

EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER


Executive Decision Reference Number – L11 22/23

Decision	
1	Title of decision: Civic Centre District Energy Scheme
2	Decision maker (Cabinet member name and portfolio title): Councillor Richard Bingley, Leader of the Council
3	Report author and contact details: Jon Selman, jonathan.selman@plymouth.gov.uk , 01752 307814
4	<p>Decision to be taken:</p> <ul style="list-style-type: none"> • Approve the Business Case • Approve the application to BEIS run Green Heat Network Fund (GHNF) to secure additional grant to deliver the preferred scheme • If the Green Heat Network Fund is successful to Allocate £2,972,906 for the project into the Capital Programme funded by: <ul style="list-style-type: none"> ○ Green Heat Network Fund grant of £1,200,000 ○ Community Infrastructure Levy funding £350,000 ○ Service Borrowing of £1,159,811 ○ Revenue Contribution £43,376 ○ Landowner Contributions £219,719 • If GHNF application is unsuccessful proceed with the fall-back scheme, and allocate £1,096,721 into the Capital Programme funded by: <ul style="list-style-type: none"> ○ Community Infrastructure Levy funding £350,000 ○ Service Borrowing of £564,885 ○ Revenue Contribution £95,415 ○ Landlord Contributions of £86,421 • Authorise the procurement process for either the preferred or fall-back scheme • Delegate the award of the contract to the Service Director for HROD
5	<p>Reasons for decision:</p> <p>This business case relates to the development of low carbon and renewable energy infrastructure to achieve the City's commitments to carbon reduction, as part of the Climate Emergency Action Plan and seeks approval to apply for government funding to support the delivery of a District Energy scheme that will support the redevelopment of Civic Centre by Urban Splash, but also decarbonise Theatre Royal and the Plymouth Combined Courts. It would deliver an efficient district energy network that links the with the existing PCC heat network serving the Council House and the Guildhall and serve as potential enabling infrastructure for other nearby developments in the City Centre and Millbay. This report seeks approval to progress the preferred scheme if this grant funding is secured or a fall-back scheme if the grant funding is not secured, alongside secured CIL funding, service borrowing and some landowner contributions.</p>

	Heat networks are already a key component of the City's strategy (Plymouth Plan Policy GR07) which outlines a target to halve 2005 levels of carbon emissions by 2034 through the deployment of low carbon and renewable energy and specifically district energy networks and smart energy networks but also part of the Plymouth and South West Devon Joint Local Plan (policy DEV 32) and draft Climate Emergency Planning Statement .			
6	<p>Alternative options considered and rejected:</p> <p>Option 1: Do Nothing</p> <p>Urban Splash would need to deliver their own energy centre solution for Civic Centre, and secure additional capital to achieve this and for compliance with planning policy and Building Regulations. Theatre Royal and Plymouth Combined Courts would not be able to reduce their carbon emissions associated with heating.</p> <p>If the proposal does not proceed, PCC will be unable to meet its policy commitments in the Plymouth Plan or JLP, as well as the developers for Civic Centre having to secure additional capital funding for an alternative compliant scheme. PCC would also not be able to deliver the associated carbon or electricity savings or generate the additional income. Not proceed with the scheme, which would not generate the carbon savings for the buildings concerned, would not support the regeneration of Civic Centre nor enable more strategic connections allowing it to expand further in the future the wider build out of heat networks in the City Centre, nor take advantage of available government grant funding.</p>			
7	<p>Financial implications and risks:</p> <p>The preferred scheme would utilise £1.2m government Green Heat Network Fund grant towards the scheme, should this be successful. The fall-back scheme could still proceed without this, but is smaller in scale. Financial modelling has demonstrated there would be no revenue pressures created through the preferred or fall-back schemes and that both would generate a modest surplus over a 20 year period.</p> <p>The key risks are around delays in Civic Centre being brought forward, but also levels of occupancy and energy price volatility. These risks are set out in the Business Case, but it is considered these risks can be covered off through timing of project commencement dates and the commercial agreements.</p>			
8	<p>Is the decision a Key Decision? (please contact Democratic Support for further advice)</p>	<p>Yes</p>	<p>No</p>	<p>Per the Constitution, a key decision is one which:</p> <p>in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total</p> <p>in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million</p> <p>is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.</p>
	<p>If yes, date of publication of the notice in the Forward Plan of Key Decisions</p>	N/A		
9	<p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p>	Heat networks are already a key component of the City's strategy (Plymouth Plan Policy GR07) but also part of the Plymouth and South West Devon Joint Local Plan (policy DEV 32) and draft Climate Emergency		

		<p>Planning Statement. The scheme also contributes to the City's Climate Emergency Action Plan.</p> <p>The decision also links to the Councils corporate plan objective:</p> <p>Unlocking the City's Potential: A Green Sustainable City that cares about the environment.</p>		
10	Please specify any direct environmental implications of the decision (carbon impact)	The decision would result in the reduction of carbon emissions of at least 160t Carbon/ annum.		
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair Signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	Yes	
		No		(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Stoneman, Cabinet Member for Climate Change Councillor Shayer, Deputy Leader of the Council		
13c	Date Cabinet member consulted	24 October 2022 4 November 2022		
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes		If yes, please discuss with the Monitoring Officer
		No	x	
15	Which Corporate Management Team member has been consulted?	Name	Andy Ralphs	
		Job title	Strategic Director of Customer & Corporate Services	
		Date consulted	1 November 2022	

Sign-off									
16	Sign off codes from the relevant departments consulted:		Democratic Support (mandatory)			DS67 22/23			
			Finance (mandatory)			pl.22.23.255			
			Legal (mandatory)			MS/39356			
			Human Resources (if applicable)			N/A			
			Corporate property (if applicable)			S0002.DW.20221101			
			Procurement (if applicable)			N/A			
Appendices									
17	Ref.	Title of appendix							
	A	Civic Centre District Energy Capital Investment Briefing report							
	B	Equalities Impact Assessment							
Confidential/exempt information									
18a	Do you need to include any confidential/exempt information?		Yes	x	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)				
			No						
			Exemption Paragraph Number						
			1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title: Civic Centre District Energy Capital Investment Business Case			x					
Background Papers									
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.								

Title of background paper(s)	Exemption Paragraph Number						
	1	2	3	4	5	6	7
Cabinet Member Signature							
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.						
Signature			Date of decision		16 November 2022		
Print Name	Councillor Richard Bingley, Leader of Plymouth City Council						