

# **Civic Centre District Energy Scheme grant**

## **Briefing Paper**



This business case relates to the allocation of grant funding for Civic Centre, to provide a compatible building heating system, which will allow connection to wider heat network infrastructure. This heat network will supply Civic Centre with low carbon heat to achieve the City's commitments to carbon reduction, which also supports decarbonisation of the Theatre Royal and Plymouth Combined Courts. The wider low carbon infrastructure is already approved under the Civic Centre District Energy Scheme Business Case, with Government grant funding secured towards this.

PCC has been working to secure a viable scheme for the Civic Centre. This has been a considerable challenge due to the scale of the project, the risks inherent in refurbishment and change of use and depressed market values in the Central area. It was clear from the outset that there was no prospect of the project proceeding without significant financial subsidy.

The Grant Funding Agreement proposed with the developers, will enable the project to be able to connect to this heat network, with a compatible solution. Estimates for the costs of a compatible solution range between £450k and £600k, although the higher costs builds in significant risk and contingency. A funding agreement will be drawn up which is 'up to' £600k and in arrears on evidence of the actual costs. Of the proposed grant funding, £152k will be derived from the S106 Beckley Point district energy contribution and the £448k from the D2 Grids funding, which has been confirmed. Both grant funding sources specifically relate to heat networks and can only be used for this purpose.

The solution would ensure that energy bills for heating and hot water are significantly lower than the alternative direct electric solution, and in line with the Heat Trust scheme requirements. It will also support the decarbonisation of Civic Centre and because of its strategic location in the City Centre, support the wider roll out of heat networks in the City Centre.