms of capital into a funding vehicle which pays for building interventions upfront to reduce carbon, and also co-designs place investments with the community such as mobility and green infrastructure interventions.
    1. Public funding
    2. Outcome buying capital (e.g. if the retrofits will reduce demand via energy efficiency measures and increase generation and storage, the DNO may be willing to contribute funding towards this).
    3. Institutional return-seeking finance
  - Periodic payment obligations (such as council tax) will be set up for each retrofitted property. This comfort fee would then go back to the funding vehicle and an asset maintenance fund.
  - Measure the co-benefits over time (e.g. reduced policing due to increased community pride, reduced NHS prescriptions related to respiratory illness).
- How can this be implemented?
  - Phase 1: business cases, engagement, mini pilot on 25-50 homes.
  - Phase 2: 1,000 home demonstrators.
  - Phase 3: scale up with more private investment.

### In discussion:

- When selecting an area, the homes do not all have to be social housing. However, the retrofit programme could be implemented more easily if a proportion of the housing stock is managed by one social housing provider or one real estate owner.
- Schools in a community can also be considered as locations for generation assets for the whole community.
- Following the success of the Swaffham Prior heat network, the suitability of villages (particularly if the parish council has declared a climate emergency) was suggested, due

	<p>to their high social capital. RGR confirms the model is not just for high-density areas and notes the importance of rural/low-density areas in finding space for generation assets.</p> <ul style="list-style-type: none"> <li>○ PAL notes that DNOs may not want to engage in smaller-scale programmes in villages as they make up such a small part of their area but would still create a lot of extra work for them.</li> <li>● Local authorities need the co-benefit anecdotes (e.g. reduced policing, healthcare costs) turned into tangible evidence to present to investors. There is some academic research in this area, but scaled retrofit programmes where the outcomes are measured properly are needed.</li> <li>● A place-based plan should have integrated adaptation and mitigation interventions included to reduce the climate risk.</li> <li>● The fee that residents pay could be added to their utility bills, as psychologically this might feel easier for the resident to pay rather than having to set up a new transaction.</li> </ul>
<p>4.</p>	<p><b><u>Update from DESNZ/BEIS</u></b></p> <p>PAL provided the following updates:</p> <ul style="list-style-type: none"> <li>● Over 300 in attendance at the national APSE conference. The conference included a popular investment session with GFI, UKIB, and the South West Net Zero Hub who are developing an able to pay model. DESNZ are looking to replicate the session at a regional scale as the session had over 40 unanswered questions at the end.</li> <li>● Work is progressing with CIPFA on Section 151 officers. DESNZ are exploring how energy officers and councillors can be involved in financial conversations to determine how projects can be commercialised.</li> <li>● The net zero accelerator is in its set-up phase. DESNZ are recruiting and developing business cases.</li> <li>● Despite pilots being city-focused, there are opportunities in rural areas, and DESNZ are looking at funding opportunities in this area.</li> <li>● A spending review is due in the next 12 months.</li> <li>● UKRI Net Zero Living demonstrator projects are beginning.</li> <li>● Hubs have set up working groups in key areas to identify barriers/problems and bid to DESNZ for funding for solutions. The working groups are: <ul style="list-style-type: none"> <li>○ Green finance</li> <li>○ Transport</li> <li>○ Energy networks</li> <li>○ Domestic retrofit</li> <li>○ Heat networks</li> <li>○ Places &amp; planning</li> <li>○ Non-domestic buildings</li> <li>○ Industry/commerce</li> </ul> </li> </ul> <p>In discussion:</p> <ul style="list-style-type: none"> <li>● <b>Action: PAL to provide an organogram of the NZ hubs working groups. If unavailable, BWO to contact Maxine from the Greater South East Net Zero Hub.</b></li> <li>● SFR notes that language used by businesses appears to be shifting from 'retrofit' to 'urban regeneration'. PAL suggests the different wording could be used for different audiences and funders. Urban regeneration is a widely understood concept in local government as this is one of their primary functions.</li> <li>● A current topic of interest is regarding the fabric-first approach and if this should be prioritised over a holistic approach.</li> </ul>
<p>5.</p>	<p><b><u>Update from ADEPT</u></b></p> <p>KRU shared the below written update:</p> <p><u>Transport</u></p> <ol style="list-style-type: none"> <li>1. SEND transport – as you know, we published a SEND transport toolkit (<a href="#">here</a>) and homes to school SEND policy paper (<a href="#">here</a>) back in Nov, Two follow up things: <ol style="list-style-type: none"> <li>a. We are hosting a webinar tomorrow (230-4pm, Weds 6 March) to introduce the toolkit, plus 3 case studies (Norfolk, Dorset, Blaby DC).</li> <li>b. As a result of the ADEPT / ADCS letter sent to DfE and DfT Ministers, there was a meeting with DfE officials a couple of weeks ago. That highlighted several areas</li> </ol> </li> </ol>

that could progress: parental responsibility; DfE collaborative working guidance; DfE guidance for tribunals; CMA report on SEND Transport. It was made clear that there was no intention in the short term to seek legislative changes – however, there some work happening in DfE to consider this ready for when ‘the time is right’.

2. We’re responding to the DfT consultation on *Street works: fines and lane rental surplus funds* – if you’re happy to share your authority’s response, please send to me asap (closing date 11 March).
3. Individual Local Transport Fund allocations were announced 26 Feb ([Local Transport Fund allocations 2025 to 2032 - GOV.UK \(www.gov.uk\)](#)) – yet to confirm annual £££, but we are told not to expect an equal division of money by 7 years; LHAs will have to provide a delivery plan (guidance will be provided). This complements separate funding lines for BSIP, highways maintenance, City Region Sustainable Transport Settlements – the totals for each of these funding lines were set out in last October’s Network North Command Paper.

#### Devolution / Growth / Planning / Workforce

4. We worked with the 7 LAs being offered a Level 2 devo deal to develop some text to integrate climate & environmental objectives into the standard devo template. Defra was supportive. **Action: KRU to send text to PAL for distribution to Neil Witney.**
5. We responded to the DLUHC consultation on heat network zoning ([here](#)). We are also refreshing the ADEPT Housing policy position document.
6. Workforce activities:
  - a. ADEPT launched a LinkedIn EDI campaign last month – one personal story every week (see [here](#)).
  - b. Plans to roll out our Gen Z recruitment campaign pilot are developing well – there are 5 LAs involved (S Glos, Plymouth, Oxfordshire, Barnsley, Hounslow).
  - c. We are also looking to roll out a middle managers development programme (to complement the very successful Leadership Development Programme).

#### Environment

7. We are continuing to work with the Environment Agency to build capability in LAs to apply adaptation pathway approaches in flood and coastal erosion risk management. One of the early findings from the [Adaptation Pathways programme](#) is the importance of starting simple and building consensus around a pathway/ pathways before launching head long into technical assessment. We are working with the consultancy *Climate Sense* to develop guidance for LAs on undertaking a Rapid Adaptation Pathways Assessment (RAPA), via three pilot projects. More information soon.
8. The Blueprint Coalition (of which ADEPT is a member) recognises the importance of devolution in its [manifesto asks](#), with one of the key asks being that all future devolution deals should include ambitious plans for place-based actions to reduce carbon emissions, adapt to the impacts of climate change, and restore nature. It is hosting a webinar on 5<sup>th</sup> June on ‘Devo & the Environment’. In addition, the Coalition is writing to all the main political parties with its manifesto.
9. As an association, we are looking to develop our work and thinking on water quality issues. We kicked this off with a joint Environment / Sustainable Growth Board meeting on WQ issues last week – next steps are to work out who / what / why/ when.

#### Events / Other

10. We are looking to set up meetings with shadow ministers; as part of that process, we are refining our more general set of manifesto asks (see [here](#)) for transport, climate change, economic growth, etc.
11. Dates for your diary:
  - a. The next Lunch & Learn – *Using AI to optimise Transport Plan Delivery Plans* - is on Friday 22 March and is hosted by Arcadis. You can register [here](#).
  - b. The 1<sup>st</sup> Live Labs 2 [Expo](#) will be held in Birmingham on 17<sup>th</sup> April. Attendance is free – please encourage your highways and climate change colleagues to attend.
  - c. The Spring Conference and Annual Awards Dinner will be held in London on Thursday 16<sup>th</sup> May 2024. To book see [here](#), to enter the awards see [here](#).
  - d. Date & venue for your diary – the Autumn Conference will be held in Bristol on 21<sup>st</sup> & 22<sup>nd</sup> November.

	<p>The 2024 PACE Programme has kicked off – this year focusing on the strategic theme of ‘making a stronger case for place’. See <a href="#">here</a> for Neil Gibson’s (programme facilitator) reflections on the 2023 PACE Programme.</p> <p>In discussion:</p> <ul style="list-style-type: none"> <li>• HUG2 funding update: a note has been produced and KRU is awaiting final review by Jo Dicks before sending over to PAL.</li> <li>• Many members of the group report capacity issues preventing them from responding to consultations. <b>Action: ALL who respond to consultations to send a copy of their response to DDA.</b></li> <li>• SFR recommends sharing the ADEPT updates with relevant internal departments, as Cambridgeshire colleagues have found this useful.</li> </ul>																								
<p>6.</p>	<p><b><u>Roundtable Feedback and discussions</u></b></p> <p><u>UK Shared Prosperity Fund Successor</u></p> <ul style="list-style-type: none"> <li>• Buckinghamshire used this funding successfully to set up their Energy Doctor scheme.</li> <li>• BWO to search for any indication of new funding streams.</li> </ul> <p><u>Carbon Reduction Targets</u></p> <ul style="list-style-type: none"> <li>• Cambridgeshire is looking to develop annual milestones for the emissions reduction targets 2030 for scopes 1,2 and 3 to enable progress on the targets to be measured.</li> <li>• Devon uses 5-year carbon budgets for their net zero emissions by 2050 county target. <b>Action: DEL to share the details with SFR.</b></li> </ul>																								
<p>7.</p>	<p><b><u>Forward agenda planning</u></b></p> <p>Suggestions for future presentations/discussions include:</p> <ul style="list-style-type: none"> <li>• Able to Pay Model – South West Net Zero Hub (Justin)</li> <li>• Energy Doctor – Buckinghamshire</li> <li>• Local Authority Retrofit Scheme – Oxfordshire (Dale Hoyland)</li> <li>• Regional Energy System Planners – Ofgem. <b>Action: DCA to pass on contact details.</b></li> </ul>																								
<p>8.</p>	<p><b>AOB</b> No comments.</p>																								
<p>9.</p>	<p><b><u>Upcoming Energy &amp; Clean Growth Consultations/Calls for Evidence</u></b></p> <table border="1" data-bbox="279 1377 1412 1848"> <thead> <tr> <th>Consultation</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td><a href="#">Contractual controls on land: consultation</a></td> <td>20/03/2024</td> </tr> <tr> <td><a href="#">Consultation on amendments to the Major Connections Governance Document</a></td> <td>20/03/2024</td> </tr> <tr> <td><a href="#">Non-road mobile machinery: decarbonisation options</a></td> <td>26/03/2024</td> </tr> <tr> <td><a href="#">Strengthening planning policy for brownfield development</a></td> <td>26/03/2024</td> </tr> <tr> <td><a href="#">Home Energy Model: replacement for the Standard Assessment Procedure (SAP)</a></td> <td>27/03/2024</td> </tr> <tr> <td><a href="#">Home Energy Model: Future Homes Standard assessment</a></td> <td>27/03/2024</td> </tr> <tr> <td><a href="#">Alternative routes to market for new nuclear projects</a></td> <td>04/04/2024</td> </tr> <tr> <td><a href="#">Changes to various permitted development rights: consultation</a></td> <td>09/04/2024</td> </tr> <tr> <td><a href="#">Energy code reform: implementation consultation</a></td> <td>23/04/2024</td> </tr> <tr> <td><a href="#">Green Industries Growth Accelerator: hydrogen and CCUS supply chains</a></td> <td>23/04/2024</td> </tr> <tr> <td><a href="#">Future policy framework for biomethane production: call for evidence</a></td> <td>25/04/2024</td> </tr> </tbody> </table>	Consultation	Deadline	<a href="#">Contractual controls on land: consultation</a>	20/03/2024	<a href="#">Consultation on amendments to the Major Connections Governance Document</a>	20/03/2024	<a href="#">Non-road mobile machinery: decarbonisation options</a>	26/03/2024	<a href="#">Strengthening planning policy for brownfield development</a>	26/03/2024	<a href="#">Home Energy Model: replacement for the Standard Assessment Procedure (SAP)</a>	27/03/2024	<a href="#">Home Energy Model: Future Homes Standard assessment</a>	27/03/2024	<a href="#">Alternative routes to market for new nuclear projects</a>	04/04/2024	<a href="#">Changes to various permitted development rights: consultation</a>	09/04/2024	<a href="#">Energy code reform: implementation consultation</a>	23/04/2024	<a href="#">Green Industries Growth Accelerator: hydrogen and CCUS supply chains</a>	23/04/2024	<a href="#">Future policy framework for biomethane production: call for evidence</a>	25/04/2024
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<p>10.</p>	<p><b><u>Date of next meeting</u></b> Monday 13<sup>th</sup> May 2024 11:00 – 12:30 via Microsoft Teams.</p>																								