



SDEN Performance Report for the Opportunity Sutton Limited Sub-Committee

Period – February to May

1. Heat Purchase Agreement - Viridor

Works undertaken

- i. The Agreement is ready to be signed.

Works for next period

- i. Sign Agreement.

2. Developer Connection and Supply Agreement

Works undertaken

- i. Detailed negotiations are underway with a jointly agreed timescale of reaching close by 2 June 2017.

Works for next period

- i. Conclude negotiations and sign Agreement.

3. Network Rail, Planning and Land Agreements

Works undertaken

- i. Network Rail – finalising terms of the easement to allow document to be signed.
- ii. Planning – Permission obtained.
- iii. Land Agreement with Thames Water – finalising drafting on a small number of minor points to enable agreement to be signed.

Works for next period

- i. Network Rail – sign the easement.
- ii. Planning – discharge planning conditions.
- iii. Thames Water – sign the easement.

4. Procurement – Process

Works undertaken

- i. None – on hold pending financial close.

Works for next period

- i. Finalise terms with selected tenderers once contracts with Viridor, Barratts and the landowners have been finalised, enabling appointment of contractors.

5. Finance

Works undertaken

- i. No change to capital or cost projections but development costs are showing a requirement for a further £70k, due to the complexities of the legal agreement and technical input required to close agreements. This £70k has been added to the previous £100k in capitalised costs, in agreement with the SDEN Financial Director, and this does not have a material impact on the projected IRR or Cumulative Cash.
- ii. KPMG have undertaken an independent review of the March 2015 Housing, Economy and Business (HEB) Committee SDEN financial model, with no material issues raised. The HEB model has been revised and the Internal Rate of Return (IRR) and Cumulative Cash has remained the same or improved. KPMG are currently reviewing the revised model.

Works for next period

- i. Continue to closely monitor procurement and development costs.
- ii. Finalise review of the revised SDEN financial model.

6. Structures, Governance & PR

Works undertaken

- i. Website is currently live, www.sden.org.uk
- ii. SDEN has produced a brochure for prospective SDEN customers.

Works for next period

- i. Review website in preparation for commencement of sales on the Felnex site.
- ii. Finalise all sales literature to be issued to prospective home buyers.

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 for approval.

Works for next period

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