

Report to: Cabinet

Date of Meeting 25 November 2020

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



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## Towards Zero Carbon Development in the West End

### Report summary:

The purpose of this report is to seek authority for the use of an Exemption from Contract Standing Orders to enable the appointment of consultants WSP to support the development of a bid to the Government's Heat Network Investment Programme (HNIP). This follows the completion of the initial feasibility study in relation to supporting the delivery of low carbon development in the West End of the District that was reported to Cabinet in September.

### Recommendation:

Approve the use of an Exemption from Contract Standing Orders to enable the appointment of WSP to undertake further technical work in support of an application to the Heat Networks Investment Programme.

### Reason for recommendation:

Having undertaken the initial feasibility study, WSP are considered to be uniquely placed to support the development of a bid to the HNIP programme. This will be of a substantial scale – seeking in excess of £5m – and it is vital, in order to maximise the chances of success, that it is supported by a robust evidence base. The exemption will also enable demanding timescales and deadlines to be met.

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Portfolio(s) (check which apply):

- Climate Action
- Corporate Services and COVID-19 Response and Recovery
- Democracy and Transparency
- Economy and Assets
- Coast, Country and Environment
- Finance
- Strategic Planning
- Sustainable Homes and Communities

### Financial implications:

Financial details are contained in the report.

### Legal implications:

Cabinet can grant an exemption to the requirements of Contract Standing Orders pursuant to Rule 3.1 provided the sum involved is below the EU Threshold. The sum involved here is below the EU Threshold and therefore an exemption can be validly given. The reason for the exemption seems justified in this instance.

**Equalities impact** Low Impact

## **Climate change** High Impact

**Risk:** Low Risk The main risk relates to timing and getting a well worked up bid submitted by the January deadline. Commissioning WSP is core to this managing this risk.

### **Links to background information**

[Zero Carbon Development in the West End – Report to Cabinet 10<sup>th</sup> July 2019 item 13](#)

[Towards Zero Carbon Development in the West End – Report to Cabinet 30<sup>th</sup> September 2020 item 14](#)

### **Link to [Council Plan](#):**

Priorities (check which apply)

- Outstanding Place and Environment
  - Outstanding Homes and Communities
  - Outstanding Economic Growth, Productivity, and Prosperity
  - Outstanding Council and Council Services
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## **1. Background**

1.1 The Cabinet meeting on the 10<sup>th</sup> July 2019 considered a report on the delivery of zero carbon development in the West End of the District. This put forward a proposal to seek funding to undertake a study to define a clear pathway to achieving this standard. A subsequent funding bid to the Department for Business, Energy and Industrial Strategy's Heat Network Development Unit (HNDU) was successful and an award of £85k was made.

1.2 Subsequently consultants WSP were commissioned through a competitive tender exercise to undertake a detailed techno-economic feasibility study. The outcome of this study was reported to Cabinet on the 30<sup>th</sup> September 2020. Cabinet endorsed the principle of pursuing a bid for capital funding from the Government's Heat Network Investment Programme (HNIP). In the interim period work has continued in conjunction with EON and other partners including the City and County Councils to develop this bid. The deadline for the next application round is the 4<sup>th</sup> January 2021.

1.3 WSP have now fulfilled the terms of their original brief and have produced a high quality piece of work. Further technical support is required in order to maximise the chances of submitting a successful bid to the HNIP programme including economic modelling.

1.4 Given that they undertook the initial feasibility study, WSP are considered to be uniquely placed to support this bid. An Exemption from Contract Standing Orders is sought to enable their continued appointment. Their expertise will be also be utilised in relation to reconvening of the examination of the Cranbrook Development Plan Document to support the proposed zero carbon development policy.

## **2. Budget**

2.1 The overall budget for this additional work is up to £40k. This will be met from the residual funds still available from the initial HNDU award and from existing budgets.

## **3. Business Benefits for an Exemption:**

3.1 The delivery of zero carbon development, both residential and commercial, in the West End of the District is a long standing commitment and is core to the Council's ambitions in terms of securing meaningful carbon savings and the development of the Climate Change Acton Plan. This has the potential to save circa 20,000 tonnes of CO<sub>2</sub> per annum, the largest such saving of any

project planned in the District currently. It will therefore make a major contribution to the Council's climate change objectives.

3.2 Having undertaken the initial feasibility work, WSP are considered to be uniquely placed to support the development of a bid to the HNIP programme. This will be of a substantial scale – seeking in excess of £5m – and it is vital, in order to maximise the chances of success, that it is supported by a robust evidence base. The exemption will also enable demanding timescales and deadlines to be met.

#### **4. Conclusion**

4.1 The use of an Exemption from Contract Standing Orders to allow the continued appointment of WSP will enable a high quality bid to be submitted to the HNIP programme that also meets the demanding timescales and deadlines. A further report to Cabinet on the HNIP application will be forthcoming.