

COMMERCIAL AND INVESTMENT COMMITTEE



Friday, 22 May 2020

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

Shire Hall
Castle Hill
Cambridge
CB3 0AP

COVID-19

During the Covid-19 pandemic Council and Committee meetings will be held virtually for Committee members and for members of the public who wish to participate. These meetings will be held via Zoom and Microsoft Teams (for confidential or exempt items). For more information please contact the clerk for the meeting (details provided below).

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1. **Confirmation of Chairman and Vice-Chairman**
2. **Apologies for absence and declarations of interest**
Guidance on declaring interests is available at
<http://tinyurl.com/ccc-conduct-code>
3. **Public Minutes of the meeting held 24th April 2020 and Action Log** 5 - 14
4. **Petitions and Public Questions**

KEY DECISIONS

	East Cambridgeshire Adult Social Care Service Development	15 - 36
6.	Swaffham Prior Community Heat Project	37 - 72

OTHER DECISIONS

7.	Minor Works for St Ives Smart Energy Grid	73 - 82
8.	Comberton Village College Low Carbon Heat Network and other School Heat Pump Projects	83 - 96
9.	Covid-19 Update To follow	
10.	Commercial and Investment Committee Agenda Plan Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels	97 - 106
11.	Exclusion of Press and Public	

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information)

12. Acquisition - St Ives Industrial Units - Mobile Library Service

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

The Commercial and Investment Committee comprises the following members:

Councillor Josh Schumann (Chairman) Councillor Anne Hay (Vice-Chairwoman)

Councillor Ian Bates Councillor Lorna Dupre Councillor John Gowing Councillor David Jenkins Councillor Linda Jones Councillor Terence Rogers Councillor Mike Shellens and Councillor Tim Wotherspoon

For more information about this meeting, including access arrangements please contact

Clerk Name: Dawn Cave

Clerk Telephone: 01223 699178

Clerk Email: dawn.cave@cambridgeshire.gov.uk

COMMERCIAL AND INVESTMENT COMMITTEE: MINUTES

Date: 24 April 2020

Time: 10:00am – 12.45pm

Venue: *Meeting held remotely in accordance with The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) (England) Regulations 2020*

Present: Councillors J Schumann (Chairman), I Bates, L Dupré, A Hay (Vice Chairwoman), D Jenkins, J Gowing, L Jones, T Rogers, M Shellens and T Wotherspoon

In attendance: Councillor M Goldsack

Apologies: None

330. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies or declarations of interest.

331. MINUTES OF THE MEETING HELD ON 21 FEBRUARY 2020 AND ACTION LOG

The minutes of the meeting held on 21 February 2020 were agreed as a correct record.

The Action Log was noted and the following items were discussed:

Item 183/St Ives Football Club – a Member queried the likely timescales for the St Ives Football Club move. Officers confirmed that the original site the Football Club had planned to move to had fallen through, and agreed to circulate an update to the Committee by email. **Action required.**

Item 274(2) Legal advice (This Land Board) – The Chairman confirmed that this was not yet available but gave assurances that he would actively chase this up with the Legal team.

Item 323(2) MLEI Quarterly Update report – it was confirmed that data on Asbestos Removal would be included in future Quarterly Monitoring Reports.

Item 323(1) MLEI Quarterly Update report – an update on the action relating to Maintained Schools would be circulated. **Action required.**

Item 324 Cambridgeshire Outdoors Property Capital Investment – it was confirmed that the new reporting structure was agreed by the Constitution & Ethics Committee on 22nd April, so there was now clarity on which Committee the various traded services were reporting to.

The Action Log was noted.

332. PETITIONS AND PUBLIC QUESTIONS

There were no petitions or public questions.

333. DISPOSAL OF LAND AT LODE AND DULLINGHAM DEPOT SITE

The Committee considered a report on the proposed disposal of two County Council owned sites, one located in the village of Lode, and the former Dullingham Depot Site.

The County Council had obtained two outline planning permissions for residential development at these two freehold sites in January 2020 and October 2019 respectively. This followed a housing shortfall opportunity in East Cambridgeshire, following the withdrawal of the ECDC Local Plan in 2018. Both sites were offered to This Land, the respective Parish Councils, the District Council and members of the One Public Estate Group, but there had been no interest. It was therefore proposed to market the sites. Originally, both sites were expected to realise more than £550,000, but the current uncertainties regarding Covid-19 may reduce actual sale values. The Outline Planning Permissions were limited to two years, so delaying sale significantly was not a viable option. The report recommendations proposed that if the amounts realised were significantly less, the decision would be delegated to the Deputy Chief Executive in consultation with the Committee Chairman.

Whilst supporting the report recommendations in principle, some Members commented that there was a lack of clarity as the recommendations stood if the agreed sale price was between £450,000 and £500,000. The Deputy Chief Executive suggested a change to the report recommendations which would result in the Committee would be consulted if the sale price was less than £500,000. Whilst sales of less than £500,000 were within the Deputy Chief Executive's delegation limits, it was agreed that the Committee would be consulted electronically prior to any sale at that value proceeding. Members also noted the issues around delaying marketing and sale of the sites, given that this would eat in to the two year Outline Planning Permission window.

The Chairman advised that Councillor Shuter, the Local Member for both sites, had no issues with the report.

It was resolved unanimously to:

- a) To approve the disposal of Land at Lode and Former Dullingham Depot Site by way of a decision delegated to the Deputy Chief Executive in consultation with the Commercial & Investment Committee Chairman;
- b) should the value of either site fall below £500,000, the Committee will be consulted before sale is progressed.

334. WATER PROCUREMENT UPDATE

The Committee considered an update on progress towards procurement of a water supplier, which included a request to proceed with procurement. It was highlighted that changes to the retail supplier did not impact on the physical supply of water and sewerage services to sites.

Members were reminded that following the original procurement exercise, no bids had been received. Feedback had been sought from those companies that had originally expressed an interest, and the reasons for them not progressing to tender stage were set out in the report. A new opportunity had now arisen for an aggregated competition exercise with other public sector bodies, which Crown Commercial Services (CCS) were running. The report set out an options analysis.

Arising from the report:

- A Member commented that whilst she broadly supported the report recommendations, she had some concerns that the options analysis was not as objective as it should be. The officer and Member agreed to progress this issue offline;
- A Member asked if Anglian Water had been approached about providing this type of information directly. In discussion, it was confirmed that since the Water market had opened up to competition in 2017, non household sites were obliged to go through one of the retail companies to procure their water and sewerage services. In order to not award contracts directly, it was prudent to go through a proper procurement process;
- Another Member supported the recommendation, especially the notion of aggregated competition, but was less sure about the ancillary services issue, as there were numerous implications, especially around the climate change strategy. She asked what progress was being made on that part of the proposed contract. Officers explained that the original plan was to include both core and ancillary services, but there had been no interest with the combined approach. Whilst ancillary services were less urgent, some of these would be beneficial to the County Council. There were also more companies in the market who were able to provide just ancillary services, compared to the number of companies that could provide both types of services.

It was confirmed that there would be an update to the Committee at some point, which need not take the form of a formal report. **Action required.**

It was resolved unanimously to:

- a) To proceed with procurement of a water supplier through the Crown Commercial Services (CCS) aggregated Lot 1 competition in April-May 2020 (option 2 in Table 1, paragraph 2.10 in the report).

335. COVID 19

The Chairman reported that officers had been asked to bring a report on the Covid-19 response to date for those services for which each Policy and Service Committee was responsible. A similar report would be brought to each future meeting until further notice.

Given the rapidly changing situation and the need to provide the committee and the public with the most up to date information possible, the Chairman reported that he had accepted this as a late report on the following grounds:

1. Reason for lateness: To allow the report to contain the most up to date information possible.
2. Reason for urgency: To enable the committee to be briefed on the current situation in relation to the Council's response to Covid-19 for those services for which it was responsible.

The Director of Business Improvement & Development introduced the report on the Council's immediate response to the current Coronavirus pandemic, the progress made on assessing financial, service and community impact, and the Council's initial approach to recovery. The report set out the context to the UK response to the emergency, the response of the Cambridgeshire and Peterborough Local Resilience Forum, and the immediate response of the County Council, including governance arrangements. Section 5 set out the response of the Services within the Committee's remit, including Investment, Property and Energy, whilst the final sections of the report explored Risk Management aspects and the likely changing role of the Council in the recovery phase.

The Deputy Chief Executive and Chief Financial Officer set out the financial impact for the Services within the Committee's remit, and the projected impact against additional fund of just under £10M. It was noted that the Secretary of State had recently announced additional funding for local authorities, but it was not known how much of that additional grant would be received by the County Council. The report also contained a whole range of projections and assumptions, many of which would be understated or overstated. Making projections for Commercial & Investment Committee was particularly challenging, and more detail would emerge in the next month or two. No abatements or deferral of rents had been agreed yet, except for Brunswick House, but such requests would be considered by Committee next month. A decision had been taken on Brunswick House, as it was important not to exacerbate the current situation by students returning after the Easter break. However, there were still over 90 students resident, who could not physically get home, who continue to pay their rents.

A lot of work had been done around the commercial area was actually supporting other services and their supply chains, so that once restrictions were lifted, they could maintain operational delivery.

The Chairman highlighted that members of the Investment Working Group had received additional information about commercial partners, but that information was strictly confidential, and it was not possible to go in to the detail of that without going in to confidential session.

Arising from the report, there was a query about investment at risk totalling £1.1M, but it was unclear how this was divided up between investments. The Deputy Chief Executive confirmed that the £1.1M was based on the investment portfolio, and agreed to circulate the breakdown to the Committee. **Action required.**

There was also a query about South Cambridgeshire and the Business Angels network. The Member suggested that 'Business Angels' brought to mind fairly wealthy individuals in the business community, and whilst there was a role for that, there were also opportunities for more local peer to peer lending, on a collective/cooperative type arrangement. The Director of Business Improvement & Development advised that the Business Angels approach had come via South Cambridgeshire District Council, and consideration was being given as to whether this could be expanded county wide. The suggestion of a more localised support network was a good one, and she was happy to explore this.

The Chairman thanked the Deputy Chief Executive, the Director of Business Improvement & Development and the Commercial team for providing such a positive response and a detailed report.

It was resolved unanimously to note the report.

336. COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES

The Committee considered the Agenda Plan and the Training Plan.

A number of changes were noted to the Agenda Plan. It was confirmed that the Committee training session on Investment originally scheduled following the April meeting would be rescheduled, and would also include Multi Class Credit.

It was resolved to note the Agenda Plan and Training Plan.

337. EXCLUSION OF PRESS AND PUBLIC

It was resolved, by a majority:

That the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed – information relating to the financial or business affairs of any particular person (including the authority holding that information)

The meeting adjourned briefly to move in to private session.

338. THIS LAND: MULTI-YEAR BUSINESS PLAN, FINANCING & OTHER UPDATES

Members considered a report on revisions and updates to the This Land Business Plan, and related issues. All Committee Members had attended a virtual This Land shareholder meeting prior to the Committee meeting.

There was a proposal from Councillor Dupré to defer consideration of the report, and this proposal was seconded by Councillor Jenkins. Following a vote, the proposal failed. (*Voting pattern: all Liberal Democrat Members plus Labour Member in favour; all Conservative Members against*)

It was resolved, by a majority*, to receive the updated This Land Business Plan 2020 as well as to agree the other related recommendations as set out in the report.

** Voting pattern: all Conservative Members in favour, all Liberal Democrat Members and Labour Member against.*

Chairman

COMMERCIAL & INVESTMENT COMMITTEE

Minutes-Action Log



Agenda Item no. 3

Cambridgeshire
County Council

Introduction:

This is the updated action log as at **14th May 2020** and captures the actions arising from the most recent Commercial & Investment Committee meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of 14th December 2018

Minutes of 14 th December 2018					
183.	Disposal of ransom strip at St Ives	John Macmillan/ Brian Howard/ Hazel Belchamber	The ownership of different parts of the site to be fully detailed in the revised report, and the planning application for the residential development be included in that report.	St Ives Football club have obtained an outline planning consent for 30 houses on their site. CCC has both a ransom and restrictive covenant on the site. Until the football club has secured a place to move to they are unwilling to have further discussions. When this situation changes a paper will be taken to C&I. The assets team had last been in contact with the football club in February when they said that the site they hoped to move to had fallen through but they were looking for alternatives. The Hunts Post article dated 8th April says that they are now looking to stay where they are and redevelop a 3G replacement pitch: https://www.huntspost.co.uk/sport/football/st-ives-town-aim-to-redevelop-ground-1-6596196	Ongoing

Minutes of 24th September 2019

274 (2)	Resolutions for This Land AGM	Cllr Schumann	Take legal advice on the representation on the This Land Board.	Legal advice to be circulated once received.	
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Minutes of 22nd November 2019

292.	Third Quarterly Monitoring Report, Mobilising Local Energy Investment	Sheryl French	Working Group to be presented with more up to date information.	This has not yet been completed.	
293.(1)	Update on Property Services	Alex Gee/ Tony Cooper?	Interim Head of Property to bring a Service Improvement Plan to a future meeting.	Scheduled for June 2020.	June 2020

Minutes of 16th December 2019

303.(1)	Commercial and Investment Committee Review of Draft Revenue and Capital Business Planning proposals for 2020-21 to 2024-25	John Macmillan	The Committee had previously indicated that if any Council owned agricultural land that was sold or redeployed it should be replaced in the Council's property portfolio. It was agreed this was best identified through the County Farms Working Group.	This will be considered at the next meeting of the County Farms Working Group (originally scheduled for April but deferred due to Covid-19 priorities).	Ongoing.
307.	Milestone 4 and 5 Report for the Alconbury Weald Civic Hub – Cambs 2020 Programme	Andy Preston/ Kim Davies	It was agreed that the totality of the Business Case, including some information that was commercially confidential, should be brought back to a future meeting, so that	The full Cambs 2020 Business Case will be considered by C&I Committee later in the year.	Ongoing

			Members could establish the overall financial position.		
Minutes of 21st February 2020					
322.	Construction of Northstowe Heritage Facility	Quinton Carroll	Request that Longstanton be included in the name of the Heritage Facility.	This request has been communicated to all parties and has been well received in Longstanton. It will be actioned in due course.	In progress.
323.(1)	MLEI Quarterly Monitoring Report	Sheryl French	Circulate data on Maintained Schools to Committee.	Circulated by email on 14/05/20.	Completed.
324.	Cambridgeshire Outdoors Property Capital Investment	Amanda Askham/ Tom Kelly	Circulate briefing note on the respective responsibilities for Cambs Outdoors (C&I/CYP) to Committee.	Constitution & Ethics Committee agreed respective responsibilities as part of a report considered on 22/04/20.	Completed.
Minutes of 24th April 2020					
334.	Water Procurement Update	Sarah Wilkinson	Circulate an update once procurement concluded.		Ongoing – late May.
335.	Covid-19 Update	Chris Malyon	Arising from the report, there was a query about investment at risk totalling £1.1M, and how this was divided up between investments. The Deputy Chief Executive confirmed that the £1.1M was based on the investment portfolio, and agreed to circulate the breakdown to the Committee.	Information circulated by email 05/05/20.	Completed.

336.	This Land: Multi-year Business Plan, financing and other updates	Mickaela Green	Given report and discussion confidential, queried what could be revealed about the matters considered at the meeting and the decisions taken. The Legal Officer agreed to confirm this following the meeting.		
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EAST CAMBRIDGESHIRE ADULT SOCIAL CARE SERVICE DEVELOPMENT

To: Commercial & Investment Committee

Meeting Date: 22nd May 2020

From: Service Director - Commissioning

Electoral division(s): All

Forward Plan ref: 2020/025 **Key decision:** Yes

Purpose: To consider the use of the former Burwell Highways Depot and Fire Station Site for the development of a specialist Supported Living building to serve East Cambridgeshire.

Recommendation: It is recommended that, in principle, the site can be used to deliver specialist accommodation for a new social care service pending agreement of Capital Funding from NHSE.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Amanda Roach	Name:	Councillor J Schumann
Post:	Commissioner – Learning Disabilities and Autism	Post:	Committee Chairman
Email:	Amanda.roach@cambridgeshire.gov.uk	Email:	Joshua.schumann@cambridgeshire.gov.uk
Tel:	07467 339208	Tel:	01223 706398

1. BACKGROUND

1.1 This report outlines a proposed development to provide a new Supported Living Service in East Cambridgeshire.

In response to Winterbourne View and the subsequent investigations and learning, the Transforming Care Program was put in place. The aim being to improve health and care services so that more people can live in the community, with the right support, and close to home.

The proposed development of a specialist service is part of a broader strategy to build capacity in Cambridgeshire. This will enable Cambridgeshire County Council to repatriate people with Learning Disabilities and/or Autism from Out Of Area (OOA) provision, and provide suitable provision within County for young people moving into adulthood.

The proposal is to use County Council land and capital funds from both NHS England and the County Council to build six units of accommodation that meet the needs of service users with complex environmental requirements.

Progress to date:

- Adults Committee agreed the development of the service in November 2019, due to anticipated spend for the support that will be commissioned, this was seen as a key decision.
- Capital Board approved a capital investment of £1 million in November 2019. This was predicated on the potential savings on the support expenditure of around £200k per annum
- NHSE has agreed in principle the £2 million capital investment. The application can be submitted once a postcode is agreed.

2. MAIN ISSUES

2.1 Service Need

Cambridgeshire County Council has limited provision in county that can meet the needs of adults with complex learning disabilities and/or autism with specific support and environmental needs. This has led to Service Users being placed in specialist provisions out of county which does not support maintaining their local links with families and communities. The cost of out of county provisions is generally higher than we would expect to pay within County as the placements are not commissioned via our Specialist Frameworks where we have the ability to control costs and also strong relationships to support negotiation of costs. Placements in out of county provisions are generally within a residential setting where the Council would fund both the care and support for service users and in addition all 'hotel' costs associated with residential care – food, utilities, activities, etc It is proposed that the new service will be a supported living service where service users will have their own tenancies and will fund this and all day to day living

costs via income from benefits. It is estimated the savings to the Social Care budget will be in the region of £50,000 per person per year.

Furthermore, Transforming Care Partnerships have been directed by the Department of Health (DOH) to ensure that where at all possible, Local Authorities develop local provisions for service users who have complex needs.

A number of individuals who are currently placed out of county would benefit from this new service. The specification of the proposed building and support services will be such that other service users who are currently in Specialist Commissioned placements could also be supported to move here. Additionally, there are a number of young people who are currently out of county in Residential Education placements who will require specialist adult services and who will benefit from the development of this service. One of the adults who would be considered for this new development has particular links with East Cambridgeshire which has focused the development to this district.

2.2 Options

Commissioners have looked at how complex service user needs could be met and as part of this have considered the following options:

- Whether there is any current provision that could be adapted to support complex environmental requirements.
 - None were considered to be suitable, either because of cost implications, location, or existing tenants.
- Go to market for a developer/ service provider to build and deliver
 - Soft market testing was completed in 2018, responses were limited and financial commitment required in terms of land costs and building stated as the barrier
- Reviewed, in conjunction with Strategic Assets, sites available on the open market, both buildings that could be adapted or plots of land with building potential.
 - Extensive searches did not find anything suitable.
- Reviewed, in conjunction with Strategic Assets, all available land owned by the County Council which met the search requirements based on the service need: within 25 minutes' drive of Ely, on the edge of a town or large village; accessible by foot to services and amenities, not overlooked/in very close proximity to private residential accommodation.
 - Two plots of land in East Cambridgeshire were identified as potentially suitable and potentially deliverable in planning terms: 1) Land at Swaffham Bulbeck and 2) Former Burwell County Highways Depot and Fire Station Site
 - A Feasibility study, undertaken by Faithful & Gould evaluated the merits of each plot.
 - The Burwell site has been identified as the best option as it satisfies both the environmental requirements and also the service requirements in terms of supporting community presence and community engagement. Burwell is a larger conurbation and has several Day Opportunities (both The Prospects Trust farm based in Reach and Burwell print based within the village) and within easy reach of the proposed site and community for

support for these day opportunities is established. The village also offers several amenities for use such as grocery shops, hairdressers and several pubs. Additionally, the village is well served with public transport thus supporting wider access to facilities if required.

Swaffham Bulbeck had less to offer in terms of community facilities, with only one small village shop and 1 pub and furthermore the availability of public transport is very limited to enable access to further facilities.

- Therefore Burwell is the only viable option available at this time.

2.3 Governance

A Project Board is in place to consider how to take the proposal forward. The Board is made up of officers from Strategic Assets, Education Capital Build, Procurement, Finance, Transformation, LGSS Law, Operations and Commissioning.

To date, an in principle agreement has been given for capital funds of £2 million from NHS England and £1 million from the County Council, approved by Capital Programme board.

The Project Board will be responsible for ensuring there are appropriate legal agreements between all parties and that the design and build meets the specifications required.

There are two options for the model of development:

1. The land is leased to a Registered Provider (RP). The capital funds for the build will be granted to the RP. The RP will manage the build and manage the property once it is built, providing intensive housing management and providing the service users with tenancy agreements.
2. The County Council designs and builds the accommodation using the available framework arrangements and then leases the land and building to an RP who will provide management support and tenancies to the service users living at the service.

The current opinion of the Project Board is that Option 2 is preferable as it ensures the County Council retains control over the design and building to ensure it is fit for purpose, within costs and timely. LGSS Law are scrutinising the NHS England Terms and Conditions and considering the best legal platform to ensure the appropriate rights and responsibilities and written into both lease agreements and contracts.

There are no current framework arrangements for commissioning Registered Providers currently in place, however advice will be given on engagement with this sector during the application process. Additionally, learning from other Local Authorities who are taking a similar approach to developing new services will be factored in to the process.

It is intended that the project will be managed by a Project Manager from the Education Capital Team who have experience in running capital funded projects using the County Council Framework arrangements.

2.4 Site

The proposal is to build six residential accommodation units, en bloc, that will be designed to meet the needs of service users with complex environmental requirements. It is envisaged that the building and land will be leased to a Registered Housing Provider (RHP) at either Market Rent or on a 'less than best consideration basis, for a fixed term with landlord break options. The RHP will issue tenancies directly to occupants, nominated by the County Council. The County Council will commission specialist housing support from a provider who has proven expertise and experience in supporting adults with complex needs. The support provider will provide twenty four hour care and support for the service users.

The former County Highways Depot and Fire Station is a 0.27 ha site with a range of existing buildings close to the outskirts of Burwell.



The existing buildings will need to be demolished as part of any redevelopment. The site is currently surplus to operational requirements and is being held for its long-term development potential. It has been previously leased out to produce a rental income but is currently vacant. Strategic Assets was investigating the opportunity to obtain planning permission for residential development, under the opportunity provided by East Cambridgeshire District Council housing shortfall, in order to maximise the value of the site prior to disposal. The potential to obtain planning permission for market residential development was not deemed to be straight forward due to a variety of site specific and planning factors. Pre-application advice obtained (please refer to Appendix 2), from East Cambridgeshire District Council (ECDC), on the proposed development of the site for private residential units raised two main issues relating to:

- 1) the close proximity of the site to employment uses and concerns that this may provide an unacceptable living environment in terms of noise and pollution; and,
- 2) the responding ECDC Planning officer did not agree with the conclusions of the sequential test for flooding, submitted by the County Council, based on an argument that the 350 unit development site on Newmarket Road now has a reserved matters consent and is considered an available alternative site which does not face the same level of flood risk.

Strategic Assets' planning consultant, whilst recognising the negative response received from ECDC, advised obtaining further assessments to address the points above which would inform the potential next steps –whether to progress further or not. It was recommended that the County Council promote the site through the Local Development Framework as and when the opportunity arose. Strategic Assets has and will continue to actively promote the site through the LDF process. It was also highlighted that the County Council could delay submitted a planning application to allow existing sites with planning permission to be built out which would focus attention on alternatives sites, such as the depot sit, which may strengthen the County Council's position for obtaining planning permission at the appropriate time. The depot would continue to be held for long-term development and relet on the open market to generate an income to the County Council meanwhile. The current market value for the site is approximately £650,000. If the County Council obtained planning permission for private residential units this would increase. The exact market value for the site with planning permission for residential units would depend on the size and number of units to be provided which is currently unknown.

Initial planning advice obtained on the proposal to develop this site for Adult Social Care indicates that obtaining planning permission for this specific use is feasible but there is no guarantee. Initial opinion from Strategic Assets Planning Consultant suggested that the success of an application for a full planning permission would largely rely on an argument on viability/deliverability grounds, insofar as the scheme couldn't be delivered if there was a land acquisition cost involved (i.e. to help dismiss the prospect of sequentially-preferable sites in lower flood zones entering the equation), and then the reasoning for the County Council selecting this site from their portfolio in preference to others e.g. Ness Road, Newstead Farm, Swaffham Prior etc. If the County Council can satisfy ECDC on the above arguments, the focus will then be on how to make the development flood resilient – which is largely design-led, increasing the heights of finished floor levels, careful configuration of habitable accommodation etc. The environmental impact of the site being close to light industrial uses may have been problematic in obtaining planning permission for private residential units but may actually be beneficial to the proposed development for Adult Social Care due to the environment needs of the clients.

The initial feasibility study indicated a construction cost of £3m which included the cost of demolition, asbestos removal and a contingency to offset any additional works required, and will take 24 months to complete. Please refer to Appendix 1 for details of the timeline. To note, the project dates have slipped, but the indicative time frame remains relevant.

2.6 Procurement

The current County Council Design and Build Framework can be used to commission the design and building of the service. There are a number of design guides that will inform the plans for the building and the contractor will be expected to engage a design partner who has specialist knowledge in this area.

The current Learning Disability Complex Supported Living Framework will be used to commission an appropriate Support Provider. The providers on this framework have proven expertise and experience in delivering support to service users with complex needs.

Both the Support Provider and the Registered Housing provider will be engaged early on in the design stage to enable them to bring their expertise and experience to the project.

2.4 Identified risks:

- Obtaining planning permission for this development is not guaranteed
- Soft market testing for a Registered Housing Provider has not been undertaken
- The development of the service is dependent on the capital funding from both the County Council and NHS England.

3. ALIGNMENT WITH CORPORATE PRIORITIES

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

3.1 A good quality of life for everyone

The development of this service will enable citizens of Cambridgeshire with complex needs to live within their County and maintain links with their local communities and families.

3.2 Thriving places for people to live

There are no significant implications for this priority

3.3 The best start for Cambridgeshire's Children

There are no significant implications for this priority

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- The development of the service is dependent on the capital funding from both the County Council and NHS England.
- It is anticipated that the support costs for those service users who are currently supported Out of County will reduce, thus realising a saving to the Adult Social Care budget.
- It is anticipated that there may be an income from the lease of the building and land to a Registered Housing Provider.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The commissioning of the design and building of the service will be procured through existing Design and Build framework and additionally, the commissioning of the social care support will be procured using the current Learning Disability Complex Supported Living framework.

4.3 Statutory, Legal and Risk Implications

Legal services will be engaged to ensure there are robust legal arrangements in place in terms of the land and the capital funds invested in the services

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

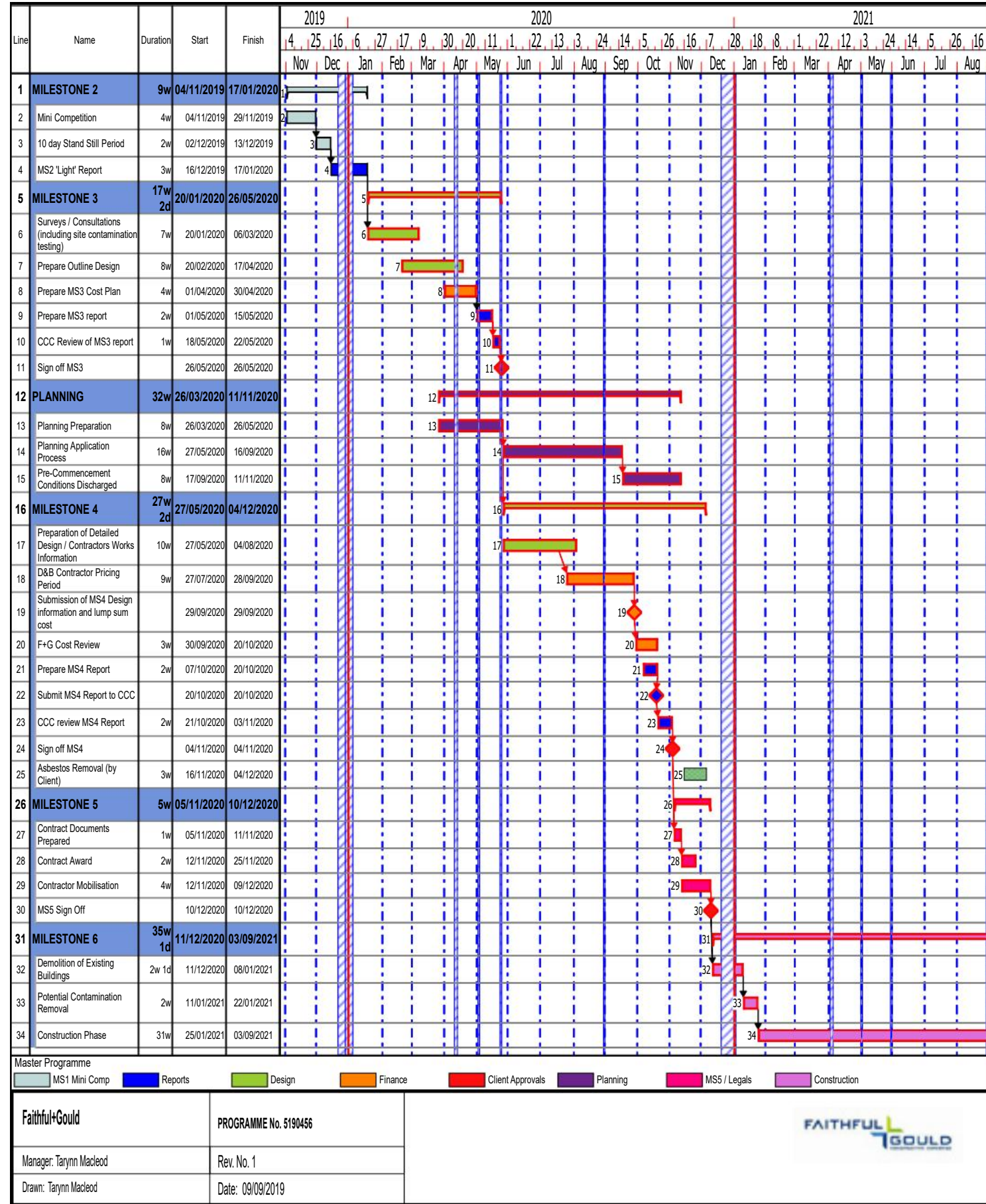
There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Stephen Howarth
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Gus De Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Fiona MacMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Will Patten
Have any engagement and communication implications been cleared by Communications?	Yes Matthew Hall

Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Will Patten
Have any Public Health implications been cleared by Public Health	Yes Tess Campbell

Source Documents	Location
	None

06.1 Indicative Programme_Burwell Plot





EAST CAMBRIDGESHIRE DISTRICT COUNCIL

THE GRANGE, NUTHOLT LANE,
ELY, CAMBRIDGESHIRE CB7 4EE

Telephone: Ely (01353) 665555
DX41001 ELY Fax: (01353) 665240
www.eastcambs.gov.uk

Carter Jonas
FAO Mr Rob Preston
One Station Square
Cambridge
CB1 2GA

This matter is being dealt with by:

Anne James

Telephone 01353616241

e:

E-mail: anne.james@eastcambs.gov.uk

My Ref: PREAPP/00177/19

Your ref

12th December 2019

Dear Sir/Madam

Re: Erection of up to nine dwellings and supporting infrastructure at Rent Right The Old Depot Reach Road Burwell Cambridge

Thank you for your pre-application enquiry received in this department on the 16th October 2019. I apologise for the delay in responding, this is due to high caseloads. .

The following comments are made on the basis of the information provided. The issues raised may not be exhaustive, and should you submit a planning application other issues may arise which could affect the outcome of any application.

All planning applications are assessed against the statutory development plan for the District, which comprises the East Cambridgeshire Local Plan 2015 and the Cambridgeshire and Peterborough Minerals and Waste Plan 2012 and the appropriate policies are listed below. The Local Plan and the referenced policies are accessible via our website www.eastcambs.gov.uk, through the planning portal www.planningportal.gov.uk or a paper copy is available to view at the Council Offices.

The policies which are most relevant to your proposals are:

East Cambridgeshire Local Plan 2015

GROWTH 1 Levels of housing, employment and retail growth

GROWTH 2 Locational strategy

GROWTH 3 Infrastructure requirements

GROWTH 4 Delivery of Growth

GROWTH 5 Presumption in favour of sustainable development

HOU 1 Housing mix

HOU 2 Housing density

HOU 3 Affordable housing provision

ENV 1 Landscape and settlement character

ENV 2 Design

ENV 4 Energy efficiency and renewable energy in construction

ENV 7	Biodiversity and geology
ENV 8	Flood risk
ENV 9	Pollution
ENV 14	Sites of archaeological interest
ELY 7	Employment-led/mixed use allocation, Station Gateway
COM 7	Transport impact
COM 8	Parking provision

Village Vision - Burwell

Supplementary Planning Documents

Developer Contributions and Planning Obligations

Design Guide

Contaminated Land - Guidance on submitted Planning Application on land that may be contaminated

Flood and Water

National Planning Policy Framework 2019

- 2 *Achieving Sustainable Development*
- 5 *Delivering a sufficient supply of homes*
- 6 *Building a strong, competitive economy*
- 8 *Promoting healthy and safe communities*
- 9 *Promoting sustainable transport*
- 11 *Making effective use of land*
- 12 *Achieving well designed places*
- 14 *Meeting the challenge of climate change, flooding and coastal change*
- 15 *Conserving and enhancing the natural environment*
- 16 *Conserving and enhancing the historic environment*
- 17 *Facilitating the sustainable use of minerals*

Planning Practice Guidance and National Design Guide

Due regard has been had to the information contained within these documents

From the information submitted with your pre-application enquiry, I understand that you are seeking clarification on the acceptability of a scheme which involves the demolition of existing buildings and structures on the site to redevelop for up to nine dwellings.

Burwell is the 4th largest settlement after the 3 market towns of Ely, Littleport and Soham and is located 4 miles north of Newmarket. According to the adopted Local Plan 2015 the key challenge for Burwell is to achieve balanced growth. With this in mind a housing allocation of approximately 350 dwellings is proposed on a 20ha site at land off Newmarket Road

The scheme forming the basis of this pre-application enquiry has been assessed on the following criteria

Affordable housing

Policy HOU3 of the East Cambridgeshire Local Plan 2015 states that “*All new open market housing developments which incorporate **more than 10 dwellings** will be required to make appropriate provision for an element of affordable housing...*”

Such a policy wording was consistent with national policy at the point of that Plan being prepared. However, national policy has shifted slightly since that Local Plan was prepared. The National Planning Policy Framework (NPPF – Feb 2019) sets the following government position:

*“Provision of affordable housing should not be sought for residential developments that are not **major developments**...” (para 63)*

And

*“Where **major development** involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership²⁹”, with footnote 29 explaining: “As part of the overall affordable housing contribution from the site”*

Consequently, there is a slight conflict between the adopted Local Plan policy and the NPPF policy, with the former referring to ‘**more than 10**’ dwellings, and the latter referring to ‘**major development**’.

The NPPF defines ‘major development’ as follows:

“Major development: For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more.

The first part of this definition has led to a degree of confusion, as, taken literally, it could be interpreted to mean, for example, that a proposal for 1-9 dwellings on a site greater than 0.5 hectares would trigger NPPF para 63 and 64 requirements.

Whilst there is no intent of superseding policy in the duly made ‘development plan’ for the area (which comprises both the Local Plan 2015 and any made Neighbourhood Plans), the intention is to provide guidance and clarity as to how decision makers on planning applications are likely to apply both development plan policy and take account of the material consideration which is national policy formed by the NPPF.

It is also anticipated that a decision maker is likely to apply greater weight to the legal definition of ‘major development’ as set out in s2(1) of the Town and Country Planning (Development Management Procedure) (England) Order 2015, rather than the definition set out in the NPPF.

Accordingly, for the purpose of whether or not, in principle, the Council will seek affordable housing on a site, a decision maker is expected, in most instances, to seek an affordable housing contribution under the following example circumstances:

- where a proposal is for 10 or more dwellings; or
- where the proposal is an outline application on a site over 0.5 hectares, and it is not known how many homes will be provided on the site; or
- where the proposal will create a total internal floorspace of 1,000 sq m or more (and for the purpose of calculating this area, the Council will use the same floor area as determined to be liable for CIL purposes); or
- where the site is 1 hectare or more, irrespective of the number of dwellings to be provided.

In the vast majority of cases it will be clear whether or not, in principle, a development proposal should make a contribution to affordable housing, in accordance with the development plan policy, national policy and the guidance provided by this Statement. However, for a limited number of applications, such as those close to the 1,000 sq m or 1 hectare threshold, it would be extremely beneficial to both the Council and the applicant if the planning application made it expressly clear

(with appropriate evidence as necessary) whether or not such a proposal, the applicant believes, was (or will lead to reserve matters which will be) above or below such thresholds.

For example, for outline proposals of less than 10 dwellings, we would welcome the applicant stating whether the total floorspace will exceed a combined 1,000 sqm. If it will, affordable housing will be sought. If the applicant is not yet in a position to state the total floorspace being sought, then the Council would be happy to condition any approval limiting the total floorspace to a maximum of 1,000 sqm. If, subsequently, greater than 1000 sq m are to be proposed, the applicant could then simply apply for this condition to be removed and any subsequent approval of such condition removal is likely to be subject to the signing of a s106 for an affordable housing contribution.

Subject to due consultation, the Council intends to replicate the advice in this Statement (or provide something similar) in a forthcoming update to its Developer Contributions SPD. If it does so, at the point such an SPD is adopted, this Statement will cease to have effect.

Design/landscape

In the absence of any details concerning design or landscape, I would refer you to the East Cambridgeshire Design Guide.

Residential Amenity

The application site is located between two allocated employment sites with the Fire Station located to the north of the site. It is unlikely that a high standard of living environment could be achieved on any future housing scheme as future residents would be affected by noise, vibration, smell, fumes, dust and general disturbance such that approval is unlikely to be given.

Flood risk/drainage

Policy ENV8 of the Local Plan 2015 makes it clear that all applications for new development must demonstrate that appropriate surface water drainage arrangements for dealing with surface water run-off can be accommodated within the site.

The application site is located within Flood Zone 3 which means it has a high probability of flooding. Paragraph 158 of the NPPF states that development should not be permitted if there are other reasonably available sites appropriate for the proposed development, located in areas with a lower probability of flooding and requires that a sequential approach is taken to the location of development based on flood risk, meaning development should as far as possible be directed towards areas with the lowest probability of flooding.

In applying the Sequential Test, the applicant would need to demonstrate that there are no other reasonably available sites at lower risk of flooding. A Flood Risk Assessment and Sequential Test has been submitted as part of the pre-application enquiry and no suitable sites have been identified for the purpose of the sequential test which would be available to deliver a development on a site befitting from a lower flood risk. As such the applicants have considered the Old Depot site to have passed the sequential test.

However, Burwell has identified sufficient land for in excess of 350 dwellings without the need to develop sites within Flood Zone 3. The application referred to in the submitted FRA, 15/01175/OUM is a site north of Newmarket Road. Permission has been approved in outline and a Reserved Matters application has been received on 19th November 2019 which is currently under consideration. This demonstrates that development of this site would be delivered fairly soon and that to unnecessarily place dwellings in an area at significant risk of flooding would be contrary to

Policy ENV8 of the East Cambridgeshire Local Plan 2015 and the National Planning Policy Framework 2019.

Biodiversity/ecology/geology

All applications for development that may affect biodiversity and geology interests must be accompanied by sufficient information to be determined by the LPA including an ecological report, to allow potential impacts and possible mitigation measures to be assessed.

To ascertain whether ecological advice will need to be sought before submitting an application Biodiversity in Planning have created a free online tool which can be found at <https://www.biodiversityinplanning.org/wildlife-assessment-check/>

Trees

Any application would need to accurately plot the trees, species, size and their root protection area at the very minimum in order for an assessment of the impact on the trees to be undertaken. A net environment gain will also be sought and therefore ecology mitigation measures would be required.

The scheme indicates no landscape and no public open space. Both would be required.

Highways and Parking

In terms of access into the site, the views of the Local Highway Authority have not been sought at this stage and therefore no advice could be provided in terms of the acceptability of the entrance or internal road layout. Pre-application advice is available from www.cambridgeshire.gov.uk.

Policy COM8 of the adopted Local Plan indicates that two car parking spaces per dwelling should be provided together with up to one visitor car space per four units. The site is of a size to be able to accommodate adequate on-site parking. The minimum cycle parking provision set out in Policy COM 8 requires that 1 cycle space per dwelling should be provided.

Archaeology

In terms of archaeology a discussion with the County Archaeology team would be advantageous to establish whether the site holds special archaeology interest and they can be contacted on archaeologydc@cambridgeshire.gov.uk. Likewise discussions with Anglian Water's Planning team is recommended to discuss any foul water treatment proposed.

Waste

The Waste Strategy Team has not been consulted at this stage but you should ensure that appropriate facilities are put in place for the storage and collection of waste.

Cil

CIL www.eastcambs.gov.uk/planning/community-infrastructure-levy

To conclude, it is unlikely that a housing scheme on the Old Depot site would be considered acceptable due to the issues outlined above.

As with any proposal, the only way to fully test the merits of the proposed development would be through the submission of a formal planning application.

Please see attached a list of relevant documents which is to be used as guidance only. It maybe when an application is submitted it comes to light further information is required, that has not been highlighted on this list.

Where specific design advice or examples of architectural buildings or styles have been given, please be aware that these are for illustrative purposes only in order to help inform the design process and are not a specific design instruction.

The above comments are made at Officer level only and do not prejudice any future decision, which may be taken by this Planning Authority. The information contained in this letter is based on the current situation and any future changes in National and Local Policies will not be reflected in this response. I hope this information is useful to you, and if you require any further advice please do not hesitate to contact me.

Yours sincerely,

Anne James

Anne James
Planning Consultant

CC Cambridgeshire County Council C/O Agent

SUBMISSION CHECKLIST

**You will need to provide the following information in order for your application to be validated
(Please use the corresponding validation checklist when submitting your application)**

- Completed application form, signed and dated
- Completed Ownership Certificate (A, B, C or D as applicable) as required by Article 12 of the Town and Country Planning (Development Management Procedure) (England) Order 2010

N.B. In addition, where Ownership Certificates B, C or D have been completed, notices as required by Article 11 of the Town and Country Planning (Development Management Procedure) (England) Order 2010 must be given and/or published in accordance with this Article

- A location plan which identifies the land to which the application relates including a north indicator and relevant licence information (if based on OS data). The application site should be outlined in red to an adopted road and any adjoining land owned or controlled by the applicant should be outlined in blue. Location plans should be to a scale of either 1:1250 or 1:2500
- A copy of other plans and drawings or information necessary to describe the subject of the application, this may include:
 - Block plan of the site showing any site boundaries to a scale of 1:100 or 1:200
 - Existing and proposed elevations to a scale of either 1:50 or 1:100
 - Existing and proposed floor plans to a scale of either 1:50 or 1:100
 - Existing or proposed site sections and finished floor and site levels to a scale of either 1:50 or 1:100
 - Roof plans to a scale of either 1:50 or 1:100
- The appropriate fee, see fee sheet

In addition, you may be required to provide the following:

	Neede d for validati on	Neede d to avoid Condi on
Community Infrastructure Levy (CIL) Form 0 – Additional Questions Form Officer Notes _____	X	<input type="checkbox"/>
Planning Obligations Officer Notes _____	X	<input type="checkbox"/>
Design Statement/Development Brief (large scale development) Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Design & Access Statement Officer Notes _____	X	<input type="checkbox"/>
If new access created Certificate B to be signed and notice served on Highways _____	X	<input type="checkbox"/>
Heritage statement (assessment of significance to an extent necessary to understand the potential impact of the proposal (positive or negative) (see website for detailed guidance) Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Impact Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Landscape Impact Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Open Space Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Flood Risk Assessment Officer Notes _____	X	<input type="checkbox"/>
Greenbelt Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Biodiversity Survey and/or Report Officer Notes _____	X	<input type="checkbox"/>
Tree survey / Arboricultural statement Officer Notes _____	X	<input type="checkbox"/>
Land Contamination Assessment Officer Notes _____	X	<input type="checkbox"/>

Surface Water Drainage Details (pro-forma available on website) Officer Notes _____	X	<input type="checkbox"/>
Assessment of the treatment of foul sewage Officer Notes _____	<input type="checkbox"/>	X
Renewable Energy and Water Consumption Assessment Officer Notes _____	<input type="checkbox"/>	X
Utilities statement Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Transport Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Existing and proposed car parking and access arrangements Officer Notes _____	X	<input type="checkbox"/>
Noise impact assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Air quality assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Ventilation, Extraction details and Refuse disposal details Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Lighting scheme / Light pollution assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Retail Assessment Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Affordable housing statement Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Statement of community involvement Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Structural Survey Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>
Details of Materials Officer Notes _____	<input type="checkbox"/>	X
Detailed design of Doors / windows (including Garages and roof lights) / rainwater goods Officer Notes _____	<input type="checkbox"/>	<input type="checkbox"/>

SWAFFHAM PRIOR COMMUNITY HEAT PROJECT

To: Commercial and Investment Committee

Meeting Date: 22nd May 2020

From: Executive Director, Place and Economy

Electoral division(s): Burwell

Forward Plan ref: 2020/029 **Key decision:** Yes

Outcome: To agree progress on detailed project development and management of key risks for the Swaffham Prior Community Heat Project ahead of an investment decision Autumn 2020.

Recommendation: Committee is asked to:

- a) Note progress to date with the development of the project;
- b) Approve the further commercialisation of the outline business case as set out in section 2.2;
- c) Approve the proposed commercial structure for the project;
- d) Delegate to the Chief Finance Officer, in discussion with the Committee Chair, signing of the Heat Networks Investment Project (HNIP) contract, if the Council is awarded grant for commercialisation and construction of the Heat Network;
- e) Approve Bouygues Energies and Services Solutions Ltd. as the Design, Build, Operate and Maintain (DBOM) contractor;
- f) Note the application to the Department for Transport for Street Works code powers;
- g) Progress a Round Table discussion on the Renewable Heat Incentive (RHI) with Business, Energy and Industrial Strategy (BEIS) and the Office of Gas and Electricity Markets (OFGEM) involving MPs and Ministers on the Swaffham Prior Community Heat Project; and
- h) Note the Key risks and in particular the Covid-19 risks and the importance of this project to support Economic Recovery

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Sheryl French	Name:	Joshua Schumann
Post:	Programme Director, Mobilising Local Action on Climate Change and Energy	Post:	Committee Chairman
Email:	Sheryl.french@cambridgeshire.gov.uk	Email:	Joshua.Schumann@cambridgeshire.gov.uk
Tel:	01223 727552	Tel:	01223 706398

1. BACKGROUND

- 1.1. In March 2017, the Council approved its Corporate Energy Strategy. The strategy includes a vision to help *“build energy resilient communities through aligning the Council’s assets and the potential for energy generation with local needs”*. A key objective of the strategy is to *“work with all partners and the local community to identify and facilitate low carbon energy projects using the Council’s assets to bring benefits to all partners.”*
- 1.2 Research undertaken in 2019 by Cambridge University Science and Policy Exchange (CUSPE) identified that approximately one quarter to a third of carbon emissions in Cambridgeshire come from domestic and commercial buildings demanding heat for hot water and space heating. Of this, it is estimated 10,000 homes and businesses across Cambridgeshire are dependent on oil for heating and hot water.
- 1.3 In the Council’s Draft Climate Change and Environment Strategy (May 2020), the Council is committing to support oil dependent communities to shift to renewable energy. It highlights the pilot project under development at Swaffham Prior in partnership with the Swaffham Prior Community Land Trust and Government as a key priority.
- 1.4 The Swaffham Prior Community Land Trust (SPCLT) has been the driving force behind the community heat project. It approached the Council in December 2017, sharing a feasibility study it had commissioned and inviting the Council to partner in the project and use rural estate land on the edge of the village, earmarked for industrial development, to host a clean energy centre for the community.
- 1.5 Four rounds of grant funding have been secured for Swaffham Prior Community Heat Project to date. A further application has been submitted during April 2020 to the Heat Networks Investment Project (HNIP) for grant funding for the construction of the heat network. Cambridgeshire County Council (CCC) has match funded the major project development grants from the Department for Business, Energy and Industrial Strategy (BEIS) Heat Networks Delivery Unit and the Cambridgeshire and Peterborough Combined Authority (CPCA) contributed in the early phase of the project.
- 1.6 The Swaffham Prior Community Heat Project comprises an energy centre located on County land at Goodwin Farm which includes a ground source heat pump, air source heat pump, solar PV, thermal storage and a small education centre. Connecting to the energy centre is a district heating network that runs through the village connecting to homes and businesses. Heat is transferred from the heat network via a heat interface to existing home hot water and heating systems. Oil boilers and tanks are removed and disposed of as no longer needed. Please see a diagram of the project in **Appendix A** and to get a visual sense of the project please watch the link to a video describing the community heat project
<<https://heatingswaffhamprior.co.uk/about/>>
- 1.7 A project Board comprising representatives from the Council and the SPCLT was set up in 2018 to drive the project forward. Advising the Board is a strong multi-disciplinary team of external and internal specialists set out in **Appendix B**. **Appendix C** summarises the project development, grant funding, work phases and deliverables to date.
- 1.8 The outcome of this report is to agree the outputs from the Detailed Project Development and the management of key risks, ahead of an investment decision in Autumn 2020.

2.0 Detailed Project Development

2.1 The Swaffham Prior Community Heat Project has been designed within five strategic purposes.

- 100% carbon reduction for heating and hot water for participants particularly rural communities
- No cost barrier to join the scheme at the *start of the project - opportunity for all households on oil in the village to participate
- Heating costs lower than or equivalent to oil prices**
- A quality assured heat supply service, delivered by a single contractor (Design, Build Operate and Maintain (DBOM))
- The development of a new business and governance model for retrofitting existing oil dependent communities that can be replicated elsewhere.

*If homes join post-construction an access fee will need to be charged to cover costs of connecting.

** Oil prices pre-Covid 19

2.2 **Outline business case for the Project.** The proposed commercial structure for the project set out under paragraph 2.4 has been informed by the outline business case, government finance incentives and grants and state aid compliance. The overall finances for the project as set out in the current outline business case are as follows.

	£000
Build cost - Energy Centre	3,456
Build cost - Heat Network	3,581
HNIP Grant Funding (<i>assumed</i>)	-1,790
CAPITAL BORROWING REQUIREMENT	5,247
Operation and maintenance	3,583
Energy costs*	9,196
Financing costs	1,412
TOTAL LIFECYCLE COSTS	14,191
Heat Purchase Agreements	-12,862
Carbon credits and Community Infrastructure Levy	-8,645
Renewable Heat Incentive	-4,826
TOTAL PROJECT REVENUE	-26,333
TOTAL NET INCOME	-12,142

**The full cost of grid electricity required to power the heat pumps has been included in the outline business case for prudence, however it is anticipated that a substantial proportion of the power required will be generated onsite through solar PV installations. The detail of this approach will be developed further during the commercialisation phase of the project.*

2.2.1 The total capital cost of the project is £7.037m. HNIP grant totalling £2.08m has been requested to fund 50% of the costs of construction of the heat network (£1,790m) as set out above, and further commercialisation work on the project as set out in appendix C. The residual cost to be funded by Council borrowing would be £5.247m and the anticipated return on this investment is set out in the following table.

Financial Outputs		
	Pre-Intervention	Post-Intervention
IRR	3.74%	5.87%
Annual Net Yield	4.14%	5.79%
NPV	-£431,667	£1,358,777
Payback (years)	25.2	17.0

2.2.2 The pre-intervention and post-intervention financial outputs in the above table show the comparative financial returns excluding and including HNIP grant funding. Assuming the maximum permitted grant funding is secured, the project is expected to generate an average annual net yield of 5.79%; close to the Council's overall commercial portfolio target of 6%. The payback period of 17 years is also comparable to the Council's other commercial energy investment projects. In addition, the project will deliver substantial social and environmental benefits including cleaner air and fuel poverty prevention. The monetised value of the carbon reductions is estimated at £8.6m and capturing this value for the project is subject to a piece of work with CUSPE 2020 researchers on the sale of carbon credits (see 2.2.4 below). The Social Value of air pollution savings are calculated as a further £1.5m but these are socialised benefits not captured by this project.

2.2.3 The Energy Centre will be fully financed from Public Works Loan Board (PWLb) borrowing by the Council and no third party investment is assumed. In March 2019 the Council submitted a successful bid to the Treasury to borrow over £60m at the Local Infrastructure Rate (LIR) for energy investment projects. The anticipated financial returns for the project assume that the Council can secure LIR borrowing at a rate of around 1.4% based on market conditions as of 1st April 2020. It is assumed that the capital investment in the Pipe Co will be funded from HNIP grant and a loan from the Council. This will be repaid through income from the Community Infrastructure Levy, new connection fees, a transmission charge to the Energy Centre for using the heat network and revenues from broadband fibre.

2.2.4 *Income for the Energy Centre* is expected to be generated through the following mechanisms:

- Heat sales to customers – currently the project has 166 out of 300 potential homes interested in signing up to purchase heat from the project. The outline business case forecasts a 90% take-up within 5 years of commencement of heat generation. The village pub and school are also committed to the project.
- Renewable Heat Incentive (RHI) – to incentivise uptake of low carbon heating solutions, the government set up the RHI for non-domestic and domestic projects. This project will access the non-domestic RHI through the submission of a pre-application to OFGEM to secure the incentive and will be eligible for RHI payments on completion of construction and customer connections.
- Carbon credits – the project will save 47,000 tonnes of carbon emissions over 40 years. Work has started with both the Council's commercial team and CUSPE 2020 research project to set up a scheme for the sale of carbon credits to local companies to support

them to deliver their carbon reduction targets. The project has 18 months from now to deliver a mechanism and generate sales of carbon credits. Carbon credit sales are required to secure the viability of this new business model.

- Community Infrastructure Levy (CIL) – An expression of interest has been submitted to East Cambridgeshire District Council to consider the project for its CIL list.

2.2.5 *Income for the Pipe Company* to cover its loan repayment will include:

- Rental charge for broadband providers – in the process of installing the heat network, trenches will be dug which can be shared with other utilities. Of particular interest to the village is the provision of competitively priced, future proofed full fibre infrastructure. A detailed business case for full fibre infrastructure provision will come forward as part of the investment grade proposal.
- Community Infrastructure Levy – it is the intention to apply to East Cambridgeshire District Council to include the Swaffham Prior Heat Network on the CIL list to access additional funding contributions.
- Transmission charge to the Energy Centre – the Pipe Company will levy an annual charge on the Energy Centre for distribution of the heat to homes using the heat network. This charge will service the interest repayments on the loan from the Council and cover maintenance costs for the network.

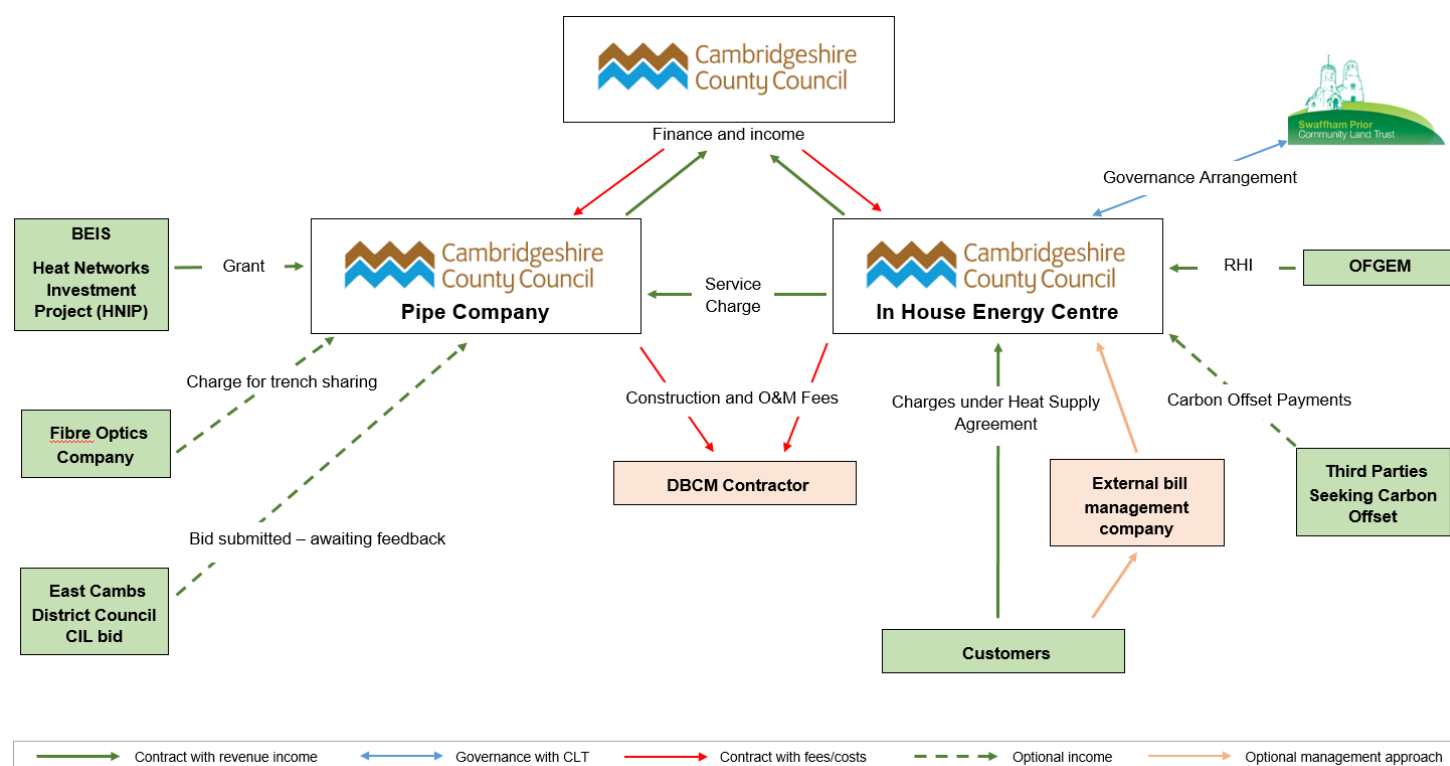
2.2.6 *The Counterfactual.* The project has modelled the economic, social and environmental impacts of the community heat project against two counterfactual scenarios, namely ‘do nothing’ and ‘individual home conversion to renewable heat’. The ‘do nothing’ scenario assumes that the village continues to utilise heating oil as the primary fuel source, whereas the ‘individual conversion’ assumes that the existing oil boilers at each of the ~300 dwellings are replaced with air-source heat pumps, along with the necessary upgrades to the buildings and their heating systems for compatibility. The counterfactual modelling suggests that the community heat network is financially beneficial to the customers, is able to achieve superior carbon efficiencies and has a lower overall environmental impact. Ensuing studies will seek to quantify environmental impacts in more detail. Please see **Appendix D** for a summary of each scenario modelled and the environmental benefits.

2.2.7 *Overall cost.* This is the first project of its type at this scale in the country. The costs of the project reflect the unknown risks in its delivery and operation and over time. Costs for new schemes will reduce as unknown risks are identified, understood and costed. It is also worth noting that the cost of the project currently reflects the full costs of the heat network where this community infrastructure will last up to 60 years, beyond the current project period.

2.3 **Legal considerations.** During March 2020, Sharpe Pritchard LLP reviewed options for the commercial structure of the project to ensure state aid compliance and to maximise access to a range of financing opportunities key to the project’s deliverability. The preferred structure is set out below in diagram 1 and its rationale.

- 2.3.1 *The Pipe Company* will be responsible for installing and maintaining the heat distribution network and heat interface connections with customer properties; these are the elements of the project that are eligible for 50% HNIP grant funding. The HNIP funding conditions dictate that local authority-controlled projects must be held off the National Accounts which requires the establishment of a Special Purpose Vehicle (SPV), such as a Council-owned limited company. The transmission charge will allow the Pipe Company to generate income to repay the loan from the Council, which will be charged at a commercial rate of interest in line with state aid requirements.
- 2.3.2 *The in-house Energy Centre* will generate renewable heat for distribution to the community via the heat network. Heat Purchase Agreements will be established between customers and the Energy Centre under the legal powers set out in sections 2.3.4 – 2.3.6 below. Keeping the Energy Centre in-house satisfies state aid restrictions on borrowing for commercial projects at below-market rates.

Diagram 1: Proposed Commercial Structure of the Project



- 2.3.3 Since the Pipe Company and Energy Centre are distinct corporate entities, both will contract with the Design, Build, Operate and Maintain Contractor (Bouygues Energies and Services Solutions Ltd) under the existing Refit 3 framework agreement as set out in the table in paragraph 2.3.8. Both the PipeCo and Energy Centre will be democratically accountable to the Council as Council owned and Council operated entities respectively. The project governance arrangements are discussed in further detail in section 2.3.7.

- 2.3.4 *Government Powers and State aid:* Under the Local Government Act 1976 s.11 the Council has the powers to design, construct, operate and maintain an energy centre to generate renewable heat; supply and bill customers for the heat and to lay district heating networks. These 'powers' allow the Council to invest directly into the energy centre for the provision and sale of heat to customers and to access the Renewable Heat Incentive (RHI), on a no aid basis (although review is still being taken to confirm the availability of RHI more generally).
- 2.3.5 The LGA 1976 powers also apply for investment into the heat network, except where grant is needed to help finance the infrastructure. In this case, a Special Purpose Vehicle must be set up, a Pipe Company, and the Council must pass any grant directly to the company, for no aid to apply. This is particularly relevant for the project as an application for grant submitted to the Heat Network investment Project (HNIP) in April requested 50% grant towards the network costs. The proposed commercial structure for the project has been tested and found acceptable to HNIP (subject to any final questions they may raise).
- 2.3.6 *Selling heat:* The powers conferred to the Council through the Local Government Act 1976, s11 mean that it can sell heat directly to customers. The billing and metering arrangements can be set up in-house or sub-contracted. The project will scope options for this role. For example, Council Tax billing arrangements at East Cambridgeshire District Council and commercial operators.
- 2.3.7 *Governance:* Originally, the project was conceived as a joint venture between The Swaffham Prior Community Land Trust and the Council. With the identification of the LGA 1976 powers, the proposed structure has moved away from a joint venture, to one where the SPCLT exerts influence by sitting on the project board. The community representatives on the project Board have requested a covenant or something similar to be applied to the project to protect its interest in the project should the Council decide to sell the project at a future point in time. This option will be reviewed as part of the next phase of work. Although a sale is unlikely, this issue is important to the SPCLT members.
- 2.3.8 *Contracting:* The Project will need to put in place a range of contracts. Some of these are more progressed than others.

Contract	Parties	Progress
Heat Supply Agreement (including connection letter) – both domestic and non-domestic	Council and Customers	A first draft was developed with community input and the final draft now being progressed
Governance agreement	Council/SPCLT – Parish Council?	Not yet started.
HNIP Grant	HNIP/Council	HNIP will provide the grant agreement.
Loan	Council and Pipe Co.	To be started.
Design, Build, Operate and Maintain (DBOM)- Energy Centre	Council and Bouygues E&S	Refit 3 Framework – call off contract. For approval
DBOM- Heat Network	Pipe Co. and Bouygues E&S	As above.

Interface Agreement	Agreement between the Council and the Pipe Co. for the management of Bouygues.	To be started in current Detailed Project Development phase - 2
Service Contract	Council and Pipe Co.	HNIP commercialisation
Retail Outsource Contracts	Council and external provider	HNIP commercialisation
Third party Income Contracts	Council and TBC – e.g. Fibre Optics Company, CIL and Carbon credits (see commercial structure and paragraph 2.2.4-2.2.5)	Work is underway.

2.3.9 **DBOM:** The Council ran a mini-competition under the Refit 3 Framework during 2017. Bouygues Energies and Services Solutions Ltd (Bouygues E&S) were awarded the procurement, as successful bidders in November 2017. It is under this arrangement, that the project design has been developed and the outline business case. The next steps are to progress to an Investment Grade Proposal and work through the detail of the Construction, Operation and Maintenance (O+M) contracts. It is proposed that the Project contracting is for the full DBOM services across the system, covering the energy centre and heat network and that Bouygues Energies and Services is the sole contractor. The rationale for putting all this together to the extent possible is to ensure the performance risk sits with one contractor and is not subject to disputes between different suppliers, particularly as this project is a first for everyone at this scale, must perform well for the community as an exemplar project and is complex. Under the Refit 3 Framework, the Council has the option to include O+M services as part of the contracting for the project. The O+M contract along with the Investment Grade Proposal will be subject to best value review by Local Partnerships as set out in paragraph 2.4.7. The Council will also be provided with detailed procurement advice and risks by its legal advisers.

2.4 **Technical development of the Project:** This section covers the planning, design, highways and investment grade proposal.

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20
Design						
Preliminary Design						
Developed Design						
Technical Design						
Planning						
Application Preparation						
Community Engagement						
Planning Determination						
Other Statutory						
Listed Building Consent Order						
Highways Consents						
DNO Connections						
Investment Grade Proposal						
Procurement						

Business Case							
Reporting							
Quality Assurance							
Committee Decision							
Miscellaneous							
Air Quality Monitoring							Continued...
Dept. of Engineering, UC, Project							

- 2.4.1 Design Development.** Under the previous round of grant funding the project was progressed to Royal Institute of British Architects (RIBA) Stage 2 and for some aspects of the project RIBA Stage 3. Current work is focussed on the preliminary design required for the planning application and this includes illustrative plans and elevations of the borehole field, solar PV array, energy centre and heat network (excluding final connections to properties, see 2.4.3). The HNIP commercialisation funding, if agreed will support finalisation of developed designs to RIBA stage 4, which will include additional specialist technical surveys, a full set of developed design drawings and specifications, to a level that is suitable for firm-price procurement of the equipment and works. This will also include detailed energy modelling and performance simulations. Currently the MPhil Energy Technology course with the University of Cambridge Engineering Department are undertaking detailed assessments of different engineering aspects of the project and reporting findings by August 2020.
- 2.4.2 Planning.** Cambridgeshire County Council is the planning authority for the Swaffham Prior Community Heat Project under Regulation 3 of the Town and Country Planning General Regulations 1992. An Environmental Impact Assessment (EIA) screening and pre-planning enquiry was submitted to the County Council on 5th March 2020 and it is the Council's opinion, after assessing the proposal and consultation responses, that the proposed development is not an EIA development. The project team is currently preparing the planning application for submission by the end of June 2020 and a range of specialist studies have been commissioned to inform the application including (but not limited to) a geophysical survey to assess for significant archaeological assets, landscape and visual impact assessment, preliminary ecological assessment, heritage assessment, ground water impact assessment (for the boreholes), flood risk assessment and glint and glare study (for the solar PV).
- 2.4.3 Listed Building Consent Order (LBCO).** The project will look to apply to East Cambridgeshire District Council (ECDC) for an LBCO that applies to the whole village to facilitate homes and businesses to participate in the project without requiring individual applications for listed buildings consent to be submitted. Early discussions with ECDC Conservation Officer has started. It is our understanding that an LBCO of this nature has not previously been undertaken in the district, so it will be important that this process can provide a model for other villages that is practical and deliverable where whole village decarbonisation retrofits are proposed.
- 2.4.4 Highways consents.** Works to the highway (including laying pipes within the public highway) generally require the consent of the Highways Authority and are authorised by way of a street works licence, section 50 of the New Roads and Street Works Act 1991 (the '1991 Act'). However, under the LGA 1976 s.11 the Council has powers as a statutory undertaker for the purposes of undertaking street works and can rely on the 1991 Act to undertake the street works for the community heating project. To allow the Council to do this, it must apply for a Street Works Act code and comply with the provisions of the 1991 Act. It is proposed

to apply for the codes under the name ‘**Cambridgeshire County Council District Heating**’ to differentiate it from our existing code under the Highways Authority and to allow for future heating projects beyond Swaffham Prior.

2.4.5 *Community Engagement:* BEIS HNDU funding has paid for external community engagement support for the project. In September 2019, 166 homes in principle supported participation in the project and work continues to keep members of the community up to date with developments and encouraging further uptake. In addition to the workshops and events held last year, engagement more recently due to Covid- 19 is now on-line with a newsletter, schools work booklets, social media and website updates. The project continues to engage with other communities interested in doing similar projects and is sharing its experience to date. These include the Welsh Development Agency; village of Compton Dando and the Combined Authority of Bath and North East Somerset (BANES); Bury St .Edmunds, Tunbridge Wells, Surrey and more locally in Cambridgeshire Reach, Histon and Impington, Great Staughton, Perry and Grafham villages.

2.4.6 *Air quality monitoring:* There are two schemes to measure air quality underway with the project. The first is with ECDC, where a number of diffusion tubes have been set up across the village to monitor NOx and background emissions. This data will be provided monthly and is a high level indication of pollutants. A more detailed, granular level of monitoring is currently being installed to monitor particulates and NOx in strategic locations in the village and should be in operation by the end of May 2020. Air quality is being measured to provide evidence for the emissions reduction as a result of the project, to inform Public Health, future CUSPE research proposals as well as providing insights for post Covid -19 air quality emissions, lifting of lockdown and implementation of the heat project.

2.4.7 *Investment Grade Proposal:* The investment decision for the project is required October 2020. Detailed designs will be completed (once the planning application is submitted) to inform supply chain specifications for the equipment and services to deliver the project and to finalise costs. Bouygues E&S will undertake a series of procurement processes to achieve firm pricing for the implementation and operation of the project, inviting local supply-chains to participate wherever possible. The Investment Grade Proposal will provide firm capital and operational costs, a final design and specification for the project, project execution planning documents and an economic business case with energy performance guarantees. The draft Investment Grade Proposal will be reviewed by Local Partnerships for quality assurance and value for money verification, ahead of a final IGP coming to committee for an investment decision.

3 Key Project Risks

Appendix F identifies the main project risks. Highlighted below are two critical project risks that need careful management during the next 6 months.

3.1 Income risk:
Renewable Heat Incentive. The RHI ends on 31st March 2021. Successor schemes to the RHI are now subject to consultation for implementation from April 2022 but critically for this project, the timing of the CV-19 pandemic and the phased process of accessing development grants, has led to a key investment decision in October 2020 for the Council whilst there is much uncertainty. To manage this uncertainty, it is proposed a Roundtable discussion is developed, led by our local MP and the Council, inviting key national

partners/stakeholders to join the discussion ahead of an investment decision, to discuss how best to manage this important project and the timeline constraints of the RHI.

Selling of carbon credits: Carbon offset schemes have been around for a number of years but none specifically offering Cambridgeshire businesses the opportunity to invest in local community infrastructure that reduces carbon emissions in Cambridgeshire. This scheme is currently being developed through the CUSPE 2020 programme and the Council's Commercial Team. The aim is to develop an income stream through the selling of carbon reductions for projects, supporting businesses to deliver their ambitions whilst helping communities. There is an 18 month lead in time for the set up and sale of carbon credits and this forms a key part of the new business model for community energy projects.

- 3.2 *Covid -19 pandemic.* This risk is multifaceted. On the one hand, oil prices have reached their lowest point since the 1970's due to unprecedented fall in demand for transport, manufacturing and other goods globally, leading to an oversupply and oil storage problem. For oil dependent communities this provides a short term financial benefit but is not expected to be sustained. However, for the project, less homes could decide to commit to change from oil to renewables and sign up to the project from the start, whilst a short term reduction in oil price is available to them. On the other hand, there is also a perception that investing this level of finance into a project is imprudent, when the UK has bigger financial priorities resulting from Covid. Whilst inevitably there will be many financial demands on the public sector during the next two years, investing in this type of scheme will be essential to provide stability to our local economy and businesses through supporting existing local jobs and supply chains, whilst the UK recovers from the economic shock of lockdown. There is much national and international debate as how to create an environment led economic recovery that continues to decarbonise our economy and tackle climate change.

4. ALIGNMENT WITH CORPORATE PRIORITIES SF TO COMPLETE

4.1 A good quality of life for everyone

The Council approved an Environment Motion in May 2019 to tackle climate change and biodiversity loss, both of which require concerted global and local effort to prevent impacts that will limit future generations' quality of life. The Swaffham Prior Community Heat Project is a local solution to these challenges. Air quality benefits will be felt locally and wider social and environmental benefits for tackling climate change.

4.2 Thriving places for people to live

Cambridgeshire is a pre-dominantly rural County with a large network of villages. It is important to find smart and clean solutions to decarbonise our rural communities to help them thrive and prevent rural communities being left behind owing to a strong focus on investment into smart cities.

4.3 The best start for Cambridgeshire's children

The aim is to provide an education centre as part of the energy centre on our land. The education centre will provide opportunity for students to see the technology working and how the project works for the community. Initial discussions have been held with

Cambridgeshire Outdoors on how this could fit into future learning programmes and build on work with our Universities to benefit from research projects to improve performance of the system as technology develops. Swaffham Prior school children have been directly involved in the project. During science week in 2019 the school input to the video shared in paragraph 1.6 on how a heat pump works and projected an image of the borehole drilling onto the side of the school wall for everyone to see what was happening on site, but at a safe distance. The impacts of climate change will be felt most keenly by future generations and developing projects now that use clean energy supplied locally, independent of global geopolitics, will help manage future fuel poverty.

4.4 Net zero carbon emissions for Cambridgeshire by 2050

Cambridgeshire's carbon emissions in 2017 reached 6.1million tonnes. This project is forecast to reduce annual emissions in Swaffham Prior by 1,285 tonnes per annum when connections reach 90% of the village. In total 47,000 tonnes of carbon emissions will be saved over 40 years. For Cambridgeshire to deliver net-zero by 2050 all buildings across Cambridgeshire will need to reduce carbon emissions to net-zero. New business models need to be developed and this project provides a 'blue print' for other oil dependent communities to decarbonise. Already there is significant interest in the project by government and communities see paragraph 2.4.5

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

Paragraph 2.2 sets out the project outline business case. The Energy Investment Unit staff costs (including finance support) for the development of the project has been partly covered by the transformation fund agreed in May 2019. For further community heat projects like this, dedicated project management support will be required. It is also important to note that the rural estate land for the energy centre is integral to the Swaffham Prior project business case and the rural estates team have supported the project development.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The Council appointed Bouygues Energies and Services Solutions Ltd in November 2017 as a result of a mini-competition under the Refit 3 Framework. It is this procurement that has been used to develop the project.

The Rural Estates team have liaised with the tenant farmer for Goodwin Farm regarding the land earmarked for the energy centre and ongoing access to the land for the development of the project. The Swaffham Prior Board has also met the tenant farmer and the tenant is supportive of the project. The existing barn on the land is planned to host the new energy centre and a new equivalent barn, will be built in a location agreed between the Council and the tenant. This cost is included in the outline business case.

5.3 Statutory, Legal and Risk Implications

Please see paragraphs 2.3.4-2.3.6 for details of the powers under the Local Government Act 1976. These powers have been tested with Counsel and provide the Council with statutory undertaking powers pertaining to the Highways.

A Risk register is set out in Appendix F and in section 3.

5.4 Equality and Diversity Implications

Please see paragraph 2.1 describing the strategic purposes of the project and offering access to all in the village.

5.5 Engagement and Communications Implications

BEIS HNDU grant has helped to fund community engagement for the village recognising that the community and its residents are crucial to the project's success. Last year 166 homes agreed in principle to sign up to the project and further work is planned to engage the community during the next few months to confirm this commitment.

Four community presentations have been held in the village hall to report project progress, along with drop-in sessions such as a 'teccy' walk for those more interested in the engineering design details, attendance at village events and working with the school. A session with residents in the local pub also examined a model heat agreement to identify and understand residents concerns signing up for heat sales.

An information booklet was shared with the village in 2019 and ongoing news is posted on the project website. Facebook posts, newsletters, schools magazines, articles in the local Crier magazine have also been published during the year plus items on TV (Look East, July 2019), radio interviews and local newspapers.

5.6 Localism and Local Member Involvement

Progress updates have been provided to the Swaffham Prior Parish Council meetings and to the Local Councillors.

5.7 Public Health Implications

Please see paragraph 2.5.6 on air quality monitoring.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Ellie Todd
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus Da Silva
Has the impact on statutory, legal and risk implications been cleared by the	Yes Name of Legal Officer: Fiona MacMillan

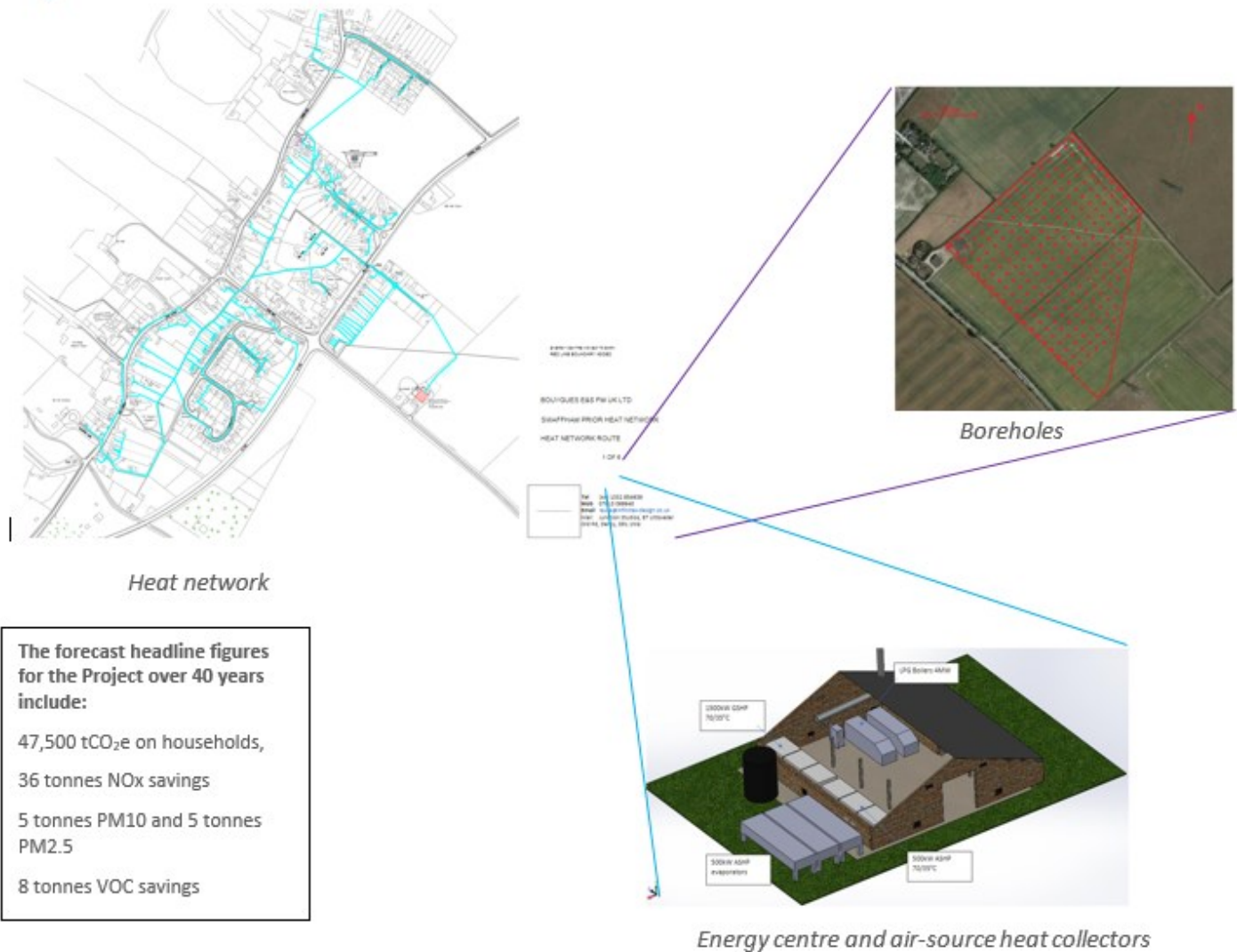
Council's Monitoring Officer or LGSS Law?	
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Iain Green

Source Documents	Location
Swaffham Prior Community Heat Project, Committee Report, November 2018	INSERT Link
Heating Swaffham Prior Community website – updates and newsletters	https://heatingswaffhamprior.co.uk/
Swaffham Prior Community Heat Project – Information Booklet	https://www.mlei.co.uk/projects/swaffham-prior-community-heat
Heating Swaffham Prior video	https://vimeo.com/403639185/47ee190c01
Round 9 BEIS HNDU application for Detailed Project Development, October 2019	Internal File: Energy Investment Unit
HNIP application, April 2020, including Finance and Energy Modelling	As above
Techno-economic model version 5, outline Project Business Case	As above
EIA screening and Pre-Application, March 2020	As above
EIA screening opinion, April 2020	As above
Local Government Act 1976, section 11, Counsel Opinion, April 2020	As above

Appendix A: Swaffham Prior Community Heat Project

Please note: The Heat Network in this schematic is still indicative and subject change. The final route will be determined through ongoing detailed discussions with building conservation officers.

Project schematic



The HIU performs a number of functions, it:

- Transfers heat from the network to water
- Establishes the boundary between 'the network' and your home
- Removes the need for hot water storage
- Measures energy usage through an integrated meter



The HIU fits into a kitchen cupboard. It may replace an existing boiler and water heater, or these may be retained in addition to the HIU.

HIU= Heat Interface Unit

Appendix B: Specialist Project Advisors

External	Advisors	Key Services
Technical	Bouygues Energies and Services Ltd	Energy modelling Technology choices Scheme design Technical risk management
Legal	Sharpe Pritchard LLP	Commercial structure State Aid Heat Agreements
Community Engagement	Line Undrawn	Project information targeted to the community Awareness raising events Website and newsletter development
Project Management	Avieco Ltd	Coordinating the different workstreams Communication Reporting Grant applications Critical path and risk register
Procurement	Local Partnership	Refit 3 Framework compliance Review Work, Operations and Maintenance Contracts to benchmark costs
Grant Providers	BEIS HNDU	Guidance for grant compliance Share best practice
	Heat Network Investment Project	Project Development Advice

Swaffham Prior Community Land Trust (SPCLT)	Advisors	Key Advisory Services
	SPCLT - Directors	Project Board Members Community engagement Local housing and infrastructure challenges Local environmental concerns and issues
CCC Internal	Teams	Key Services
	Energy Investment Unit	Project Lead, Development of new business model Project governance
	Rural Estate	Liaison with tenant farmer
	Finance	Reviewing techno economic modelling Updating finance model and agreeing finance assumptions Financial due diligence

Appendix C: Summary of the Project Development and deliverables to date

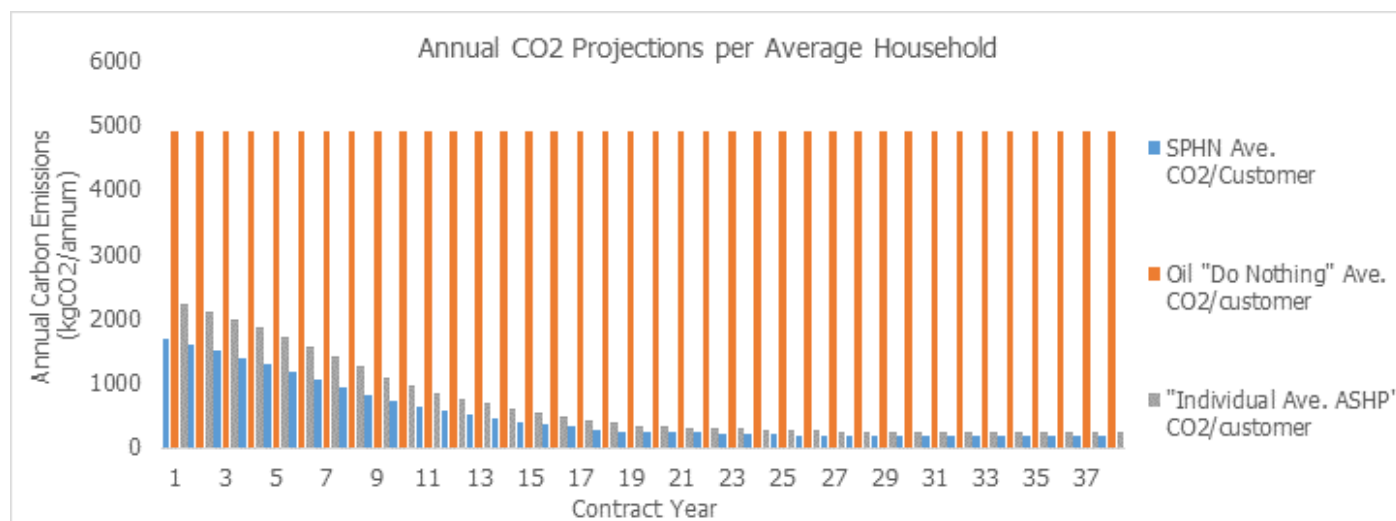
Project Phase	Grant (£)	Match Funding (£)	Total (£)	Key deliverables
High level Feasibility	20,000 WRAP	-	20,000	Identification of two community heat project options for Swaffham Prior village
Techno-economic modelling	40,200 BEIS HNDU	20,000 (CPCA)	60,200	Options appraisal of key technologies Techno-economic model for preferred technology option A draft Heat Agreement for customers Installation of seven heat meters to measure distribution and level of consumption
Detailed Project Development - 1	100,300 BEIS HNDU	29,700 (CCC)	130,000	200m borehole planned and drilled to assess heat availability for ground source heat pump 166 homes signed up to be part of the heat project as an anchor load Detailed design work for energy centre and heat network to RIBA stage 2 Updated techno-economic model to reflect new designs, technologies, better data and soft market testing
Detailed Project Development - 2	232,000 BEIS HNDU	66,000 (CCC)	298,000	Current phase of work including: Planning Application Commercial structure of the Project Future Contracting Funding – Heat Network Improvement Project (HNIP) incl outline business case Income identification Risk management
TOTAL	392,500	115,700	508,200	
Commercialisation	290,000 (HNIP)	–	290,000	Set up of commercial structure Final scheme designs Investment Grade Proposal (informed by planning decision)

				Best value reviews by Local Partnership Heat Agreements with customers Finalise DBOM contracts Pre-application to OFGEM for RHI
Construction – District Heat Network	1,790,444 (TBC)	1,790,445 (CCC)	3,580,889	Notice to Proceed and mobilisation
Construction – Energy Centre	–	3,455,816 (CCC)	3,455,816	Notice to Proceed and mobilisation
TOTAL	2,080,444	5,246,261	7,326,705	

Appendix D: Counterfactual

‘Do nothing scenario’ - In summary, the community heat project indicated that the average customer benefit of circa £81 in the first year, rising to £161 from year 14 onward (in real terms) against the ‘do nothing’ scenario. Across the entire village, a financial benefit of circa £21k in year 1, rising to £41.5k in year 14 is estimated. The annual carbon emissions of each dwelling would reduce on average by 3TCO₂ (65% in heating and hot water), rising to 4.33TCO₂ (96.5%) by year 30 (2050). Broader environmental impacts, such as other air emissions, noise, traffic and hazardous substances are also considered to be significantly greater in this scenario.

‘Individual home conversion scenario’ - the model is more complicated for the second scenario, noting that the customer would need to make a substantial capital investment and for some an ASHP is not a viable solution at low level temperature delivery. The domestic RHI provides a significant saving during its 7year term, though this does not entirely offset the capital cost. However, beyond this term, the total annual expenditure per average dwelling is estimated to be approximately £470 greater individually than for the community heat network. The total cost of heat (including the initial capital and all operational costs) over a 10 year period is £24k, compared with just £12k with the community heat network. The annual carbon emissions reductions associated with heating and hot water production from the community scheme would be 1.58TCO₂ for the community heat network compared to 2.02TCO₂ in year 1 for individual homes. The carbon emissions remain at approximately 30% higher for individual scenario compared to the community heat network over the 40 year lifespan.



Please note: The second scenario has several environmental impacts, including noise and cold plumes (created by the heat pump). However, a more significant impact of immediate mass roll-out of domestic air-source heat pumps is the increase in demand placed on the local electricity network. As each heat pump would operate independently of one another, yet respond similarly to heat demands, the peak load placed on the electricity network could be significant – this is highlighted in recent studies undertaken by BEIS. Whilst unsubstantiated, it seems probable that this increase in load could result in a need for network reinforcement, which would effectively add to capital costs through network upgrades.

Appendix E: Community Engagement

Images of Swaffham Prior from the Heat Pump video





Cllr Steve Count and Emma Fletcher, Swaffham Prior Community Heat Project, July 2020, On-site at County Council's Goodwin Farm to witness borehole testing for the Ground Source Heat Pump.

All images below show the drilling of the 200m boreholes with the team, contractors and BBC Look East film crew.





**Appendix F:
PROJECT RISK
REGISTER**

Client:	Cambridgeshire County Council
Project:	Swaffham Prior DHN
Stage:	Pre-Detailed Project Development
Status	Live document

Author: Miles Messenger

First Issued: 28/11/2018

Last Update: Sheryl French

By: 05/05/2020

No.	Category	Element	Risk Description / Trigger	Impacts	Likelihood	Severity	Risk Level	Control Measure	Post Control Measure Likelihood	Post Control Severity	Residual Risk	Owner	Status Update Notes	By	On
1	Commercial	Customer Uptake	Unable to develop a sufficiently appealing business case to encourage prospective customers to enrol in scheme.	Loss of prospective customers, loss of revenue, unviable business case	Moderate	High	High	Investigate, analyse and document prospective customer existing / projected energy costs and gain understanding other key drivers or concerns. Develop business case model that offers a material and definitive saving against existing and addresses end customer concerns.	Low	Moderate	Moderate	ALL	Ongoing	HT	07/06/2019
2	Technical	Borehole	Borehole extraction volumes / rates are lower than that required to meet thermal load	Heat pump unable to deliver predicted heat capacity, resulting in a defunct system / stranded asset	High	High	High	Undertake further due diligence as part of the DPD stage, including further desk top analysis and specialist engagement. Construct test boreholes, to enable physical testing of abstraction rates and volumes.	Low	High	Moderate	BYES	Closed. Revised energy centre design and modelling is based on the thermal potential of the land parcel. Hybrid approach being taken. The likelihood of the risk has been significantly reduced but this does not reduce the magnitude of the risk if the heat can not be delivered at the levels forecast.	HT	02/12/2019
3	Technical	Customer Systems	Customer systems are incompatible with the heat network, resulting in the heat network failing to satisfy customer thermal requirements.	Customer discomfort, complaints, reputation, withdrawal from the scheme	Moderate	Moderate	Moderate	Undertake surveys and inspections of individual customer properties during DPD to ensure customer system details and requirements are fully captured and incorporated into	Low	Moderate	Low	BYES	Ongoing	HT	07/06/2019

							design. Appropriate peer design reviews to ensure that any errors or oversights are captured and remedied in design process								
4	Operation	Availability	Heat network failure / leak, causing downtime of the system.	Customers left without heat supply whilst system is repaired, causing discomfort, complaints, reputational impacts.	High	High	High	Appropriate specification of materials, resilience in design through local isolation and pipework layout arrangements, appropriate selection of competent and qualified installers, quality assurance inspections, integrated commissioning and testing, leak detection.	Low	Moderate	Moderate	YES	Operational risk.	HT	31/01/2020
5	Operation	Availability	Energy Centre primary plant failure , causing downtime of the system.	Customers left without heat supply whilst system is repaired, causing discomfort, complaints, reputational impacts.	Moderate	High	High	Undertake a single point of failure risk assessment on design and ensure appropriate back-up resilience is in place. Ensure that appropriate emergency call-out services are in place.	Low	Moderate	Low	YES	Operational risk.	HT	31/01/2020
6	Technical	Utilities	Required capacity of mains gas, electricity or water supply is not available for connection in the vicinity of the proposed energy centre	Additional costs associated with utilities connections, including network reinforcement, added infrastructure and wayleaves etc. Potential programme impact due to lead times in making connections.	Moderate	Moderate	Moderate	Undertake connections applications to local Distribution Network Operator, Cadent / NG and Local Water Company at the earliest opportunity during DPD stage. Make suitable budget provisions in Technoeconomic Feasibility Study to account for potential connection costs.	Moderate	Low	Moderate	YES	Closed. Moving to LPG as back up. Utilities connection cost to be incorporated in capex budget to confirm viability. LPG/biomass/ASHP as alternative back up fuel.	HT	31/01/2020
7	Technical	Energy Baseline	Lack of actual energy (heat) demand data for customer connections - baseline estimates are proven to be inaccurate / erroneous.	System design capacities are unsuited to actual demands i.e. shortfall / surplus. System fails to deliver expected performance.	High	Moderate	High	Install heat meters at selected properties during winter 2018 in order to obtain better clarity on heat demands from the various archetypes. Baselines to be developed using actual energy data and not benchmarks	Low	Moderate	Moderate	YES	Operational risk.	HT	31/01/2020
8	Technical	Customer Systems	Lack of knowledge of customer systems - assumptions on point of connection prove erroneous and actual requirements are far more onerous.	Additional costs associated with customer connections, programme delays, reputational damage.	High	Moderate	Moderate	Undertake surveys and inspections of individual customer properties during DPD to ensure customer system details and requirements are fully captured and incorporated into design. Appropriate peer design reviews to	Low	Moderate	Low	YES	Data for approximately 25% signed up homes shared - ACTION required?	JH	02/03/2020

							ensure that any errors or oversights are captured and remedied in design process										
9	Commercial	Renewable Heat Incentive	Systems design / specification / installation does not meet the requirements of RHI Regulations.	Client unable to register system with OFGem and claim RHI payments for the scheme.	Low	High	Moderate	Commission RHI specialist to advise on design and metering requirements, ensure specifications meet RHI requirements, engage Ofgem early in the development process to obtain initial opinions.	Low	Moderate	Low	YES	Escalating. Ofgem announced RHI regression due to deployment cap (March 2020).	HT	02/03/2020		
10	Commercial	Renewable Heat Incentive	Reform of the RHI regulations, resulting in changes in tariffs or eligibility criteria compared with that assumed in the development stage.	RHI revenues differ from that forecasted in the business case.	Moderate	High	High	Continually monitor and research Ofgem publications to identify any prospective changes to the RHI Regulations. Ensure that 'commitment' to the project is made only when there is adequate certainty on the regulations remaining unchanged during the construction phase	Moderate	High	High	CCC	Escalating. 10% degression announced for Q1 allocation. We need planning permission in order to pre-register for RHI.	HT	02/04/2020		
11	Commercial	Renewable Heat Incentive	State aid / grant funding position means that system is ineligible for RHI registration.	Client unable to register system with OFGem and claim RHI payments for the scheme.	Moderate	High	High	Client to undertake appropriate due diligence and seek advice from BEIS on any potential conflicts between a grant and RHI ahead of any commitment to proceed.	Low	Low	Moderate	CCC	commercial structure of project has been designed to manage state aid and has been tested with BEIS HNDU and HNIP for support.	HT	31/01/2020		
12	Development	Community	Complaints from the community regarding the physical appearance of the energy centre and visual impact.	Reputational, potential challenges or objections during planning process, failure to obtain planning permission.	Moderate	High	High	Engage community in design process, submit designs for comment ahead of planning to establish any major concerns; include renders of the thermal stores.	Low	Moderate	Moderate	CLT/CCC	Moving to house the energy centre in an existing structure => planning requirements and visual impacts reduced.	HT	02/04/2020		
13	Construction (top 11)	Customer Connection	Damage caused to customer property in the installation of connection / interface.	Reputational, remedial costs	High	Low	Moderate	Ensure that customer is in full agreement with proposed installation and positioning of equipment and pipe routes. Ensure that appropriate budget provisions are made for remedial works to property, including landscaping and interior decoration.	Moderate	Low	Moderate	CCC/BYES	Construction phase. Budget includes remedial works (w/o contingency).	HT	02/03/2020		
14	Construction (top 11)	Customer Connection	Unable to gain access to customer property to complete installation	Programme delays, abortive costs	Moderate	Moderate	Moderate	Ensure that suitable obligations are passed to the customers in terms of providing access to facilitate installation. Communicate dates for installation for each customer (utilise appropriate CRM software?) with	Low	Low	Low	ALL	Construction phase.	HT	31/01/2020		

							sufficient notice - ensure that dates are adhered to (with back-up resources if required).								
15	Development	Planning	Planning permission is refused, due to genuine misalignments with local plans, failure to meet requirements, objections from consultees etc.	Unable to proceed with the construction of the project, causing programme delays and unrecoverable costs	Low	High	High	Early engagement with planners by way of pre-application meeting and report. Designs to align with local plans and accommodate for any concerns or issues raised in pre-application.	Moderate	High	High	YES	Escalating. LPA can take several months to assess these. BYES consider this a significant project risk.	HT	12/02/2020
17	Technical	Heat Network	Actual heat losses from network are far higher than that projected in the design.	Increased electricity demands to meet heat loads, increase in operational costs.	Moderate	Moderate	Moderate	Appropriate and scrutinised specification of trench pipework - manufacturer's thermal performance claims to be verified by operational field data, TUV test certs (or equivalent) and factory acceptance tests. Regular QA inspections throughout installation phase	Low	Low	Low	YES	Operational risk.	HT	31/01/2020
18	Lifecycle	Heat Network	Heat network pipework deteriorates faster than projected, early failure / end of life.	Increased electricity demands to meet heat loads, increase in operational costs.	Moderate	Moderate	Moderate	As above, review data captured for similar installations that have been in operation for several years. Review material composition, causes and rates of degradation to confirm accuracy of manufacturer's claims.	Low	Low	Low	YES	Operational risk.	HT	31/01/2020
19	Performance	Heat Pump	Heat pump's coefficient of performance is significantly lower than that projected in the energy model / business case	Increased electricity demands to meet heat loads, increase in operational costs.	Moderate	Moderate	Moderate	Selection of heat pump from a reputable company, with performance as a key factor for selection. Manufacturer claims to be supported by evidence of performance from similar installations. Factory acceptance tests and integrated commissioning required. Seek run hour warranties.	Low	Low	Low	YES	Operational risk.	HT	02/03/2020
20	Operation	Maintenance Resources	A lack of local contractor resources to undertake specialist maintenance and servicing of the equipment.	Increased operational costs, longer maintenance downtimes, deterioration in systems performances and shortening of equipment lifespan.	High	Low	Moderate	Early engagement with local prospective supply-chain partners. Consider training needs of local resources and incorporate training programmes into project. Allocate appropriate resources to the completion of O&M contracts, ensure suitable	Low	Low	Low	CCC/BYES	Operational risk.	HT	31/01/2020

							provisions for planned preventative maintenance and reactive maintenance.								
21	Development	Planning	Unforeseen conditions are included in planning permission.	Additional costs, delays to commencement and extension to programme.	High	Moderate	Moderate	Ensure that pre-planning discussions and report includes for any likely conditions or requirements to be addressed in planning application, to minimise pre-construction conditions to be discharged. Ensure that planning application is comprehensive.	Moderate	Moderate	Moderate	YES	In house advice sought by YES.	HT	23/08/2019
22	Technical	Heat Network	Underground obstacles, such as services infrastructure, atypical materials, rivers/watercourses, artefacts result in suboptimal routing of heat network.	Additional heat network costs, higher operational costs (energy)	High	Moderate	Moderate	Undertake subterranean utilities surveys, geotech surveys, archaeological assessments and hydrology surveys ahead of detailed design, to ensure that any issues are identified and addressed at the earliest opportunity (and pre-tender).	Moderate	Low	Low	YES	Subterranean search complete Feb 2020. Operational risk.	HT	02/03/2020
23	Commercial	HNDU R8	Failure to comply with HNDU's requirements, resulting in loss of grant support.	Loss of capital to fund project, cessation.	Moderate	High	Moderate	Ensure HNDU R8 requirements are captured and understood and that responsibilities are effectively distributed across stakeholders as appropriate. CCC to monitor and govern compliance throughout the DPD.	Low	High	Moderate	CCC	Closed.	HT	02/12/2019
24	Development	TEFS	DPD Tendered costs associated with design and build of scheme are significantly higher than the estimations set out in Technoeconomic Feasibility Study	Business case is commercially unviable / insufficient capital to fund the project.	Moderate	High	High	Undertake additional soft market engagement to corroborate subcontractor costs at the earliest opportunity.	Low	Moderate	Moderate	YES	Soft market testing and tendering incorporated in DPD spec.	HT	02/12/2019
25	Development	TEFS	Anticipated returns / revenues at DPD stage are significantly lower than that set out in Technoeconomic Feasibility Study	Business case is commercially unviable / fails to meet investment thresholds of the client	Moderate	High	High	Client to review assumptions set in the scenario manager and confirm approval. Appropriate research to be conducted to review assumptions.	Low	Moderate	Moderate	CLT/CCC	Underway	HT	07/06/2019
26	Development	Resources	Insufficient / inadequate client resources available to develop project	Delays to / unable to complete development programme	Moderate	Moderate	Moderate	Client to ensure that appropriate resources and financial provisions are committed to the development of the project.	Low	Low	Low	ALL	Underway	HT	07/06/2019
27	Development	Resources	Insufficient / inadequate supply-	Delays to / unable to	Moderate	Moderate	Moderate	Consultant to identify prospective supply-	Low	Low	Low	YES	Underway	HT	07/06/2019

			chain resources available to develop project	complete development programme				chain resources, establish soft market engagement process and establish Design Team.							
28	Commercial	Economy	Changes to economy cause inflationary rise in goods and services	Increased project capital or operational costs beyond project budget	Moderate	High	Moderate	TBC	Moderate	High	Moderate	?	Watching brief	HT	07/06/2019
29	Commercial	Energy Prices	Fuel oil and LPG prices / price projections are lower than the modelled predictions	Project is economically unviable / unattractive to prospective customers, lack of uptake	Low	Moderate	Moderate	Undertake targeted research into future energy pricing as part of the DPD. Undertake sensitivity analysis to evaluate impacts of all potential pricing scenarios.	Low	Moderate	Moderate	CCC	Move to main DPD spec.	HT	02/03/2020
30	Commercial	Energy Prices	Industrial electricity prices / price forecasts are higher than modelled predictions	Project operational costs increase, resulting in economic business case being unviable.	Moderate	Moderate	Moderate	Undertake targeted research into future energy pricing as part of the DPD. Undertake sensitivity analysis to evaluate impacts of all potential pricing scenarios.	Low	Moderate	Moderate	CCC	Move to main DPD spec.	HT	02/03/2020
31	Development	Customer Uptake	A competing renewable / low carbon scheme is more attractive to prospective customers than the proposed.	Loss of prospective customers, loss of revenue, unviable business case	Moderate	High	Moderate	Evaluate alternatives / competitor offers and determine whether or not this scheme is genuinely a better offer. Seek means of remodelling the proposal so that the proposed is more attractive to the end customer. Client to undertake marketing and engagement with customers to ensure awareness of the benefits.	Moderate	Moderate	Moderate	ALL	Main alternative is individual ASHPs - suppliers are known to be active in the village. Action underway to communicate with these local suppliers and bring onboard. Also could include the avoided cost of individual HPs to homeowners as benefits to network participants.	HT	20/09/2019
32	Legal / Regulatory	Regulation Change	A change in regulations / legislation drives changes in the design or development of the project.	Increased costs, changes to economic business case.	Moderate	High	Moderate	Continual monitoring and research into prospective regulatory or legislative changes that may impact the viability of the proposal. Early awareness of prospective changes to enable design / proposal to be adapted / alternative solutions sought.	Moderate	Low	Low	CCC/BYES	Watching brief	HT	13/06/2019
33	Technical	Design General	General design or specification errors are made, resulting in the system failing to perform as intended.	Cost, quality	Moderate	Moderate	Moderate	Ensure competent and qualified engineering resources are assigned to the project and that effective QA / PDR is in place to minimise the likelihood or impact of design / specification oversights.	Low	Low	Low	BYES	To be resolved through procurement and QA of subsequent stages	HT	13/06/2019
34	Development	Listed Building Consent	Individual listed building consent required for every listed building to be	Development cost, programme, risk of refusal.	High	High	High	Local Planning Authority to be engaged at the earliest opportunity to	Moderate	Low	Low	CCC/BYES	Planning application in development from consultants to submit	HT	04/10/2019

			connected to the scheme.				establish an appropriate and efficient means of adhering to planning laws. Update TEFS to account for any cost, programme or design implications.					one application for the whole scheme.			
35	Development	CDM	Insufficient / inadequate pre-construction information made available to satisfy CDM requirements and effectively control H&S risks.	CDM Principal Designer unable to conduct Design Risk Assessment, failure to comply with legislation.	Moderate	High	High	CDM Client to appoint Principal Designer at the earliest opportunity in the DPD stage. Principal Designer to clarify the requirements of the Pre-Construction Information. Client and consultant to assign appropriate resources to ensure that PCI is obtained in a timely fashion. Consultant to ensure that Designers are aware of their responsibilities under CDM and that satisfactory designs are submitted to the Principal Designer in a timely fashion.	Low	Low	Low	CCC	To be resolved through procurement and QA of subsequent stages	HT	13/06/2019
36	Development	Environmental / Ecological	Specialist surveys (ecology / EIA / landscaping etc.) require significant additional control measures to be incorporated into the design, construction or operation.	Additional costs, delays to commencement and extension to programme.	Moderate	Moderate	Moderate	Undertake Local Authority Screening at the earliest opportunity in DPD to obtain a knowledge of likely requirements. Obtain opinions from ecology / environmental consultants prior to design.	Moderate	Moderate	Moderate	YES	Escalating. Statutory timescales are 3-5 weeks. LPA may request extension, especially with the Reg 3 requirements.	HT	13/06/2019
37	Commercial	EPC	Failure to reach agreement on Energy Performance Contract savings guarantees & other ESCO responsibilities	Contracts not agreed, project cessation.	Moderate	High	Moderate	Stakeholders (CCC / BYES / SPCLT) to seek agreement to Heads of Terms that set out general scopes of responsibility, measurement & verification strategies, KPIs, SLAs and contracting structures prior to the commencement of the DPD.	Low	Low	Low	ALL	Operational risk.	HT	31/01/2020
39	Development	Test Boreholes	Results of test boreholes indicate that the volume / depth / flow rate of the aquifer is insufficient for required heat capacity	Current proposals prove unfeasible, jeopardising the project's success.	Moderate	High	High	Continue in the exploration and development of alternative technological options (such as closed loop or air source) to act as a 'fall back plan'. Identify alternative local aquifers and establish additional infrastructure requirements and costs to make	Moderate	Moderate	Moderate	YES	Closed. Will account for changes to capex in financial modelling.	HT	31/01/2020

							connection with energy centre.								
40	Construction (top 11)	Trenched Heating Mains	Unforeseen complexities in the construction of trenched services.	Programme delays, cost overruns	High	Moderate	Moderate	Undertake all preproperate up-front surveys and tests to establish potential obstructions. Coordinate heat network layout to identify most practicable / economical routes. Identify any uncertainties and risks, make appropriate allowances in programme and cost to account for risks.	Low	Low	Low	YES	Sub terranean survey complete Feb 2020.	HT	02/03/2020
41	Construction (top 11)	Borehole	Unforeseen complexities in the construction of boreholes	Programme delays, cost overruns	High	Moderate	Moderate	Undertake detailed geotechnical studies / surveys, ground condition tests and install test borehole as part of the DPD to obtain data on ground construction / make-up, highlight any issues in drilling, determine aquifer flow rates and volumes etc. Incorporate findings into design and procurement processes and make suitable allowances for any residual unknowns or risks.	Moderate	Low	Low	YES	Construction phase.	HT	31/01/2020
42	Construction (top 11)	Complaints	Disturbance and disruption caused by construction - noise/vibration, roadworks, dust, lighting etc.	Reputation and relationship with customers	Moderate	Moderate	Moderate	Develop Construction Environmental Management Plans and Risk Registers to identify and minimise potential nuisances, such as noise, vibration etc. Share plans with community and ensure awareness of any residual disruption and confirm comfort with plans.	Low	Low	Low	YES	Construction phase.	HT	31/01/2020
43	Construction (top 11)	Environmental / Ecological	Environmental disaster occurs during construction phase.	Legal, remedial costs and damage to local habitat	Moderate	High	High	Ensure effective environmental controls, policies and procedures are in place on site. Commission Environmental Aspects & Impacts Assessment and develop and implement Construction Environmental Management Plan prior to construction.	Low	Low	Low	YES	Construction phase.	HT	31/01/2020

44	Construction (top 11)	Health & Safety	Injury, illness or death caused in the construction of the project	Legal, costs	Moderate	High	High	Ensure effective H&S controls, policies and procedures are in place on site. Adopt BYES Safe Systems of Work, commit appropriate H&S personnel to project. Ensure CDM Principal Designer and Principal Contractor, Designer, Contractor & Worker duties are fully satisfied.	Low	High	High	ALL	Construction phase.	HT	31/01/2020
45	Construction (top 11)	Commissioning	Poor coordination and execution of commissioning leads to unavailability of heat / hot water during changeover	Reputation and relationship with customers, potential remedial costs	Moderate	Moderate	Moderate	Develop and implement phased commissioning strategy to prove system prior to switchover, minimise any risk of downtime for the end customer. Undertake commissioning outside of the heating season. Develop contingency plan to implement in the event of commissioning failure	Low	Low	Low	YES	Construction phase.	HT	31/01/2020
46	Construction (top 11)	Security	Trespassing of construction site, theft or vandalism of construction materials	Legal, costs	Moderate	Moderate	Moderate	Implement appropriate security controls, including hoardings, signage, locks, security lighting, smart water system and remotely monitored, CCTV	Low	Low	Low	YES	Construction phase.	HT	31/01/2020
47	Construction (top 11)	Programme	A lack of coordination or availability of resources causes programme delays during the construction phase.	Programme delays, cost overruns	Moderate	Moderate	Moderate	Undertake comprehensive supply-chain vetting to establish resource capacity, commit resources as part of tender process, develop a realistic and functional delivery programme and project execution plan, ensure effective contractual terms to incentivise deliver against programme, employ project planners/coordinator and project managers to coordinate and monitor contractor works against programme, establish contingency plan to expedite programme in the event of delays.	Low	Low	Low	YES	Increasing - critical path is planning.	HT	31/01/2020
48	Construction (top 11)	Termination	Contractor or subcontractor breach / cessation leads to termination of contract mid way through the construction phase	Cost, programme delays.	Moderate	High	High	Supply-chain vetting and tender selection to evaluate prospective contractor / subcontractor historic performances, capacity and	Low	Moderate	Moderate	YES	Construction phase.	HT	31/01/2020

							capability. Develop a contingency plan that identifies alternative contractors, such that in the event of cessation or breach, the alternative may be commissioned to continue works.								
49	Commercial	Customer Uptake	Lack of customer awareness / engagement with the scheme results in low uptake rate.	Loss of prospective customers, loss of revenue, unviable business case	Moderate	Moderate	Moderate	Develop marketing and communication plan that ensures appropriately regular and suitable communication to all prospective customers throughout the development stage.	Low	Low	Low	CLT/CCC	Consider closed / to reengage in next development phase.	HT	04/10/2019
50	Commercial	Resources	Insufficient / inadequate local supply-chain contractor resources available to deliver project, resulting in a need to source from further afield	Additional costs associated with subsistence, delays due to lost travel time.	Moderate	Moderate	Moderate	As above + Subcontractor resource availability to be evaluated as part of the tendering process. Ensure that subcontractor has sufficient capacity to undertake the works through procurement and supply-chain vetting processes.	Low	Low	Low	BYES	For future stage of work	HT	13/06/2019
51	Legal / Regulatory	Wayleaves	Heat main is required to traverse third party land, thus necessitating wayleaves/easements	Programme delays, additional costs, legal	Moderate	Moderate	Moderate	Establish land ownerships of heat main routes set out in TEFS to determine any privately owned land. Seek no/low cost alternatives, or, where unavoidable, engage in initial dialogue with the owner prior to any detailed design or specialist survey work to confirm no objections. Otherwise, seek up-front legal advice on how best to proceed.	Low	Moderate	Low	CCC/BYES	Escalating. Re-routing to avoid the highways is increasing the easement/wayleaves requirement. EF - once red line route is established, will appoint lawyer to do full and registry sweep. MM to produce GIS map of the route - land ownership and highways.	HT	12/02/2020
52	Technical	Geology	Green sands makes open loop GHSP unviable	Open loop technical solution is not progressed	Moderate	High	High	Confirm ground conditions via geological survey. Revisit closed loop as a potential technical solution.	Low	Moderate	Low	BYES	Closed.	HT	23/08/2019
53	Technical	Heat pump	Change of heat source alters project timelines and/or cost	Additional funding required from BEIS; greater uncertainty in viability of project	Moderate	Moderate	Low	Propose revised scope to BEIS for sign off and/or early application to Round 9.	Low	Moderate	Low	BYES / Avieco	Closed.	HT	10/06/2019
55	Development	Project management	Tight timescales; slippage at this stage could make entire scheme unviable	Failure to resolve heat source and consumer connection risks means CCC can't secure further HNDU monies	Moderate	High	Moderate	Prioritise planning activities and proactive risk mgmt. approach	Moderate	Moderate	Moderate	Avieco	Escalating - delays in HNDU R9 application could mean construction timescales do not meet RHI deadline.	HT	04/10/2019

56	Development	Project management	Multiple stakeholders on project board with varying capacities and experiences	Decisions delayed, potentially putting whole scheme at risk	Low	Moderate	Low	Maintain frequent comms with the board; key messages in plain English; confirm core roles and decision-making requirements	Low	Low	Low	Avieco	Underway	HT	17/05/2019
59	Development	Project management	Stop-start development due to funding decision timescales	Consumers expectations frustrated; difficult to engage other partners and potential investors	Low	Moderate	Low	Apply asap to HNDU; regular updates to the community to keep everyone up to date. HNDU have confirmed they are assessing applications monthly to speed up project development	Low	Low	Low	Avieco	Closed. Board approved extension for PMS and community engagement work to bridge gap between pre-DPD and R9 funding decision.	HT	04/10/2019
60	Development	Project management	Balancing time onsite in community with ensuring technical and governance workstreams progress	PMS budget overstretched	Low	Low	Low	Mobile team can be onsite and deliver technical PM activities	Low	Low	Low	Avieco	Closed.	HT	23/08/2019
61	Development	Project management	Resource availability across partnership and delivery partners through the summer season	Board members and/or consultants not available at key moments; community disconnected from development	Moderate	Low	Low	Confirm availability of all partners at kick off; ensure handover/cover arrangements in place as necessary	Low	Low	Low	Avieco	Closed.	HT	23/08/2019
62	Development	Project management	Residents' availability constrained through summer season	Uptake of household surveys is too low; sign ups to network too low	Moderate	Moderate	Moderate	Ensure community engagement lead plans for resident availability	Moderate	Low	Low	Avieco / JH	Closed.	HT	20/09/2019
64	Technical	Energy Baseline	Client is unable to provide requested energy data within required timescale.	Unable to develop energy baselines and confirm system capacity and design requirements. Delay to project's development.	High	Moderate	Moderate	Prioritise data acquisition. Continue with development using reasonable assumptions regarding capacity requirements, with a view to updating when information becomes available.	Moderate	Low	Low	CLT/CCC	Closed.	HT	12/07/2019
65	Development	Planning	Heath Road / Adjacent residents express planning concerns	Defamation of project / planning risk. Reduced sign-up.	High	Moderate	Moderate	Provide detailed information to these houses on public planning meetings; open communication, and suggest we hold a 1-hour drop in allocated to these households specifically.	Moderate	High	Moderate	JH	1 Heath Rd neighbour has been vocal; next houses down adjacent to the field have not received community updates; they will require planning involvement. Update from EF required on the Windmill property.	JH	02.03.20
66	Development	Customer Uptake	Uncertainty of pricing to be offered by scheme pre-sign-up	Reduced sign-up	Moderate	Moderate	Moderate	Investigate use of energy price calculator. Supply clear information on the pathway to calculating viability and pricing as it develops. Milestones to viability; 170 sign-ups, result of bore hole testing, technical	Low	Low	Low	Avieco/JH	Underway	HT	13/06/2019

								design costing, business model.							
68	Commercial	Customer Uptake	Housing associations do not commit	Loss of critical housing mass	Low	Moderate	High	Re-engage Sanctuary Housing Q4 1920. Continued communications with Sanctuary Housing.	Low	Low	Low	JH / Avieco	Increasing. To re-engage. SH indicated NOT prepared to support. Individual letters sent w/c 9/9/19. SH informal commitment secured Aug 2019.	HT	02/03/2020
69	Development	Borehole array design	Underground utilities identified imply restrictions on digging on CCC land	Borehole array options may be curtailed.	High	Moderate	Moderate	Mitigation is to complete a subterranean utility survey of the entire land parcel	Moderate	Low	Moderate	YES	Closed. BYES commissioning survey asap.	HT	02/03/2020
72	Operation	Customer uptake	Teething problems in early phases deter later phase connections	Customers encounter teething problems in early phase of deployment, deterring other customers joining the scheme	Moderate	Moderate	Moderate	Scope cost implications and community engagement for first year of operations to manage and mitigate impacts	Low	Low	Low	CCC/CLT		HT	28/10/2019
74	Development	Planning	Scheme is determined to be EIA	Several additional activities required to comply with EIA requirements. This introduces additional delays, including seasonal surveys. This is the decision of the LPA.	Moderate	Moderate	High	Submit EIA screening and scoping report to present the methodological approach and commission known studies asap.	Low	Moderate	Moderate	YES	EIA S+S enquiry submitted. LPA confirms not an EIA scheme.	HT	12/02/2020
75	Development	Customer uptake	Insufficient heat supply agreements signed to secure eligible connections	Scheme cannot realise all the RHI revenue streams anticipated	Moderate	Moderate	Moderate	Accelerate issuing heat supply agreement and securing village sign ups. Key deliverable for legal and commercial engagement contractors.	Low	Moderate	Moderate	JH/ Sharpe Pritchard	166 homes are have agreed in principle to sign up to the proejct from the start. Heat tariff agreements are under development.	HT	02/03/2020
76	Construction	Permissions	Highways Act required a statutory undertaker to adopt and manage a heat network	Cannot secure permission to install the heat network	Moderate	High	High	commission Sharpe Pritchard to review Local Governmetn powers for heat.	Low	Low	Low	YES	the Council has powers under the Local Government Act 1976 section 11 to generate, dsitribute and sell heat to tis community and has statutory undertaking powers that cover highways.	HT	12/02/2020
77	Construction	Borehole drilling	UK borehole drilling firms are fully booked to 2021	No availability of drill companies for our bore hole array	Moderate	High	High	Instigate wider soft market testing for other drill companies.	Low	Moderate	Moderate	YES	Needs update following RHI extension Q4 2019-20	HT	02/04/2020
78	Construction	Solar PV availability	Coronavirus outbreak reduces availability of solar PV panels	Cannot procure cost-effective PV system	Moderate	Moderate	Moderate	Instigate wider soft market testing for other PV suppliers.	Low	Moderate	Moderate	YES		HT	12/02/2020

79	Development	Customer Uptake	Conversion of expressions of interest to official sign-up	Reduced sign-up	Moderate	High	High	Contractual workshops planned, for 4 groups of 40. Some allowance for 1:1s made through communications budget	Low	High	Low	JH / SP	Contract design process to be designed in Q1 2020. Including information requirements for contracts; variables open to negotiation; and timeline on payment systems.	HT	02/04/2020
81	Development	Planning	Perception of 'un-detailed' planning approach regarding individual homes	Planning risk	Moderate	Moderate	Moderate	Confirmation if this is permitted development or LBCDO through ECDC	Low	Moderate	Moderate	JH	Discussions with ECDC conservation officer for a Listed Building Consent Order to cover the conservation area . This will prevent the need for every home to apply for consent and slim the administrative processes.	JH	02/03/2020
83	Development	Planning	COVID-19 restrictions delay planning review and determination	Planning risk	Moderate	Moderate	High	Monitor LPA processes as they move online / to virtual decision making. Escalate planning need through political channels.	Low	Low	Low	CCC / Prospus	New on-line decision making processes now underway since April 2020. A	HT	02/04/2020
84	Commercial	Investor decision	COVID-19 restrictions delay commercial and political decision making	Project delay	Low	Moderate	Moderate	Monitor CCC processes as they move online / to virtual decision making.	Low	Low	Moderate	CCC	As above.	HT	02/04/2020
85	Construction	Build programme	COVID-19 restrictions delay site mobilisation and build schedule	Programme delay	Moderate	Low	Moderate	Monitor government advice regarding personal and commercial activities as pandemic develops.	Low	Low	Moderate	Avieco / BYES		HT	02/04/2020
86	Development	Supplier availability	COVID-19 restrictions mean ecologists and other specialist surveyors are not available to stay overnight at site	Programme delay	Moderate	Low	Moderate	Monitor government advice regarding personal and commercial activities as pandemic develops.	Low	Low	Moderate	Avieco / BYES		HT	03/04/2020
87															
88															

Risk Matrix

	Severity	Likelihood
Low	Doesn't threaten overall project outcome. Minor and/or inconsequential damage	Is highly unlikely to occur in normal circumstances
Moderate	Impact overall project. Has the potential to cause temporary damage and moderate financial impact. No injury or illness.	Unlikely to occur under normal conditions but has the potential to occur if unmanaged
High	Causes significant impact to overall project, or result in complete termination. Will cause permanent and irreparable damages	Is likely to occur at some time in normal circumstances

Effectiveness of risk transferal	
Low	Highly unlikely to occur and even if it did, the severity would be low.
Moderate	Relatively unlikely to occur but, if it did, the impact to the overall project would be controlled.
High	Unacceptable level of risk.

MINOR WORKS FOR ST IVES SMART ENERGY GRID

To: Commercial and Investment Committee

Meeting Date: 22 May 2020

From: Steve Cox, Executive Director, Place and Economy

Electoral division(s): St Ives South and Needingworth

Forward Plan ref: N/a **Key decision:** No

Outcome: To update Members on progress with the St Ives Park and Ride smart energy grid and gain approval to commence minor works on site to implement the planning permission.

Recommendation: The Committee is being asked to:

- a) Note progress with the project; and
- b) Approve the commencement of minor works to implement the car port foundations on site before the expiration of the planning permission i.e. before 6 July 2020.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Cherie Gregoire	Name:	Councillor Schumann
Post:	Project Manager, Energy Investment Unit	Post:	Committee Chairman
Email:	Cherie.gregoire@cambridgeshire.gov.uk	Email:	Joshua.Schumann@cambridgeshire.gov.uk
Tel:	01223 715689	Tel:	01223 706398

1. BACKGROUND

- 1.1 The Smart Energy Grid will combine solar panels installed on canopies over the car parking spaces, with battery storage to power the site after dark or when there is insufficient sunlight. The electricity generated will serve all the electricity demand of the site and all excess electricity will be sold to local industrial customers. Additional electric vehicle charging points will be added which will also be powered by the low-carbon electricity generated.
- 1.2 The project was last brought before the Commercial and Investment Committee in September 2019. At that meeting approval was granted for delegation of the final decisions on the project to the Chief Finance Officer in consultation with the Chair of Commercial and Investment Committee, on the basis that the following conditions are met:
 - A signed Funding Agreement with the Minister of Housing, Communities and Local Government (MHCLG);
 - Power Purchase Agreement (PPA) commitments from a customer or customer(s) are secured, although final negotiations on contractual terms are still underway; and
 - the Chair and Chief Finance Officer agree the revised Investment Grade Proposal (IGP) is acceptably aligned with the payback period and Internal Rate of Return agreed at Committee in December 2017.
- 1.3 An earlier paper to the Committee taken in December 2017 also laid out conditions the County Council were required to meet in order to secure European Regional Development Fund (ERDF) grant funding for the balance of required funding. These conditions included:
 - finalised costs of the Smart Energy Grid;
 - confirming Committee agreement to the total match funding - complete;
 - negotiate the State Aid position with the Department of Communities and Local Government (the precursor to MHCLG) - complete;
 - discharge planning conditions - complete;
 - and obtain the title of the land that has been purchased.
- 1.4 Separately, areas of work were agreed in the construction contract between Bouygues and the County Council as pre-conditions before work could commence on site (called the 'Notice to Proceed'). These were negotiated in recognition that there was likely to be a gap between signing the contract and when work could commence on-site while the full application for grant funding was being assessed.
- 1.5 An update on each of the conditions set out in paragraphs 1.2 to 1.4 above are included in Section 2 below.
- 1.6 The intended outcome of this paper is to secure approval for the minor works recommended in paragraph 2.8 below to commence on site so as to avoid the expiration of our planning permission.

2. MAIN ISSUES

- 2.1 **Land Title Registration.** MHCLG has identified that registering the land titles which comprise the site is the last condition prior to offering the funding agreement. Their lawyers

wish to review the land titles for any conditions which may interfere with the smart energy grid and will only complete that work once the titles have been registered by the Land Registry. This is normal practice ahead of funding being provided. LGSS Law submitted an application to the Land Registry in December 2019, which was unfortunately rejected as two title deeds were missing. An amendment to the land title has been sent to the previous land owner for signature but is now dependent on access rights over an unadopted road on Meadow Lane being agreed. Once this is completed, LGSS Law can resubmit the application to register the Transfer with the Land Registry.

- 2.1 This presents a large risk to the critical path of the project. The Executive Director of Place and Economy has had regular conversations with MHCLG over the last few months to discuss these issues, find a way forward and to ensure MHCLG's continued support for the project, which it has confirmed. An offer for CCC to underwrite risk from the title was made in February 2020 and the team is awaiting a response. It should be noted that many staff within the MHCLG team have been redeployed to COVID related roles.
- 2.2 **Finalising project costs.** As the quotes making up the Investment Grade Proposal expire after 90 days, the project components were put out to tender again in March and April 2020. Tenders have been returned for the majority of the project and there has been an increase of £30k. The Project Team will need to go back out to market once the Letter of Intent has been received from MHCLG signalling their intent to negotiate a Funding Agreement. The cost to connect to the grid via one of the PPA customers is anticipated to be a low cost in relation to the overall project budget.
- 2.3 **Power Purchase Agreements.** The business case for the project is predicated on selling energy to local businesses. In meetings with both customers during March 2020, both have indicated their willingness to negotiate a Power Purchase Agreement (PPA). One has returned the signed Memorandum of Understanding and shared key technical documents and drawings, while the other has unfortunately had to furlough staff owing to the COVID-19 crisis and return on 5 May 2020 when we expect to receive the signed MOU soon thereafter.
- 2.4 **Concluding a Funding Agreement.** MHCLG staff have stopped assessing grant applications during COVID-19 owing to staff being redeployed and have focussed remaining staff on processing grant claims. At MHCLG's request, potential risks and delays owing to COVID-19 were identified and shared, these are summarised in **Appendix 1**, alongside the wider potential risks and delays.
- 2.5 **Planning Permission.** The planning permission was granted on 6 July 2017. In order to retain the planning permission, works must commence on site within 3 years i.e. by 6 July 2020. As the delegation conditions described in paragraph 1.2 above have not all been met, this paper seeks approval for minimal on-site works to commence in order to preserve the planning permission. Bouygues will therefore require a Notice to Proceed for minor works.
- 2.6 There are three options for starting on site as described in the table below. All three options contribute to the full project being built in the future and include related project management costs. CCC and Bouygues will negotiate an appropriate contract to cover these minor works.

Option	Description	Cost (including markups)
Option 1	Carport Prototype – excavations, foundations, refinish concrete and tarmac, carport erection, solar module mounting (non-operational)	£40,000
Option 2	Carport Foundations only - excavations, foundations, refinish concrete and tarmac	£20,000
Option 3	Carport Prototype and Battery Energy Storage System Compound – As Option 1 plus pouring foundation for BESS compound, fencing and gates	£52,000

- 2.7 Having discussed the minimum amount of work required to implement the planning permission with planning colleagues, and considered the least amount of disruption to users of the Park and Ride site should there need to be a substantial time lag between these initial works and progression of the full scheme, officers are of the opinion that option 2 is the preferred option that they would like Members to endorse. Given that this is also the least expensive option, this should help to minimise the risk to the project.
- 2.8 Bouygues will develop risk assessments and method statements ahead of all on-site work which shall align with government guidelines and Bouygues Group's operational safeguarding procedure. Workers on site will receive daily inductions on safe working practices and will comply with social distancing guidelines from government in place at the time. On the advice of the Senior Public Health Manager, Bouygues' attention has been drawn to the guidance available from Government and the Construction Leadership Council.¹
- 2.9 Once work begins on site, the County Council as the local planning authority must be notified of such within 14 days.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The project will provide clean renewable energy to power the Park and Ride site's usage, and local customers either directly or via electric vehicle charging, thereby reducing the Council's and Cambridgeshire's carbon footprint and mitigating climate change.

3.2 Thriving places for people to live

As part of the project, a Business Support Programme will be delivered to share the lessons learned in developing and designing a Smart Energy scheme. Twelve hours of business support for a minimum of 40 companies will be delivered and this is costed as part of the

¹ <https://www.constructionleadershipcouncil.co.uk/news/site-operating-procedures-during-covid-19/>
<https://www.gov.uk/guidance/social-distancing-in-the-workplace-during-coronavirus-covid-19-sector-guidance#construction>

overall business case. The expectation is that the support will reduce barriers for other companies to develop complex energy projects like this one.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

This project has a positive contribution to achieving net zero carbon emissions in the county by 2050.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The cost of the preferred option (option 2), alongside the alternative options (options 1 and 3), are described above in paragraph 2.6.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Bouygues Energies & Services were originally procured under a mini-competition run under the Refit 2 Framework. CCC and Bouygues entered into a construction contract in November 2016 prior to its expiration. That contract will be varied to reflect changes since it was agreed and prior to works commencing.

4.3 Statutory, Legal and Risk Implications

Please see Appendix 1. Note that these reflect overall risks to the project, not solely to this stage of works. No statutory or legal risks have been identified by officers.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

Local residents, Local Members, the St Ives Town Council, commuters, the Park and Ride team and St Ives in Bloom (a voluntary gardening group that plant at the park and ride) have been notified as to the status of the project. An article on the project was published in the Town Council publication *The Bridge* in September 2019, and has been posted online at various corporate sites and local newspapers. Communication with the public and local Members will increase once a Funding Agreement is offered.

4.6 Localism and Local Member Involvement

See paragraph 4.5 above.

4.7 Public Health Implications

There are no significant implications within this category. To the extent the project offsets fossil fuel powered electricity generation or petrol fuel for vehicles, there would be a small improvement in public health.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Ellie Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus DeSilva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No Name of Officer: Jeremy Smith
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health?	Yes Name of Officer: Iain Green

Source Documents	Location
<ol style="list-style-type: none"> 1. Smart Energy Grid Demonstrator Project, St Ives Park and Ride – Outline Business Case, paper to 16 September 2016 Assets and Investment Committee 2. Smart Energy Grid – Update on European Regional Development Funding and Risks, paper to 15 September 2017 Commercial and Investment Committee 3. Smart Energy Grid – Business Case and European Regional Development Fund Update, paper to 15 December 2017 Commercial and Investment Committee 4. Progress and Risk Update for St Ives Smart Energy Grid project Member briefing note, June 2018 5. Progress and Risk Update for the St Ives Smart Energy Grid project, 13 December 2018 6. Notice to Proceed for St Ives Smart Energy Grid, paper to 13 September 2019 Commercial and Investment Committee 	<ol style="list-style-type: none"> 1. https://tinyurl.com/yxaytd88 2. https://tinyurl.com/y3d25zgw 3. https://tinyurl.com/yyc46odl 4. Available upon request 5. Available upon request 6. https://tinyurl.com/yyjy5o5e

Appendix 1. Project Risks and Mitigation Strategies

Causes	Impacts	Mitigation Strategy	RAG Status
COVID-19 related			
Supply chain disruptions are likely across all types of equipment – battery storage, solar modules, electric vehicle chargers, cabling, etc.	Project delay, increased cost of construction	Monitor the market regularly through subcontractors and normal channels	A
The GBP loses value against other foreign currencies – Purchasing abroad becomes more expensive (PV panels, inverters and equipment)	Project costs increase	<ul style="list-style-type: none"> - Where possible, limit the number of transactions in foreign currencies. - Make batch purchases for more than one clean energy project 	A
Restriction on working practices for staff on site	Social distancing rules may hamper safe working practices	Perform a thorough risk assessment and on-site induction before work commences	A
MHCLG have reduced staff working on ERDF projects to a minimum, focussing on processing claims, rather than on negotiating new Funding Agreements	Should the offer to underwrite the risk of the land title be accepted by MHCLG, entering into a Funding Agreement could still be delayed.	The Project Team is focussing on preparing as much as possible pending MHCLG staff returning to normal duties.	G
Infection or redeployment of key staff from CCC, Bouygues or subcontractors	Project delay	Key project staff are shielded from redeployment and follow government guidelines to protect themselves from the virus.	G
Non COVID-19 Related			
Expiration of planning approval	Significant delay in the programme as permissions are sought	Start minor works on site before 6 July 2020 to avoid losing the planning permission	A
Fail to secure agreement from MHCLG on ERDF funding	Project cessation	Explore other funding routes	R
Commencing works on site will set up expectations with the public that works	Reputational damage	Clear communication to the public about the scope of works to be completed.	A

will continue to completion.			
The new immigration policy intended to come into effect early next year relating to low paid workers. The installation staff are often hired from outside the UK and typically make less than the threshold declared.	An increase in staffing costs is expected.	Where possible, hire staff from within the UK	A
The Project Team are unable to negotiate satisfactory PPAs with customers.	Projected revenues suffer	The business case is revised to examine the expansion of electric vehicle chargers on-site, as well as other commercialisation strategies, as a means of replacing revenue from the PPA customer.	A
The revised Investment Grade Proposal exceeds the approved costs and/or the investment parameters.	Project costs increase	Appropriate scrutiny will be applied to the business case inputs to confirm that costs are appropriate. Should the cost or investment parameters be exceeded but the project is still sound, a paper will be brought forward to Committee for direction.	A
Failure to negotiate a PPA with Marshalls	Unable to sell excess electricity	Alternative commercialisation plans are being explored which, while less financially beneficial, are still viable.	A
Further delays in negotiating either the PPA or the Funding Agreement, or securing the land title result in the quotes forming the business case to expire.	<ul style="list-style-type: none"> - Another round of tendering will be required, further delaying the project. - Internal costs to manage the project continue to increase 	<p>Until a Letter of Intent is received from MHCLG</p> <ul style="list-style-type: none"> - Retendering will be delayed - All non-essential work on revising the Full Application for funding, varying the construction contract and finalising the IGP is put on hold 	G

COMBERTON VILLAGE COLLEGE LOW CARBON HEAT NETWORK AND OTHER SCHOOL HEAT PUMP PROJECTS

To: Commercial & Investment Committee

Meeting Date: 22nd May 2020

From: Executive Director, Place & Economy

Electoral division(s): Abbey; Hardwick; Histon & Impington

Forward Plan ref: N/a **Key decision:** No

Outcome: Agreeing a development budget for a low carbon heat network project at Comberton Village College and developing planning applications for smaller heat pump projects at other academy schools, in order to capture Renewable Heat Incentive (RHI) revenues.

Recommendation: The Committee is being asked to agree:

a) a development budget of £213,406 for a low carbon heat network project at Comberton Village College and for smaller heat pump projects at Impington Village College & The Galfrid school; and

b) the development of a model Heat Purchase Agreement for use with academies and confirming the acceptability of this with the Education & Skills Funding Agency.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Chris Parkin	Name:	Councillor Joshua Schumann
Post:	Energy Project Managers, Energy Investment Unit	Post:	Committee Chairman
Email:	Christopher.parkin@cambridgeshire.gov.uk	Email:	Joshua.schumann@cambridgeshire.gov.uk
Tel:	01223 715909	Tel:	01223 706398

1. BACKGROUND

- 1.1 In December 2019 General Purposes Committee agreed that fossil fuel boilers at the end of their life in Council buildings should be replaced with low carbon heating systems^{1, 2}. Target 4 of the Council's Climate Change and Environment Strategy Action Plan³, scheduled for adoption by full Council on 19 May 2020, extends this commitment to include lifecycle replacement of heating and hot water systems at maintained schools.
- 1.2 The Council's schools energy efficiency programme is working with several academy schools where there is an opportunity to replace fossil fuel heating with low carbon heating.
- 1.3 The Government's non-domestic Renewable Heat Incentive (RHI) scheme subsidises low carbon heating systems such as Air Source and Ground Source Heat Pumps (ASHPs and GSHPs). Developers apply for the RHI once the system is commissioned and revenue is received for every unit of heat supplied over a 20 year period.
- 1.4 The RHI closes to new applications on 31st March 2021, however Budget 2020 announced limited flexibility for installations commissioning after this date to still receive the RHI in the form of "tariff guarantees". On 28th April 2020 Government launched its consultation on the closure of the RHI scheme^{4,5} confirming that this new allocation of "tariff guarantees" will be in keeping with current tariff guarantee rules⁶, meaning in particular that:
 - Tariff guarantees will be available for GSHPs larger than 100kW (but not for ASHPs);
 - The deadline for pre-applications to access tariff guarantees will be 31st March 2021;
 - Planning consent and independently verified proof of financial close (an independent auditor's report confirming that funds are available for construction and committed by a contract) will be required to access a tariff guarantee; and
 - Plant must commission within 12 months of the date of financial close.
- 1.5 On the same date the Government published a consultation on a partial successor to the RHI, called the Clean Heat Grant scheme⁷. This will provide an upfront grant of £4k for heat pumps up to 45 kW in domestic or non-domestic settings and will be available for two years from April 2022. The 45kW limit is too small for most schools and Council buildings and a £4k grant is only sufficient for small installations. The consultation refers to the Clean Growth Strategy's commitment to regulate to ban installation of fossil fuel heating in the 2020s, reaffirming that the direction of travel is away from subsidy and towards regulation.
- 1.6 Tariff guarantees allowing GSHPs to commission up to 12 months after the closure of the RHI provides an opportunity to develop GSHP projects with academies. This is likely to be the last opportunity to capture subsidies for low carbon heating projects at large schools.
- 1.7 This paper seeks approval for a £213,406 development budget for GSHP projects at Comberton Village College, Impington Village College & The Galfrid school. It also requests

¹ Nearly Zero Energy Buildings Requirements For New Public Buildings, GPC committee paper

² 17th December General Purposes Committee Decision Statement

³ Cambridgeshire County Council Climate Change and Environment Strategy Action Plan

⁴ Non-domestic Renewable Heat Incentive: ensuring a sustainable scheme, Government consultation

⁵ Changes to RHI Support and COVID-19 Response, Gov.uk webpage

⁶ Non-Domestic Renewable Heat Incentive – Guide to Tariff Guarantees, Ofgem guidance

⁷ Future Support for Low Carbon Heat, Government consultation

approval to develop a model academy Heat Purchase Agreement and to engage with the Education & Skills Funding Agency to confirm the acceptability of this type of agreement.

2. MAIN ISSUES

Comberton Village College Low Carbon Heat Network

- 2.1 We are nearing completion of an energy efficiency project at Comberton Village College that implements solar photovoltaic (PV), efficient lighting and smart heating controls. We are in discussions with the Cam Academy Trust on a further project to decarbonise the heating, which is currently mainly oil-fired, at the school. This would involve installing a heat network fed by GSHPs supplying most of the site. Although GSHP capacity can, in principle, be expanded incrementally at a later date to supply other heat demands, plant room space constraints and space for boreholes probably limit this to new on-site demands.
- 2.2 This is a very different project to a normal academy energy efficiency project for the following reasons:
- i) **Capital costs:** these are currently estimated to be £2.4 million;
 - ii) **Contractual Arrangements:** ordinarily the Council provides academies with an operating lease on equipment, with an option to purchase the equipment at the end of the lease term. This contractual model relies on the equipment being recoverable and having a residual value at the end of the lease. In the case of GSHPs and heat networks this is not the case, as the majority of the cost is in boreholes, ground loops and heating pipework which are not reusable elsewhere. Consequently this project would involve the Council owning and operating the equipment and selling heat to the academy via a long term (e.g. 20 year) Heat Purchase Agreement (HPA);
 - iii) **Long Payback:** the project payback is much longer than a normal project, currently estimated at 19 years. Although within the 20 year payback agreed by Committee for “deeper retrofits” involving heating replacement, the project is primarily a decarbonisation opportunity that will cover its own cost, rather than a net revenue generation opportunity. It is estimated to reduce direct carbon emissions from the school’s heating by 95% (1,615 tCO₂e saving over 20 years, valued at £158,000 in present value) and act as an exemplar for decarbonising heating in schools and off gas-grid communities. The heat network lifetime exceeds 20 years, enabling replacement of the heat pumps at the end of their life at lower project cost than in point (i).
 - iv) **Development Risk:** the project would require project design, a full planning application and confirmation from the Education & Skills Funding Agency (ESFA) that academies to may enter into HPAs. Critically the business case is dependent on securing the Renewable Heat Incentive (RHI), which requires us to have planning consent and the Committee to have made an investment decision in advance of 31st March 2021. Project plans (**Appendix 1**) show this to be achievable, but only just. GSHPs will also need to have been commissioned in advance of 31st March 2022, although this is less challenging. Project deliverability is subject to: geological study results, planning outcomes; ESFA decisions; timely decisions from the academy trust; and a successful application for an RHI tariff guarantee. It is a significant challenge to achieve the RHI deadlines, but the reward in terms of decarbonisation, and delivering an exemplar project is substantial. This is the delivery team’s first GSHP project which brings risk.

Risks, impacts, existing and planned mitigating action are set out in **Appendix 2**. We will email a short fortnightly report to the Energy Investment Programme Member Working Group to keep them informed of progress and the latest assessment of viability of meeting the 31st March 2021 RHI pre-application deadline.

- 2.3 For these reasons the project is much more akin to an Energy Investment Programme project, requiring upfront investment on project development at the Council's risk. Committee's agreement is therefore sought for both a budget to develop an IGP and agreement to develop a model HPA to use with academies. To enable academies to sign up to such an HPA we would need to obtain confirmation from the ESFA that such an arrangement is acceptable. Subject to the Committee's approval we therefore propose to procure legal drafting of HPA terms and engage with the ESFA.

Impington Village College GSHP

- 2.4 We are nearing completion of an energy efficiency project at Impington Village College. The outstanding energy conservation measures, in the scope of work agreed with the college a year ago, include a natural gas fired Combined Heat & Power (CHP) unit to supply heat and electricity to their leisure centre. This is no longer a comfortable fit with the Council's Climate Change policies or with the UK's net zero carbon by 2050 objective. As a result we have discussed with the college and obtained their agreement to investigate delivering a GSHP instead of a CHP. Although smaller scale and simpler than the above Comberton project, this would also require a full planning application, an HPA, agreement from the Morris Education Trust, or the trust that results from its merger with the Cambridgeshire Education Trust, a successful application for an RHI tariff guarantee by 31st March 2021 and commissioning by 31st March 2022. Capital costs, carbon savings and payback are in preparation at the time of writing, a verbal update will be given at the Committee meeting.
- 2.5 A GSHP is only deliverable if we commence work on a planning application now. This will require the Council to invest in design work, consultancy studies and planning fees (albeit the planning fees are paid to itself) at risk, ahead of decisions from the Trust, the ESFA and from the Office of Gas and Electricity Markets (Ofgem), who administer the RHI. A high level programme is shown in Appendix 1. Although the project is less complex than the Comberton project, the timeline is similar, as the critical path in both cases is defined by planning timescales. Actions to manage risk are also as per Appendix 2.
- 2.6 An added sensitivity is that Impington are currently using temporary heating boilers to heat their leisure centre and are incurring high costs and a reduction in custom as a result. They require urgent replacement of their failed boilers to resolve this. The proposed approach is to replace the boilers this summer with minimum boiler capacity, initially supply the heat from these under the HPA and switch them off once the GSHP is commissioned. The boilers would be left in situ and used for emergency standby operation only.

The Galfrid Primary School GSHP

- 2.7 The Energy Investment Unit are about to deliver an initial High Level Assessment (HLA) for an energy efficiency project at The Galfrid Primary School. This school has recently joined the United Learning academy trust and as part of the Deed of Transfer of the site from the Council to the Trust CCC agreed to make significant condition improvements to the site. The budget for this included an estimated £300k for the cost of refurbishing a plant room and replacing gas boilers. In discussion with the Education Capital team this funding has been included in the HLA as a capital contribution from CCC towards installing a GSHP instead of gas boilers. Capital costs, carbon savings and payback are in preparation at the time of writing, a verbal report on these will be given at the Committee meeting.

- 2.8 As with the above projects this proposal would require a planning application, an HPA, agreement from the Trust, a successful application for an RHI tariff guarantee by 31st March 2021 and commissioning by 31st March 2022. As with the Impington project we are seeking the Committee's approval to commence work on design and consultancy studies to inform a planning application, at CCC's risk, in order to meet the RHI tariff guarantee deadline. The high level programme attached in Appendix 1 is essentially identical to that for Impington as is the risk management approach (**Appendix 3**).

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

The following bullet points set out details of implications identified by officers:

- The projects will help schools manage their heating costs by providing certainty over heating costs and reducing heating and maintenance costs slightly. This will in turn reduce pressure on school budgets helping improve educational delivery.
- The projects have the potential to help children at the schools learn about tackling climate change.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

The following bullet points set out details of implications identified by officers:

- In the absence of a development budget for the Comberton Low Carbon Heat Network the school is likely to continue to operate on oil-fired boilers, replacing boilers (there are 16 separate plantrooms on-site) on a piecemeal basis as they wear out for as long as legislation permits continued installation of oil-fired boilers. Some of these replacement boilers are still likely to be in service in 2050 and the opportunity for a more strategic, wholesale decarbonisation of the site's heating will have been missed.
- Both Impington and The Galfrid have gas boilers which have reached the end of their useful lives. In the absence of these projects going forward the schools are likely to install new gas boilers as the most cost effective heating option. These boilers would have a lifespan of 20+ years and could still be in operation emitting carbon in 2050.
- The business case for GSHPs at all three sites depends on securing RHI revenue. This requires planning consent and an investment decision to be made ahead of 31st March 2021, which is only achievable if we commence work on planning applications now.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Project development budgets are estimated to total £213,406. These include significant allowances for specialist planning studies and some contingency so actual

costs may come in below this. The estimate is broken down below and a projected cost profile is included in Appendix 3.

Cost element	Comberton	Galfrid	Impington	Total
IGP including design & planning consultant	£83,024	£25,000	£33,175	£141,199
Specialist planning studies	£15,000	£5,652	£7,500	£28,152
Pre-app fees	£1,129	£1,129	£1,129	£3,387
Planning fees	£9,240	£4,620	£4,620	£18,480
EIU staff cost	£7,812	£3,906	£3,906	£15,624
Contingency	£3,318	£1,531	£1,716	£6,564
TOTAL	£119,523	£41,838	£52,045	£213,406

- It is proposed to fund the expenditure set out above from prudential borrowing at a total cost of £264,000 over 20 years. Costs for drafting a model HPA are estimated at up to £15,000 in addition to the above costs and will be funded by Transformation funding approved by General Purposes Committee in May 2019⁸. Whilst these costs can be recovered from Heat Purchase Agreement revenues over the project lifetimes if the projects go ahead, there is a risk of sunk costs if some or all projects do not proceed.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The following bullet points set out details of significant implications identified by officers:

- Project development including planning consultancy studies will be delivered under our existing contract with Bouygues Energies & Services.

4.3 Statutory, Legal and Risk Implications

The following bullet points set out details of significant implications identified by officers:

- Securing planning consent and an investment decision on the above projects by 31st March 2021 is very tight. High level programme plans have planning consent being achieved in January 2021 and an investment decision in February 2021, enabling submission of an RHI tariff guarantee pre-application a month ahead of the 31st March 2021 deadline.
- The financial viability of the projects is dependent on securing the tariff guarantee and on decisions outside the direct control of the project team i.e. planning outcomes, an ESFA decision on the acceptability of an HPA and Trust decisions to sign-up to HPAs. There is therefore a significant risk of some, or all, projects not progressing to construction and of sunk development costs.

⁸ General Purposes Committee, May 2019 – Decision Statement

- These risks will be managed by the actions set out in Appendix 2.
- Covid-19 related risk is anticipated to be minor at this stage as the near-term activity is engineering design and desktop studies for planning, which are unlikely to be impacted. There is a risk that the longer term impacts of Covid-19 disruption may lengthen equipment lead times. However, project planning shows that, allowing 5 months for equipment leadtime, installation works can be completed 4 months ahead of the commissioning deadline, so such delays can be accommodated.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

The following bullet point sets out details of implications identified by officers:

- Councillor Nieto is aware of the Comberton project and assisted in arranging a meeting with the Trust's Chief Executive to kickstart the activity.

4.7 Public Health Implications

The following bullet point sets out details of implications identified by officers:

- There will be a small positive impact in reducing air pollutant emissions as a result of moving away from combustion based heating to heat pumps.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Ellie Tod
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell

Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Emma Fitch
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Source Documents	Location
1. Nearly Zero Energy Buildings Requirements For New Public Buildings	https://tinyurl.com/y8ghd442
2. 17th December General Purposes Committee Decision Statement	https://tinyurl.com/ya68b8c9
3. Climate Change and Environment Strategy Action Plan	https://consultcambs.uk.engagehq.com/3017/widgets/9927/documents/3608
4. Non-domestic Renewable Heat Incentive: ensuring a sustainable scheme	https://www.gov.uk/government/consultations/non-domestic-renewable-heat-incentive-ensuring-a-sustainable-scheme
5. Changes to RHI Support and COVID-19 Response	https://www.gov.uk/government/publications/changes-to-the-renewable-heat-incentive-rhi-schemes/changes-to-rhi-support-and-covid-19-response
6. Non-Domestic Renewable Heat Incentive – Guide to Tariff Guarantees	https://www.gov.uk/government/publications/changes-to-the-renewable-heat-incentive-rhi-schemes/changes-to-rhi-support-and-covid-19-response
7. Future Support for Low Carbon Heat	https://www.gov.uk/government/consultations/future-support-for-low-carbon-heat
8. General Purposes Committee, May 2019 – Decision Statement	https://tinyurl.com/yb239unz

Appendix 1 – Project Plans

Comberton Low Carbon Heat Network High Level Programme

		Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
IGP Stage 1	IGP Services Agreement																		
	Design (Planning)																		
	Pre app & EIA screening request																		
IGP Stage 2	Pre app response																		
	Design (Planning)																		
	Planning Submission																		
IGP Stage 3	Planing Determination																		
	Design (eng)																		
	IGP Completion																		
Delivery	CCC Agreement to Proceed																		
	Construction Start																		
	Equip. Lead																		
	On-Site																		
	Commissioning & Handover																		
HPA	Drafting																		
	Trust agreement in principle																		
	ESFA Agreement																		
	Trust signature																		
RHI	Stage 1 Pre application																		
	Stage 2 Pre application																		
	Stage 3 application																		
	Tariff Guarantee confirmed																		

The Galfrid High Level Programme

		May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
IGP	HLA & Trust Agreement																			
	IGP Services Agreement																			
	Design (Planning)																			
	Pre app & EIA screening request																			
	Pre app response																			
	Design (Planning)																			
	Planning Submission																			
	Planning Determination																			
	Design (eng)																			
Delivery	IGP Completion																			
	CCC Agreement to Proceed																			
	Construction Start																			
	Equip. Lead																			
	On-Site																			
HPA	Commissioning & Handover																			
	Drafting																			
	Trust agreement in principle																			
	ESFA Agreement																			
RHI	Trust signature																			
	Stage 1 Pre application																			
	Stage 2 Pre application																			
	Stage 3 application																			
	Tariff Guarantee confirmed																			

Impington Village College High Level Programme

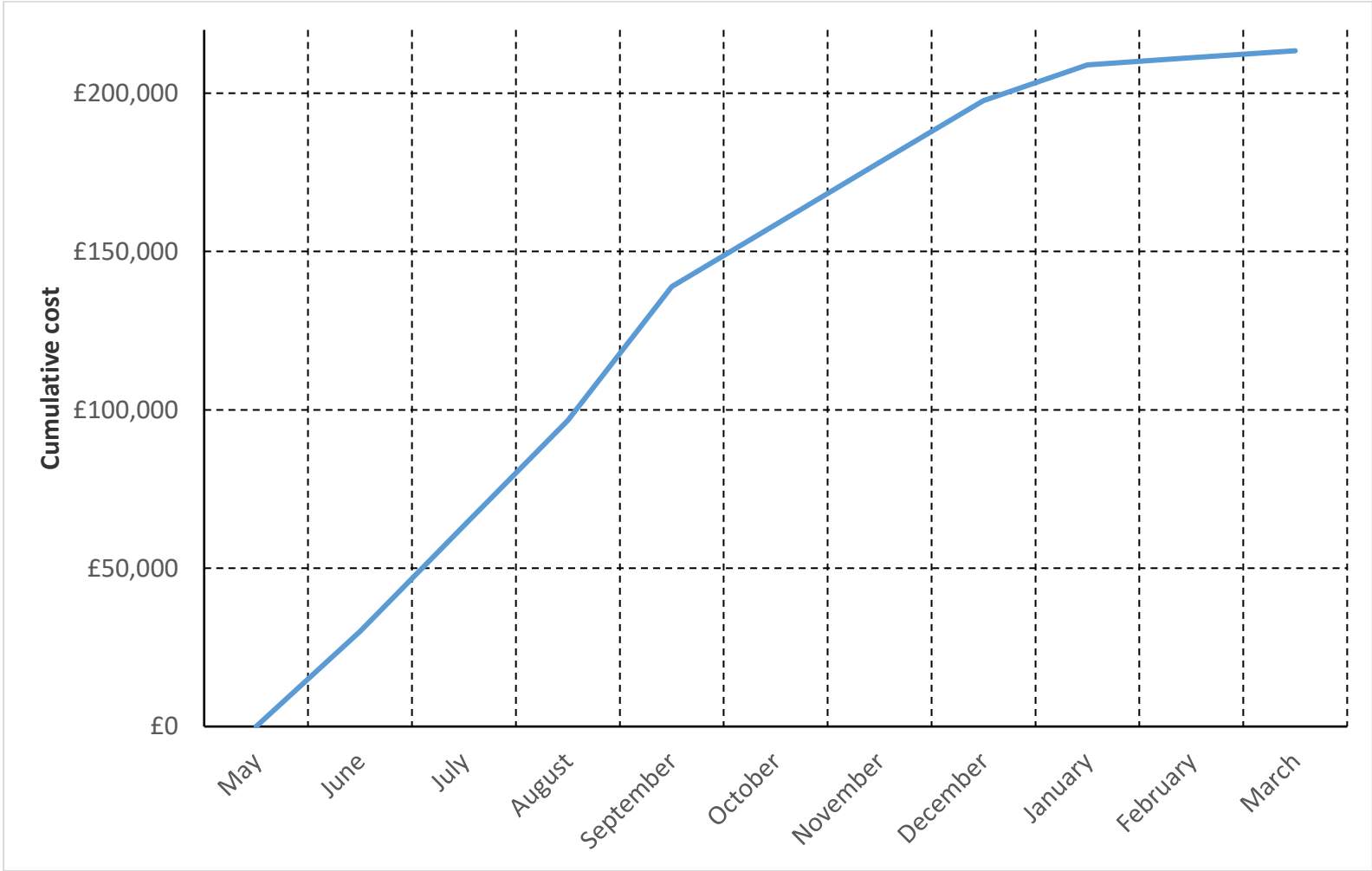
		May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
IGP	Outline Proposal & Trust Agreement																			
	IGP Services Agreement																			
	Design (Planning)																			
	Pre app & EIA screening request																			
	Pre app response																			
	Design (Planning)																			
	Planning Submission																			
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	Drafting																			
	Trust agreement in principle																			
	ESFA Agreement																			
RHI	Trust signature																			
	Stage 1 Pre application																			
	Stage 2 Pre application																			
	Stage 3 application																			
	Tariff Guarantee confirmed																			

Appendix 2 – Risks & Risk Management

Risk	Impact	Existing Mitigation	Planned Mitigation
Ground conditions unsuitable for GSHP boreholes	<ul style="list-style-type: none"> Project not viable Development costs spent up to this point are sunk costs 		<ul style="list-style-type: none"> Initial IGP activity will include geological desktop assessment to confirm suitability of ground conditions GSHP design will be based on worst case ground conditions Revise GSHP design to optimise specification and cost based on Thermal Response Tests from first two boreholes drilled during installation works
Slow decision making from academy trusts	<ul style="list-style-type: none"> Failure to meet 31/03/21 RHI pre-application deadline Project ceases to be financially viable Development costs spent up to this point are sunk costs 	<ul style="list-style-type: none"> Trusts agreement to examine GSHP agreed Time constraints and RHI dependency emphasised to trusts (Comberton) Met with trust Chief Exec to agree examining project and engaging with ESFA (Comberton) HLA shared with trust and next steps agreed (Impington & Galfrid) HLAs in preparation to share with trusts 	<ul style="list-style-type: none"> Share programme timelines with trusts, emphasising decision points and criticality of meeting RHI deadline At start of IGP development request trusts seek Trustee confirmation of their decision criteria Maintain dialogue with trusts throughout IGP development asking them to report to Trustees on progress & status Seek decision in principle based on draft HPA terms in September
Insufficient Bouygues resource to progress to required timescales	<ul style="list-style-type: none"> Failure to meet 31/03/21 RHI pre-application deadline Project ceases to be financially viable Development costs spent up to this point are sunk costs 	<ul style="list-style-type: none"> Graduate engineer with experience on Swaffham Prior heat network project brought in to provide project support GSHP engineer, based in Cambridgeshire, brought in to support team 	<ul style="list-style-type: none"> Weekly monitoring of delivery v programme Escalation of any delays/resource concerns within Bouygues
Lack of GSHP project development experience	<ul style="list-style-type: none"> Required tasks are not identified in a timely fashion resulting in 	<ul style="list-style-type: none"> GSHP project expert, based in Cambridgeshire, brought in to support team 	

	<p>failure to meet 31/03/21 RHI pre-application deadline</p> <ul style="list-style-type: none"> • Project ceases to be financially viable • Development costs spent up to this point are sunk costs 		
Insufficient EIU resource to progress to required timescales	<ul style="list-style-type: none"> • Failure to meet 31/03/21 RHI pre-application deadline • Project ceases to be financially viable • Development costs spent up to this point are sunk costs 		<ul style="list-style-type: none"> • Re-allocate Stanground project to Delivery Manager • Allocate 1 day per week to managing these projects • Prioritise GSHP projects over other school projects
Insufficient planning resource to turn around planning decision in standard timescales	<ul style="list-style-type: none"> • Failure to meet 31/03/21 RHI pre-application deadline • Project ceases to be financially viable • Development costs spent up to this point are sunk costs 	<ul style="list-style-type: none"> • Additional planning officer resource being brought in from District and consultants 	
Long term HPA not acceptable to ESFA	<ul style="list-style-type: none"> • All GSHP projects cease to be viable • Development costs spent up to this point are sunk costs 		<ul style="list-style-type: none"> • Seek <u>joint</u> ESFA & BEIS meeting at start of IGP development • Outline necessity for HPAs to enable capital constrained academies to decarbonise heat, in line with BEIS objectives, and benefit to academy of long term certainty over heat pricing • Share draft HPA terms with ESFA as soon as available

Appendix 3 - Estimated Spend Profile



**COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN, TRAINING PLAN
AND APPOINTMENTS TO OUTSIDE BODIES AND INTERNAL ADVISORY
GROUPS AND PANELS**

To: Commercial & Investment Committee

Meeting Date: 22nd May 2020

From: Deputy Chief Executive

Electoral division(s): All

Forward Plan ref: No **Key decision:** Not applicable

Outcome: To review the Committee's agenda plan and training plan, and to consider appointments to outside bodies and internal advisory groups and panels.

It is important that the Council is represented on a wide range of outside bodies to enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations.

Recommendation: It is recommended that the Commercial and Investment Committee:

- (i) review its agenda plan attached at Appendix 1;
- (ii) review its training plan attached at Appendix 2;
- (iii) agree the appointments to outside bodies as detailed in Appendix 3 (*to follow*); and
- (iv) agree the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4 (*to follow*).

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Dawn Cave	Name:	Councillor J Schumann
Post:	Democratic Services Officer	Post:	Committee Chairman
Email:	Dawn.cave@cambridgeshire.gov.uk	Email:	joshua.schumann@cambridgeshire.gov.uk
Tel:	01223 699178	Tel:	01223 706398

1. BACKGROUND

- 1.1 The Commercial & Investment Committee reviews its agenda plan and training plan at every meeting.
- 1.2 The County Council's Constitution states that the General Purposes Committee has
 - Authority to nominate representatives to Outside Bodies other than the Combined Authority, Greater Cambridge Partnership, Cambridgeshire and Peterborough Fire Authority, the County Councils Network Council and the Local Government Association
 - Authority to determine the Council's involvement in and representation on County Advisory Groups. The Committee may add to, delete or vary any of these advisory groups, or change their composition or terms of reference.
- 1.3 Appointments to Outside Bodies and Internal Advisory Groups and Panels are agreed by the relevant Policy and Service Committee.
- 1.4 On 15 September 2017, the Committee agreed to delegate, on a permanent basis between meetings, the appointment of representatives to any outstanding outside bodies, groups, panels and partnership liaison and advisory groups, within the remit of the Commercial & Investment Committee, to the Deputy Chief Executive in consultation with the Chairman of the Commercial & Investment Committee.
- 1.5 It is important that the Council is represented on a wide range of outside bodies to enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations.

2. MAIN ISSUES

- 2.1 The outside bodies where appointments are required are set out in **Appendix 3** to this report. The current representative(s) is indicated. It is proposed that the Committee should agree the appointments to these bodies.
- 2.2 The internal advisory groups and panels where appointments are required are set out in **Appendix 4** to this report. The current representative(s) is indicated. It is proposed that the Committee should agree the appointments to these bodies.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 There are no significant implications within these categories:

- Resource Implications
- Procurement/Contractual/Council Contract Procedure Rules Implications
- Statutory, Legal and Risk Implications
- Equality and Diversity Implications
- Engagement and Communications Implications
- Localism and Local Member Involvement
- Public Health Implications

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Not applicable
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable

Have any Public Health implications been cleared by Public Health	Not applicable
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Source Documents	Location
Commercial and Investment Committee and Minutes – 24 May 2019	https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/776/Committee/31/Default.aspx

COMMERCIAL AND INVESTMENT COMMITTEE AGENDA PLAN

Published on 1st May 2020
Updated on 14th May 2020



Cambridgeshire
County Council

Notes

Committee dates shown in bold are confirmed.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.

* indicates items expected to be recommended for determination by full Council.

+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is six clear working days before the meeting.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log;
- Agenda Plan and Appointments to Outside Bodies.

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
22/05/20	Confirmation of Chairman/Vice Chairman	Dawn Cave		13/05/20	14/05/20
	East Cambridgeshire Adult Social Care Service Development	Amanda Roach	2020/025		
	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham/ Chloe Rickard			
	Minor works for St Ives Smart Energy Grid	Cherie Gregoire			
	+Library Service Acquisition	Alex Gee	2020/034		

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Comberton Village College Local Carbon Heating Project	Christopher Parkin			
	Commercial Structure of Swaffham Prior Community Heat Project	Sheryl French	2020/029		
19/06/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham/ Chloe Rickard			
	+Shire Hall commercial arrangements	Chris Malyon	No		
10/07/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham/ Chloe Rickard			
14/08/20	Commercial & Investment – Covid-19 Update report	Chris Malyon/ Amanda Askham/ Chloe Rickard			
11/09/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Loans to Voluntary Organisations	Tom Kelly			
	+This Land	Tom Kelly	YES		
	Finance Monitoring Report	Eleanor Tod			
	Hinchingbrooke Country Park	Alex Gee			
16/10/20	Finance Monitoring Report	Eleanor Tod			
20/11/20	Finance Monitoring Report	Eleanor Tod			
18/12/20	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Finance Monitoring Report	Eleanor Tod			

Committee Date	Report title	Report author	Reference if key decision	Deadline for draft reports	Agenda despatch date
22/01/21	Finance Monitoring Report	Eleanor Tod			
19/02/21	Finance Monitoring Report	Eleanor Tod			
19/03/21	Quarterly performance reporting against Commercial Strategy KPIs and Risk Register	Amanda Askham			
	Finance Monitoring Report	Eleanor Tod			
16/04/21	Finance Monitoring Report	Eleanor Tod			
11/06/21	Finance Monitoring Report	Eleanor Tod			

To be programmed: St Ives Football club – ransom strip benefit for CCC (John Macmillan) ICT Future Delivery Options (John Chapman); Trumpington Park & Ride Smart Energy Grid (Sheryl French); Oasis Centre (Adrian Chapman); Update on Property Services (A Gee); Cambs 2020 full Business Case (A Preston/K Davies)

COMMERCIAL AND INVESTMENT COMMITTEE TRAINING PLAN

Ref	Subject	Desired Learning Outcome/Success Measures	Date	Responsibility	Attendance by:
1.	Provisional training slot – Redington Investment training session		24th April 2020 (12-3pm) Provisionally rescheduled for 5th June at 12:00 noon	Amanda Askham/Chris Sutton	C&I
2.	Performance reporting		17 th January 2020	Amanda Askham	C&I
3.	Presentation on Shire Hall site plans		22 nd November 2019	Chris Malyon	C&I
4.	Committee Training: MLEI/Energy projects		18 th October (12-3pm)	Sheryl French	C&I
5.	Nearly Zero Energy Buildings members/officers workshop		24 th May 2019(1-2.30pm)	Sarah Wilkinson/Sheryl French	C&I and GPC
6.	Commercialisation training (all Members)		26 th April 2019 (1-4pm)	Amanda Askham	All Members
7.	Finance/KPIs		3 rd December 2018 (1pm)	Tom Kelly/Ellie Tod/Amanda Askham/Sue Grace	C&I
8.	Commercial Strategy		9 th November 2018 (12.30pm)	Amanda Askham	C&I
9.	Members' duties and obligations in considering Promotion Agreements.		2 nd November 2018 (12.30pm)	Chris Malyon	C&I
10.	Future Smart Energy Systems Demonstrator Project		18 th October 2018 (13.30)	Sheryl French/Emily Bolton	C&I
11.	Finance/Performance Indicators		tbc	Tom Kelly/Ellie Tod	C&I

