


Delegated Decision Notification (DDN)

This form is used both to give notice of an officer's intention to make a key decision and to record any delegated decision which has been taken. The decision set out on this form therefore reflects the decision that it is intended to be made, or that has been made. Although set out in the past tense a decision for which notice is being given may be subject to amendment or withdrawal.

Lead directorⁱ:	Director of Resources and Housing
Subjectⁱⁱ:	Forming the Leeds District Heating PipeCo Limited (SPV) for Phase 2 of Leeds PIPES DHN and contracting with Vital Energi and Arup
Decision detailsⁱⁱⁱ:	<p>The Director of Resources and Housing:</p> <ul style="list-style-type: none"> a) Approved the establishment of the Leeds District Heating PipeCo Limited SPV on the terms set out in this report and its appendices and request Addleshaw Goddard to enact that decision. b) Ensured all agreements and documents are to be executed, signed and despatched in accordance with the governance arrangements of Leeds City Council including the constitution and sub-delegations schemes. c) Noted that the grant offer is £50k lower than our application and therefore increase the supported prudential borrowing to £3.243m. d) Approved the award of a NEC3 option A contract to Vital Energi Utilities Limited for the phase 2 works, based on a minor variation of the existing Design and Build contract for phase 1, with a value of £4.952m. e) Gave permission to immediately novate the phase 2 contract with Vital Energi to the Leeds District Heating PipeCo Limited SPV once established and to sell the partially complete network to the SPV at cost plus VAT and to provide a PCG to the benefit of Vital Energi guaranteeing the SPV's performance under the novated contract, and grant authority to the Chief Officer, Sustainable Energy and Air Quality to enter into all other agreements required to give effect to this decision. f) Agreed to passport the full grant value of £2.439m to the Leeds District Heating PipeCo Limited SPV once received, with no mark up or deductions, and through a funding agreement require the SPV to meet the terms of the HNIP grant agreement. g) Agreed that the council will loan the SPV £2.9m at 4.94% fixed at the point leant over 38 years, the minimum state aid compliant rate, in consultation with the Section 151 officer. h) Agreed to pay the SPV an annual use of system charge of £200,000 indexed for the right to transport heat through the SPVs district heating network. i) Approved the award of a contract to Ove Arup and Partners Ltd to provide NEC3 PM and supervisor services during the construction of phase 2, based on a minor variation of the District Heating Project – Project Manager and Supervisor Services contract, with a value of £100k.

	<p>j) Agreed to immediately novate the phase 2 contract with Ove Arup and Partners Ltd to the Leeds District Heating PipeCo Limited SPV once established and grant authority to the Chief Officer, Sustainable Energy and Air Quality to enter into all other agreements required to give effect to this decision.</p> <p>k) Agreed to add the Leeds District Heating PipeCo Limited to the council's employer's liability insurance and public liability insurance.</p> <p>l) Agreed the SPV should use the council's bank account, with appropriate FMS separation, subject to HMRC approval and to cashflow losses in the early years up to an estimated £1.5m, prior to the SPV turning a profit.</p> <p>m) Enact the April 2019 Exec Board report decision to connect the Town Hall, Civic Hall, Museum, St George House and Library/Art Gallery to the district heating network via the phase 1 contract with Vital, at a cost of £344k to be funded by general fund prudential borrowing.</p> <p>n) Noted that any construction cost overruns will be funded via increased council lending to the SPV supported by an increased service charge and to take this decision in consultation with the Section 151 officer.</p>
Type of decision:	<input type="checkbox"/> Key decision (executive) Is the decision eligible for call-in? ^{iv} <input type="checkbox"/> Yes <input type="checkbox"/> No Is the decision exempt from call-in? ^v <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Significant operational decision (council or executive ^{vi} – not subject to call-in) <input type="checkbox"/> Administrative decision (council or executive ^{vii} – not subject to publication or call-in)
Notice^{viii} or call-in (key decisions only):	Date the decision was published in the list of forthcoming key decisions: If not on the list of forthcoming key decisions for at least 28 clear days, the reason why it would be impracticable to delay the decision: If exempt from call-in, the reason why call-in would prejudice the interests of the council or the public:
Affected wards:	Little London and Woodhouse
Details of consultation	Executive Member Date consulted: Interest disclosed? ^{ix} Cllr Mulherin 24/2/2020 <input type="checkbox"/> Yes Date of dispensation: <input checked="" type="checkbox"/> No

undertaken:	Ward Councillor	Date consulted:	Interest disclosed? <input type="checkbox"/> Yes Date of dispensation: <input type="checkbox"/> No
	Others ^x please specify: Cllr Blake	Date consulted: 25/3/2020	Interest disclosed? <input type="checkbox"/> Yes Date of dispensation: <input checked="" type="checkbox"/> No
Capital injection approval required:	Injection approval required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If yes, you must complete the Approval box below)		
Capital Injection approval	Name: Title:	Capital scheme number: XXXXX / XXX / XXX Date:	
Contract details (procurement decisions only)	Contract reference number	Contract title	
		Supplier	
Implementation (key decisions only)	Officer accountable for implementation Timescales for implementation ^{xi}		
Contact person:	George Munson	Telephone number ^{xii} : 07891 270294	
Decision maker or authorised signatory^{xiii}:	 Name: Neil Evans, Director of Resources & Housing		Date: 26/3/2020

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- ⁱ The leader of the council may also make executive decisions and should be specified as the lead director where appropriate.
- ⁱⁱ A brief title should be inserted here. If the decision is key and has appeared on the list of forthcoming key decisions, the title of the decision should be the same as that used in the list.
- ⁱⁱⁱ Brief details of the decision should be inserted. This note must set out the substance of the decision, options considered and the reason for deciding on the chosen option, although care must be taken not to disclose any confidential or exempt information.
- ^{iv} See the executive and decision making procedure rules for eligibility. The decision will not be eligible for call-in if it has already been subject to call-in i.e. considered by the relevant scrutiny board. This includes a decision which has been modified by the decision maker following a recommendation by a scrutiny board after call-in of the earlier decision.
- ^v If the decision is exempt from call-in a reason must be provided in the 'notice or call-in' box and in the report. The call-in period expires at 5pm on the 5th working day after publication. Scrutiny support will notify decision makers of matters called-in no later than 12 noon on the 6th working day.
- ^{vi} If the decision would have been a key decision but for an exception set out in article 13.4(b), please refer to the connected key decision in the decision details (either by the title or the reference number).
- ^{vii} Administrative decisions do not need to be published on the council's website but this form may be used for internal recording of the decision.
- ^{viii} All key decisions should appear on the list of forthcoming key decisions for 28 clear days before the decision can be taken. If 28 clear days' notice has not been provided, a reason must be provided here.
- ^{ix} No member having a disclosable pecuniary interest or officer having an interest in any matter (whether pecuniary or otherwise required to be declared) should take a decision in relation to that matter. Other interests of a non-disqualifying nature should be recorded here. Any dispensation in place in relation to the matter should also be recorded here.
- ^x This may include other elected members, officers, stakeholders and the local community.
- ^{xi} Please include proposed timescales for commencement and / or completion of implementation as appropriate.
- ^{xii} Please insert a complete telephone number whether land line or mobile, rather than an extension number so that you can be contacted from outside the council.
- ^{xiii} The signatory must be duly authorised by the lead director to make a decision in accordance with the relevant sub-delegation scheme. It is not acceptable for the signature to be 'pp' for the authorised signatory. For key decisions only, the date of the authorised signature signifies that, at the time, the officer was content that the decision should be taken. However, should representations be received following public availability of reports the signatory will consider the effect which such representations should have on the final decision.