




Report to:	Sutton Shareholdings Board	Date:	4 January 2017
Report title:	Sutton Decentralised Energy Network Business Performance Update		
Report from:	Mary Morrissey, Strategic Director of Environment, Housing and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Simon Wales, Chair of the Sutton Shareholdings Board and Councillor Jayne McCoy, Chair of Housing, Economy and Business Committee		
Author(s)/Contact Number(s):	Mandy Cherrington, Director – Sutton Decentralised Energy Network Limited, 020 8770 5530		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● An Open Council ● A Green Council ● A Fair Council ● A Smart Council 		
Open/Exempt:	Open with the exception of Appendix B (Sutton Decentralised Energy Network Risk Register) which is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.		
Signed:		Date:	19 December 2016

1. Summary

- 1.1 This report is presented for noting the update contained in the Sutton Decentralised Energy Network Performance Report. The Risk Register for Sutton Decentralised Energy Network Limited does not include any amends since the previous meeting in November 2016 and therefore an un-amended version has been attached.

2. Recommendations

The Sutton Shareholding Board is recommended to:

- 2.1 Note the performance update contained in the Sutton Decentralised Energy Network Performance Report in Appendix A.
- 2.2 Note the un-amended Sutton Decentralised Energy Network Risk Register from the previous committee in Appendix B (exempt).

3. Background



- 3.1 Following the Council’s decision in July 2014 to establish an Energy Services Company (ESCo), a detailed business model was prepared to demonstrate the commercial viability of the proposed company. The initial business plan was approved by the OSL Sub-Committee (now the Sutton Shareholdings Board) on 4 August 2015, along with the Shareholder Agreement, enabling Sutton Decentralised Energy Network Limited to be established.
- 3.2 Since the approval of the business plan at OSL Sub-Committee (now the Sutton Shareholdings Board) progress has been made on both Phase 1 and Phase 2 of the network.

4. Issues

Risk Register: Revisions

- 4.1 There have been no amendments to the Risk Register since the previous Sutton Shareholdings Board on 8 November 2016. The un-amended document is attached at Appendix B.

5. Options Considered

Performance Update

- 5.1 The performance update is attached at Appendix A – Sutton Decentralised Energy Network Performance Report dated October/November 2016.

6. Impacts and Implications

Financial

- 6.1 In July 2013, the London Borough of Sutton’s Strategy and Resources Committee (S&R) approved the Conceptual Business Case for the development of a district heating network in Sutton, with funding of £4.5m.
- 6.2 A detailed Financial Model has been prepared for the Phase 1 Scheme and this demonstrates positive cash flow of £1.54m from delivery of the scheme.

Legal

- 6.3 This report seeks to update the Shareholdings Board and the recommendations which are before the Board do not give rise to any specific legal implications.

7. Appendices and Background Documents

Appendix letter	Title
A	Sutton Decentralised Energy Network Limited Performance Report
B	Un-amended Risk Register, exempt by virtue of paragraph 3 of

	Schedule 12A of the Local Government Act 1972.
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Background documents
n/a

Audit Trail		
Version	Final	Draft: 07/12/2016
Consultation with other officers		
Finance	Yes	Phil Butlin
Legal	Yes	Padma Srinivasan
Equality Impact Assessment required?	No	N/A

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