

SCHEMES OF DELEGATION OF FUNCTIONS
RECORD OF DECISION

1. Scheme Information:

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| a. Decision Reference Number: | <input type="text" value="CMM-ED-19-013"/> |
| b. Decision Type (Proposed or Actual): | <input type="text" value="Actual"/> |
| c. Scheme under which decision is to be made | <input type="text" value="A"/> |
| d. Paragraph Number: | <input type="text" value="1.1"/> |
| e. Does this Decision contain Exempt Information?
If so, provide details with reference to paragraph(s)
12 to 18, Part 4 and paragraphs 19 to 21, Part 5
Schedule 12A, Local Government Act 1972. | <input type="text" value="No"/> |
| f. Does this Decision contain "Confidential
information: | <input type="text" value="No"/> |

2. Details of Decision (including: Any public interest test undertaken in relation to Part 1(e) above; equalities implications and details of any assessment undertaken)

BCBC has been investigating heat network opportunities within Bridgend Town since 2012. A high level mapping and planning exercise was completed in 2013 that indicated viable project opportunities centred round the two hospitals within the town (Princess of Wales and Glanrhyd) and the civic buildings close to the town centre.

Detailed feasibility studies were completed for both options in 2016 and an outline business case (OBC) for the civic centre option completed in 2017. The OBC was approved by Cabinet in April 2018 and the project progressed beyond OBC to detailed project design. The project is currently in the pre-commercialisation stage and has a detailed RIBA Stage 3 Design.

The scheme is proposed to supply heat and power (via a CHP unit within the Bridgend Life Centre) to the Bridgend Life Centre, Civic Offices, Bridgend Bowls Hall and the new Wellbeing Centre and heat to residential units within the new Sunnyside Wellbeing Village.

The project has progressed from outline business case (approved by Cabinet April 2018) through the detailed project design and is preparing a grant application to UK Government to help secure the delivery of the scheme.

The deadline for the application is 5th April 2019. Permission was secured from Cabinet to submit the application as part of the April 2018 Cabinet Report. Due to changes within the project many of the permissions secured are no longer appropriate. The changes can be summarised as:

Grant Request

The grant requested in the April Cabinet Report was considered to be £665,000 as part of a capital project that would be no greater than £2m. The project has changed over the last 12 months due to several factors most notably:

1. Opportunities to supply additional buildings with energy. This offers further opportunities in relation to future viability and sustainability;
2. The costs of the Wellbeing Village heat network connections being included within the project. It is proposed that these additional resources will be supplied by a partners organisation, not BCBC, and that an appropriate form of legal agreement will be established to clearly set this out.

This has meant the capital cost has increased from the original £2,000,000 to £4,229,000 and the grant request has risen to £1,934,045. Whilst this is based on the Detailed Project Design Report prepared by AECOM it is important to note that figures are subject to change.

Capital Cost of the Project

Currently the project has a total capex value of £4,229,000 the Cabinet Report submitted in April 2018 capped the capital value of the project at £2,000,000. Due to the points listed above the initial capital cost of the scheme has increased.

Rate of Return

The rate of return stated within the Cabinet Report will also need to be reviewed in light of the current project status and an appropriate IRR agreed with BCBC Finance Department.

Submission of the grant does not guarantee its success and a decision upon the grant is anticipated in early summer 2019. If a funding offer is forthcoming then a Cabinet Report would be prepared that would present the risks and mitigation measures associated with the whole scheme and its entire funding package and give Cabinet the opportunity to assess progress within the project.

Project Delivery

Delivery of the project is dependent upon securing an acceptable level of HNIP funding for the project and the submission and approval of a sufficiently robust Full Business Case to Cabinet for the delivery of the project.

3. Reason for Decision (including any reasons for urgency which led to the implementation of the decision before the preparation of this record or before the expiry of 3 working days after the publication of the decision to which call-in provisions apply):

The decision is being sought on the basis that the Bridgend Town Heat Network Project is developing a grant application to the UK Government HNIP capital grant programme for the delivery of heat network projects.

The deadline for the application is 5th April 2019. Permission was secured from Cabinet to submit the application as part of the April 2018 Cabinet Report which approved the outline business case for the project.

The grant requested at that stage was considered to be in the region of £665,000 as part of a capital project that would be no greater than £2m. The project has changed over the last 12 months due to several factors most notably:

1. Opportunities to supply additional buildings with energy and;
2. The costs of the Wellbeing Village heat network connections being included within the project.

Currently the project has a total capex value of £4,026,774 and is requesting a grant of £1,934,045. As this is a departure from the authorisation provided by the April 2018 Cabinet Report a Delegated Power is being sought from the Cabinet Member to provide the authorisation to submit the HNIP grant application due to the changing position of the project.

4. Details of Consultation undertaken prior to the decision or, if none reasons why none undertaken:

Corporate Director Communities
Group Manager Finance
Cllr C Webster, Chairperson, Scrutiny Subject Committee 1
Cllr C Green, Chairperson, Scrutiny Subject Committee 2
Cllr J Spanswick, Chairperson, Scrutiny Subject Committee 3

5. Details of any interest declared in relation to the decision:

- a. by any Cabinet Member consulted in relation to the Decision:

None

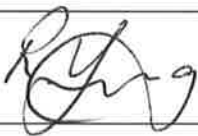
- b. by any Cabinet Member who would have been the Decision maker except for the

declaration of such an interest:

None

c. details of any dispensation granted by the Standards Committee in respect of interest declared:

None

6. Contact Details:	Case Officer	Decision-Maker
a. Name:	Michael Jenkins	Cllr Richard Young
b. Job Title/Role:	Team Leader Sustainable Development	Cabinet Member Communities
c. Telephone Number:	01656 643477	01656 643548
d. E-mail Address:	Michael.jenkins@bridgend.gov.uk	Cllr.Richard.Young@bridgend.gov.uk
e. Date Decision made:		5th April 2019
f. Signature:		

Notes:

1. Electronic copies of this form must be sent to Democratic Services - Committees (cabinet_committee)

7. Decision Administration Information (Cabinet & Committee Services use only)

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|---|-------------------------------------|
| a. Date received | <input type="text" value="5/4/19"/> |
| b. Confirmation of Urgency | <input type="text" value="-"/> |
| c. Date published | <input type="text" value="5/4/19"/> |
| d. End of Call - In period (Scheme A & B1 only) | <input type="text" value="N/A"/> |
| e. Decision Called in. | <input type="text" value="N/A"/> |
| f. Effective date of Decision. | <input type="text" value="6/4/19"/> |

