

## NOTES OF MEETING

### LIVERPOOL CITY REGION CLIMATE PARTNERSHIP

**Date** Thursday 16<sup>th</sup> February 2023, 4pm – 5.30pm

**Attendees:**

<b>Chair</b> Gideon Ben-Tovim	Nature Connected, Climate Partnership
Rachel Waggett	LCRCA, Principal Environment Officer
Emma Galbraith	LCRCA, Environment Officer
Archie McCluskey	LCRCA, Environment Officer
Mark Knowles	LCRCA, Mersey Tidal – Energy & Industrial Lead
Cllr Paulette Lappin	Sefton Council
Colm Bowe	LJMU, LCR Natural Capital Group
Nicky Crosby	Extinction Rebellion
Stephen Sykes	2030hub, Merseyside Environmental Trust, St Helens Climate Change Commission
Mike Wolffe	St Helens Council
Megan Bennett	Knowsley Council
Don Naylor	Liverpool Friends of the Earth
Jeni Brittlebank	Environment Agency
Nick Thompson	CPRE, Nature Connected, Sefton Coastal Landscapes Project
Cllr Laura Robertson Collins	Liverpool City Council, Environment Select Committee
Peter Owen	Energy Projects Plus, Cool Wirral
Paul Nolan	Mersey Forest
Mark Booth	United Utilities
Sophie Bevan	LCRCA, Senior Investments Manager
Sean Joughin	LCRCA, Investment Analyst
Kitty Ward	LCRCA, Investment Analyst
Chris O'Connor	Equans

**Apologies received from:**

<b>Vice Chair</b> Cllr Gill	Wirral BC, Climate Partnership
Claire Blott	LCRCA, Assistant Director – Policy & Strategy
Luke Biffal	Regeneration Project Manager, Wirral BC
Mandi Cragg	NHS Cheshire and Merseyside, Sustainability Project Lead
Annie Merry	Faiths4Change, Friends of the Earth
Cllr Liz Grey	Wirral BC
Michele Grey	Knowsley BC
Lucy Northey	Wirral BC
Matt Ellis	Environment Agency
Mike Cockburn	Wirral BC

<p><b>1. Welcome and introductions/ apologies for absence</b></p>	
<ul style="list-style-type: none"> <li>– Gideon Ben Tovim welcomed everyone to the meeting.</li> <li>– Introductions from each attendee.</li> </ul>	
<p><b>2. Declarations of interest</b></p>	
<ul style="list-style-type: none"> <li>–</li> </ul>	
<p><b>3. Notes of last meeting for agreement</b></p>	
<ul style="list-style-type: none"> <li>– Minutes from previous meeting Thursday 19th January 2023 agreed</li> </ul>	
<p><b>4. Matters arising</b></p>	
<ol style="list-style-type: none"> <li>1. 5 Year Climate Action Plan – update and revised date for approval <ul style="list-style-type: none"> <li>– Rachel Waggett updated on 5 Year Climate Action Plan – Now going to June/July Combined Authority meeting, as the March meeting agenda is full</li> <li>– This could be to the benefit of the plan, as the amount of comments received has been substantial</li> <li>– Final draft version due for completion at the end of March 2023</li> <li>– Will then be able to update about which CA the plan will go to</li> </ul> </li> <li>2. Innovate UK Net Zero Living: Fast Followers funding opportunity <ul style="list-style-type: none"> <li>– Martin and Tracy, Innovate UK funding ‘Fast Followers</li> <li>– Support LAs to recruit NZ &amp; Delivery Officer</li> <li>– LCRCA will submit a bid for this funding. LCRCA bid will also support St Helens and Wirral.</li> <li>– Link to funding will be shared.</li> <li>– Don Naylor – Is there space for introducing reference to Merseyside Pension Fund and its schedule for divestment in the 5 Year Plan?</li> <li>– RW – Colleagues have spoken to Merseyside Pension Fund but the CA does not have direct control over their activities. This would likely be an area where the LCRCA can aim to influence them.</li> <li>– Paulette Lappin – Site on the Merseyside Pension Fund Board</li> <li>– Special Officer at MPF concerned with environmental matters</li> <li>– Peter Wallach is the person to ask to about maybe getting someone to talk about this.</li> <li>– GBT – Do we aim to get started on actions before plan goes to CA?</li> <li>– RW – Those that don’t require board approval, yes.</li> </ul> </li> </ol>	
<p><b>5. Meeting content</b></p>	
<ol style="list-style-type: none"> <li>1. UK Shared Prosperity Fund – short and longer term proposals for green community funding (<i>Sophie Bevan, Kitty Ward and Sean Joughin, LCRCA</i>) <ul style="list-style-type: none"> <li>– Community Environment Fund 2 is now in progress and proceeding well, which was the £500k of SIF funding</li> <li>– Following this was the approval put forward to the CA to develop a longer term, broader scheme, that Sean will cover</li> <li>– Also since had the introduction of UK Shared Prosperity Fund – brought forward significant amount of funding and support for Local Authorities, which Kitty will cover</li> <li>– Sean Joughin shows video on 2<sup>nd</sup> year of Community Environment Fund projects</li> <li>– Kitty Ward talks about UK Shared Prosperity Fund – Began in April 2022, so in 1<sup>st</sup> year of spending, replaces ERDF funding, also ties-in with levelling-up agenda</li> <li>– £52.8 million funding allocated to LCR</li> <li>– 8m ringfenced Multiply – Adult literacy project</li> <li>– 3 priority areas identified for the remaining funding: Communities &amp; Place, Supporting Local Businesses, People &amp; Skills</li> </ul> </li> </ol>	



- 3 themes identified: Green, Safe and Resilient Communities; Local Culture, Arts and Heritage (both under ‘Communities & Place’); Town centres (under ‘Supporting Local Businesses’)
- CA submitted Investment Plan in July 2022 which was approved. Local Authorities then asked to submit their own Investment Plans for the themes identified, which were approved in January 2023
- Examples shown of interventions under ‘Green, Safe & Resilient Communities’: E3, E5 and E9. Each intervention has a budget allocation that is then split between the Local Authority applications depending on size of investment needed.
- Kitty Ward gives update given on community engagement – tight time constraints on development of investment plans, so some spend for year 1 projects will be re-profiled into years 2 and 3
- LAs have focused, through community engagement, on working with local community groups and building with the funding upon community work already ongoing
- Sean Joughin – Talks about future investment proposals
- When looking at round 2 of the Community Environment Fund, wanted to look at creating a more sustainable, long-term fund to support movement to net zero, but also to support community projects.
- The general premise of the (as yet unnamed fund/model) is that public sector investment can leverage private sector investment into commercially viable net zero projects, then a portion of them returns will then be ringfenced into community-led schemes through crowdfunding
- Still looking at source and size of funding
- This structure would address a number of barriers, namely restraints on public sector funding by overcoming market failures that prevent the private sector from investing, as well as looking at crowd funding to move towards net zero.
- Would have to be delivered through a fund manager to ensure credibility and the ability of the market to invest
- Proposing an obvious place for people to go who are encountering funding barriers, e.g.: where companies want to invest in retrofit or for community groups to have a share issue underwritten, but didn’t know where to go and didn’t meet criteria for funds
- Examples shown in presentation – based upon London Energy Efficiency Fund and subsequent Mayoral Energy Efficiency Fund, operational for the past decade
- Waltham Forest Cinema, Abellio Bus Depot, Richmond Streetlights examples shown
- In the interim:
  - Will take time to properly develop proposals for the new fund – do the market research and undertake feasibility study, due diligence, procurement etc
  - Unlikely that the fund will be launched this year
  - Community Environment Fund previously funded by Strategic Investment Fund, which is facing extreme pressures and lack of EU funding has left a gap, which SIF has to fill
  - This makes another round of SIF funded Community Environment Fund projects will be very difficult
  - Don’t want to lose momentum however
  - Looking internally at options to fill transitional phase



- On Business Support Commission - A lot of progress towards net zero will be achieved by businesses making a change to operations and innovation
- Working with businesses was a target in the 1 year Climate Action Plan. A piece of work is underway to look at this.
- Investment Team have commissioned a piece of work by Sustainable Ventures to undertake research on what support could be offered to businesses
- Objectives of this work are to:
  - Support SMEs to decarbonise
  - Develop a thriving climate tech sector
  - Understand current level of support through public, private and academic sectors
  - Make recommendations in the short, medium and long term
- This is a 12 week commission

Questions:

- Colm Bowe – On model for funding: Similar skills needed to support funding aspect of NEIRF funding as were included in the presentation about energy investment models, so could this be applied to those models
  - Sean Joughin – May not be linked to Net Zero, so may be difficult to do in the short term, but maybe longer term, could be an option, because investment managers may want to see some kind of track record of a project to invest in, rather than effectively a pilot
  - Don Naylor – Is there a piece of scoping work to be done to see whether are there constructs about whether money, e.g.: from windfall tax, could be used to the benefit of Net Zero funding
  - Sean Joughin – Not thought about as an option at the minute, but it could certainly be taken into consideration and explored
  - Nick Thompson – When will this system become fully operational?
  - Sean Joughin – likely next year, when strategy is right and managers are in-place
  - Nick Thompson – has anyone calculated the difference between what used to be received under ERD and what we'll likely be able to get next year?
  - Sean Joughin – The package will be likely 1/3 less than what European funding used to be. More focus on Environmental schemes under UKSPF. Calculated by Government on a per population basis.
  - Mark Booth – Local companies may want to align themselves with this work, so if there was guaranteed recognition, companies may want to invest.
  - Gideon – would be good if colleagues could come back at a later date
2. LCR Green Hydrogen Vision Update (*Mark Knowles, Chris O'Connor, LCRC*)
- Rachel Waggett welcomes Chris O'Connor from Equans to the meeting
  - Mark Knowles - Hydrogen has a role to play in decarbonisation for the LCR. Now trying to put some facts and figures around what this will look like.
  - The study started last month and is almost a stock take around hydrogen opportunities and assets around the LCR. Also looking at skills required and business opportunities that could be available.
  - Equans (Chris O'Connor) leading on this
  - The study will look into:
    - Where do opportunities lie in hydrogen?
    - Where hydrogen is best deployed?



- What timescale is being looked at?
- What investment is required?
- What kind of skills would be needed?
- What businesses lie alongside this?
- Looking into transport, industry, buildings etc. to understand and quantify what this work looks like
- The timescale is from 2023 to 2030
- Chris O'Connor, Head of Hydrogen in UK and Ireland, Equans – shares slides
- Developing a vision for hydrogen out to 2030
- Want to dispel some myths around hydrogen as part of the study and show that hydrogen used in the right places will be essential for delivering net zero
- Why is this happening? Need to move away from fossil fuels. Graphic shows changing energy demand of LCR, based upon Government projections on how they expect hydrogen to feature in a zero carbon energy system:
  - Overall energy demand will halve
  - This will be mainly to electricity as the dominant carrier of energy demand
  - 15-25% of energy demand is projected to be served by hydrogen
- Up to 2030, want to develop an 'ecosystem' to allow hydrogen after that to be deployed at scale across LCR
- Want to maximise societal benefit from hydrogen use
- Hydrogen is around 30% efficient and is resource intensive to produce, so is a valuable fuel and should be diverted to where it will have the most benefit, so the study will look at a whole system approach to best divert its use.
- Taking a 'hydrogen hierarchy' approach – unavoidable, higher potential, medium potential, lower potential, uncompetitive
- Stresses that the hierarchy is simplistic, so must be taken into account with context, opportunities and local constraints of the LCR
- This study solely looks at green hydrogen and possibility of developing green hydrogen hubs across the LCR. Grey hydrogen does not meet UK Low Carbon Hydrogen Standard but accounts for 99% of hydrogen globally.
- Study will be forecasting demand, then looking at strategic locations for refuelling hubs and wider application in that area
- Also want to use the strategy as a catalyst for placemaking in the LCR – developing wider projects to benefit the LCR
- Heat map produced for Net Zero North West to look at areas of highest demand to inform projects at these locations.
- Currently establishing a baseline for hydrogen demand
- Then entering a period of consultation
- As part of this, Climate Partnership will likely be consulted on the study at the end of March/into April. This will likely be in the form of a dedicated workshop.
- Mark Knowles – The workshop may focus on location of hubs and applications for hydrogen across the LCR.
- 6 LA areas have disparate demands/assets, so the study and solutions need to reflect local needs. There will, as a result of the study, be specific work areas identified for each of the Local Authority areas.

Questions:

- Mark Booth – What makes the heatmap work?

- Chris O’Connor – The heatmap shown was for the NW Industrial Cluster. Some essence of hydrogen demand in area that is coloured. Green on the map represents more intense demand.
- Don Naylor – Mindful of what is happening in ‘hydrogen villages’ and the negative fallout from that, directed at British Gas, Cadent etc. Don thinks it is essential that communities in the catchment for the Study are informed/consulted, otherwise there will be backlash.
- Mark Knowles – Will be working with LAs and socialise as wide as possible. The focus is more on where we expect hydrogen to be used and domestic heating, which is the focus of the Whitby Ellesmere Port trials, is far down our hierarchy of potential uses. A lot of work needs to be done to help people understand what Hydrogen adoption could mean for communities to avoid the some of the issues being seen in Whitby.
- Nick Thompson – Could solar panels be inserted into diagram to highlight potential for inclusion as canopies or roof installations?
- Mark Knowles – This has been picked-up, especially with large distribution sheds which have vast roof space and areas of hardstanding, which both have potential for arrays and canopies. Solar canopies have a range of benefits.
- Mike Wolffe – How closely are you working with industrial partners regarding demand to identify centres of greatest demand?
- Chris O’Connor – industrial partners will be thoroughly consulted in 10-12 workshops. Working with CA will establish a baseline which will then be refined further with consultation with industrial stakeholders, based on available data. 3 primary workshops: buses, freight and logistics, industry.
- Mike Wolffe – On the demand graph states a halving of demand by 2040. How have these figures been reached (hydrogen vs electric)?
- Chris O’Connor – Originally part of LCRCA Pathway to Net Zero document. More refined picture will likely come from consultations.
- Mark Knowles – Unlikely to see linear changes, this will look more like a set of step changes.
- Peter Owen – Where does this sit in relation to HyNet?
- Mark Knowles – At strategic level, the North West is looked at. We are looking specifically at LCR and areas in close proximity. HyNet is standalone and is 1 of the projects that sits within the NW hydrogen portfolio, focused around industrial hydrogen production and carbon capture and storage.
- Peter Owen – How much supply will there be and will there be competition for supply?
- Mark Knowles – There is indeed competition but hydrogen is a supply and demand model. As new technologies come online, there will be more demand. Clean electricity is valuable and it may come down to who values the power the most. This will also be about how much is produced indigenously and supply that is brought-in.
- Chris O’Connor – Distinction needs to be drawn between centralised production like HyNet and decentralised hydrogen hubs, which can be developed quicker and co-located with demand to make a scalable solution.
- Nicky Crosby – EU have published Green Hydrogen Standard, will this apply in the same way?
- Chris O’Connor – UK have their own Low Carbon Hydrogen Standard. Requires producers to demonstrate that the hydrogen produced has a low enough carbon intensity by having a Power Purchase Agreement in-place with renewable production.
- Don Naylor – Complexity of the network proposed needs explaining clearly in the public domain.



<ul style="list-style-type: none"><li>– Don Naylor – Complexity could be incorporated into Carbon Literacy as the network is fairly difficult to understand.</li><li>– Chris O’Connor – Study wants to be a wider community engagement exercise with the intention of speaking with 1 LCR voice which better attracts investment. NZNW is giving projects good exposure, so this makes it more likely for projects to get off the ground.</li></ul>	
<b>6. AOB</b> –	
<b>7. Next Meetings</b>	
Thursday 30 <sup>th</sup> March 2023 4pm – 5.30pm	
<b>Useful Links</b>	