

SDEN Performance Report for the Opportunity Sutton Limited Sub-Committee

Period – July to September 2016

1. Heat Purchase Agreement - Viridor

Works Undertaken

- i. Meetings have taken place with Viridor over the last three months, to negotiate the terms of the agreement. The terms of the agreement are now being refined.

Works for next period

- i. Work to finalise the terms of the agreement so that a final form of agreement is available by end of October.

2. Developer Connection and Supply Agreement

Works Undertaken

- i. Continued dialogue with Barratt's regarding terms for the agreement.

Works for next period

- i. Receive latest terms from Barratt's, review these and respond to ensure a final form of the agreement can be available by the end of October.

3. Network Rail, Planning and Land Agreements

Works Undertaken

- i. Network Rail – meetings have been held with Network Rail to discuss the terms of the proposed easement and to provide details of crossing following receiving approval in principle for the proposed crossing.
- ii. Planning – Planning application and supporting documentation, including an Environmental Impact Assessment to be finalised ready for submission in October.
- iii. Land Agreement with Thames Water – Thames Water are reviewing SDEN's comments on draft easement, no material issues have been raised.

Works for next period

- i. Network Rail – agree the terms of the easement.
- ii. Planning – submit planning application and supporting documentation.
- iii. Thames Water – finalise terms of the easement.

Appendix A

4. Procurement – ProcessWorks Undertaken

- i. Stage 2 Tenders have been returned and tender presentations have been made.

Works for next period

- i. Seek final clarifications following presentations.
- ii. Score tenders and provisionally award the contract.

5. FundingWorks Undertaken

- i. The project development budget has been estimated for 2016/17, in order to reach financial close it is currently estimated that a further £100k is required. The cost of this budget for 2016/17 is being met by the Council and will be recharged to SDEN Ltd at the end of the financial year. This approach has been agreed with LB Sutton Finance as does not have a material impact on the projected Internal Rate of Return.

Works for next period

- i. Continue to closely monitor procurement and development costs.

6. Structures, Governance & PRWorks Undertaken

- i. Website is currently live, www.sden.org.uk

Works for next period

- i. Review prospectus and update as necessary.

7. Phase 2Works Undertaken

- i. Discussions are on-going with a number of potential consumers for Phase 2.
- ii. An award of £40,000 has been made from the Department Of Business, Energy and Industrial strategy's HNDU (Heat Networks Delivery Unit) to support the development of the Phase 2 Business Plan

Works for next period

- i. Continue discussions to enable the development of the Phase 2 plan.
- ii. Commission consultants funded by the HNDU award to gather detailed data for the Phase 2 Business Plan.

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