

Report to: Cabinet



Date of Meeting 28 July 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Appointment of Financial Advisor to support the delivery of Zero Carbon Development in the West End

Report summary:

To support the delivery of Zero Carbon Development in the West End it is necessary to procure the support of financial support. The project as a short time frame to develop a business case and meet the deadlines of the funding organisation. It is recommended that Global City Future are appointed as Financial Advisors to undertake the development of a business case and support negotiations for this project.

It is requested that this appointment is made as an exemption to Standing Orders.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

It is recommended that Cabinet:

1. Approve the Request for Exemption to Standing Orders in respect of the appointment of Global City Futures as Financial Advisors to provide EDDC with advice on the emerging Zero Carbon Development scheme, subject to Council resolving to accept the grant in relation to the Heat Network Investment programme.

Reason for recommendation:

To provide Financial Advice to the Council, due to the Council not having the in-house expertise or capacity necessary to undertake the business case and negotiation support for this project.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance

- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change High Impact

Risk: High Risk; This is a complex project involving a wide range of different actors, both public and private. The financial work will be important in terms of ensuring that all relevant risks can be identified and managed going forward.

Links to background information [Towards Zero Carbon Development in the West End - Cabinet January 2021](#); [Towards Zero Carbon Development in the West End - Planning Committee March 2021](#)

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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- 1.1 EDDC have been offered funding to support the delivery of a Zero Carbon Development in the West End through the Heat Network Investment programme. This programme will provide grant funding to undertake additional technical work.
- 1.2 The funding for the technical work has a number of conditions, including deadlines for the completion of aspects of the technical work. This work is complex and require a consultant with a full range of expertise in district heating and finance to support the district in developing the business case and providing financial advice.
- 1.3 Global City Futures (GCF) have been identified as they are working with other local authorities to develop zero carbon schemes, including district heating networks. They also have excellent knowledge of the local area, with an Exeter based office.
- 1.4 Members of the GCF team have recent experience in working for multinational financial advisors, including experience in supporting the development of a district heating network in Exeter.
- 1.5 The day rate of GCF team is also favourable, at circa £800 per day. Whereas multinational financial advisors have a day rate in excess of £2,000 per day. Therefore, GCF demonstrate good value for money.
- 1.6 It is considered beneficial to make a direct appointment of GCF for this work, rather than go out through a tender process which will delay progress and risk the appointment of professional advisors without the optimum level of experience.
- 1.7 It is requested that Cabinet approve the Request for Exemption to Standing Orders to appoint Global City Futures to provide Financial Advice to support the delivery of the Zero Carbon Development project in the West End of the district.

1.8 In conclusion, it is more cost effective and timely to appoint Global City Futures to undertake this work. GCF have the capacity and fully understand the requirements of the project, and are able to work within the given timeframe. They also offer best value for money, rather than going through a tendering exercise to appoint an alternative Consultant.

Financial implications:

The financial details are contained in the report with the cost being met from Government funding.

Legal implications:

The contract value falls below the threshold set out in the Public Contracts Regulations 2015 and therefore the EU procurement procedure (which is still currently relevant) does not apply and Cabinet has the power to authorise exemptions from the requirement to seek quotations or invite tenders pursuant to the Council's Contract Standing orders Rule 2.3. The reason for using the exemption in this case appears justified.