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**To:**  
Scrutiny Co-ordination Committee

**Date:** 10 October 2012

**Subject:**  
Heatline – Outcome of Procurement, Project Update and Cross Cutting Impact

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## **1 Purpose of the Note**

- 1.1 To provide Scrutiny Co-ordination Committee with an overview of the economic, social and environmental benefits of the Heatline project and to give it an opportunity for comment or recommendations.

## **2 Recommendations**

- 2.1 To note the progress that has been made in delivering this project
- 2.2 To identify any cross cutting areas that the project may impact on and ensure the right linkages are put in place to maximise the wider benefits of the scheme.

## **3 Information/Background**

### **3.1 Project Update**

- 3.1.1 The intention to award the contract to Cofely District Energy to deliver Heatline was published in April 2012, with financial, commercial and legal close achieved in July.
- 3.1.2 On 5 July, Coventry University withdrew from the project, citing it did not meet their legal, commercial and technical criteria. However, the University have indicated that whilst they are not in a position to continue with the project at this time, they may join the scheme at a later date as a customer, subject to agreement of acceptable terms.
- 3.1.3 On 31 July, the Council agreed a contract with Cofely to deliver a district heating network, initially supplying Council buildings, with a secured price and zero carbon source of heat for 25 years. In addition, the Cathedral's Chapter agreed to become a customer to Heatline.

### **3.2 Planning Application**

- 3.2.1 Cofely submitted one of two planning applications for this scheme in mid September. The second is due at the beginning of November 2012. The first is for a thermal substation and

works compound on Whitefriars Lane. The second will be for two thermal stores and works compound within Grove St car park. Given the size and structure of the thermal stores, it is anticipated that this application will go to Planning Committee in January 2013.

### 3.3 Reporting to Council Committees

3.3.1 A report, detailing the outcome of the procurement, the programme of works and the pipe route will be taken through the political process as follows:

Meeting	Date
Cabinet Advisory Panel	21 <sup>st</sup> Sept 2012
Scrutiny Co-ordination Committee	10 <sup>th</sup> Oct 2012
Cabinet	20 <sup>th</sup> Nov 2012
Council	4 <sup>th</sup> Dec 2012

### 3.4 Benefits

3.4.1 The project meets the Council's aspirations and delivers financial savings for the Council over the 25-year contract period and a significant reduction in carbon. In addition, the Cathedral's Chapter confirmed its intention to become a customer of Heatline, despite the University's withdrawal

3.4.2 Beyond the financial benefits, the project achieves the following:

- A once in a lifetime opportunity to deliver District Heating in Coventry – the Homes and Community Agency (HCA) grant is unlikely to be available again and without it the scheme cannot happen
- Innovation and demonstration of joint working with 2 key City partners (Council and University)
- Cementing the City's green credentials by building on Coventry's ambition to become a low carbon city, cutting emissions by almost a fifth from 2005 to 2010<sup>1</sup> and being recognised as the 7th most sustainable city in Britain<sup>2</sup>
- Saving 2,000t of carbon per annum, with capacity to save over 25,000t as the scheme fully expands
- A vital enabler in driving down commercial and domestic emissions, helping to attract investment and jobs by the private sector, which increasingly recognises low carbon as being good for business.
- Heatline will provide a low cost "plug and play" solution to meet on-site carbon compliance as developments in the City Centre happen
- Job creation during construction and in the operational phase
- The possibility of reducing fuel poverty within Coventry by seeking to work with social landlords to look at the options of connecting to the Heatline Scheme

3.4.3 The Council's shareholding in CSWDCo will benefit as Heatline will enable the plant to get closer to achieving a 'Renewable' status, which in time may mean cost avoidance in terms of capital investment and potential taxes.

<sup>1</sup> Department of Energy Climate CO2 emission figures, Sept 2012

<sup>2</sup> Forum for the Future Sustainable Cities index 2010

### 3.5 Summary Programme of Works

3.5.1 A summary timetable for the construction and operation of the initial phase is detailed as below:

Period	Summary of Activity
Sept to Dec 2012	<ul style="list-style-type: none"><li>• Detailed design – pipes, thermal substation and stores</li><li>• Further ground surveys of the proposed route</li><li>• Start retrofit work at the EfW Plant and heat transfer station</li><li>• Submit planning applications</li><li>• Construct thermal substation</li></ul>
Jan to March 2013	<ul style="list-style-type: none"><li>• Install machinery and plant within thermal substation</li><li>• Construct thermal stores</li><li>• Begin work on the highway for the laying of pipe</li></ul>
April to August 2013	<ul style="list-style-type: none"><li>• Connections into Council buildings and Cathedral</li><li>• Install plant Council buildings and Cathedral</li><li>• Testing of the network before going live in Autumn/Winter 2013</li></ul>
Sept 2013	<ul style="list-style-type: none"><li>• Go live across the whole scheme</li></ul>

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