



SDEN Performance Report for the Opportunity Sutton Limited Sub-Committee

Period – October/November 2016

1. Heat Purchase Agreement - Viridor

Works Undertaken

- i. Continued negotiations with Viridor, and key commercial issues now resolved.

Works for next period

- i. Work to continue closing down negotiations so that a final form of agreement can be available by the end of January 2017.

2. Developer Connection and Supply Agreement

Works Undertaken

- i. Agreement has now been reached on key commercial issues and detailed negotiations are underway with a jointly agreed timescale of reaching close by the end of March 2017.

Works for next period

- i. Continue negotiating terms with Barratts to reach closure in accordance with the agreed timescale by the end of March 2017.

3. Network Rail, Planning and Land Agreements

Works Undertaken

- i. Network Rail – finalising easement.
- ii. Planning – EIAs and Planning applications being finalised ready for submission.
- iii. Land Agreement with Thames Water – Final comments now with Thames Water to review on one clause no material issues have been raised.

Works for next period

- i. Network Rail – agree the terms of the easement.
- ii. Planning – submit planning applications.
- iii. Thames Water – finalise terms of the easement.

4. Procurement – Process

Works Undertaken

- i. Tender Clarifications have been received.

Works for next period

- i. Progressing to award contracts to match timescale agreed with Barratt's by March 2017.

5. Funding

Works Undertaken

- i. No change to capital or cost projections but development costs are now showing the need on a worse case projection, due to the extended period required to close agreements, for £100k of development costs to be capitalised which has been agreed with LBS Finance as this does not have a material impact on the projected Internal Rate of Return (IRR).

Works for next period

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

6. Structures, Governance & PR

Works Undertaken

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

Works for next period

- i. Review prospectus and update as necessary.

7. Phase 2

Works Undertaken

- i. Discussions are on-going with a number of potential consumers for Phase 2.
- ii. Scope for the technical consultancy work to support the development of the Phase 2 Business Plan is prepared and with Department for Business, Energy & Industrial Strategy (BEIS) for approval as they are funding this.

Works for next period

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