




Report to:	Sutton Shareholdings Board	Date:	1 May 2019
Report title:	Sutton Decentralised Energy Network Business Plan Update		
Report from:	Mary Morrissey - Strategic Director Environment, Housing and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Sunita Gordon		
Author(s)/Contact Number(s):	Amanda Cherrington, Head of Economic Renewal and Regeneration, 0208 770 5530		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • Living well independently • Smarter ways of working 		
Open/Exempt:	Open		
Signed:		Date:	16 April 2019

1. Summary

- 1.1 This report is presented for approval of the updated 2018-2021 SDEN Business Plan.

2. Recommendations

The Sutton Shareholdings Board is recommended to:

- 2.1 Approve the Sutton Decentralised Energy Network 2018-21 Business Plan.

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 original Business Plan at OSL Sub-Committee (now the Sutton Shareholdings Board) on 22 February 2016, a revised Business Plan was approved at the



Sutton Shareholdings Board on 27 June 2018. This Business Plan updated on progress made on both Phase 1 and Phase 2 of the network.

4. Issues

- 4.1 The business plan is unamended, other than Section 5 - Financial Plan which has been updated for the 2018/19 budgeted position.

5. Options Considered

- 5.1 The SDEN Shareholder Agreement stipulates that a business plan should be circulated on an annual basis.

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 for the Phase 1 Scheme was presented to the Housing, Economy and Business committee in March 2015. This demonstrated a positive cash flow of £1.54m from delivery of the scheme.

Legal

- 6.3 There are no legal implications. The purpose of this report is to provide an update on the Business Plan to the Sutton Shareholdings’ Board.

7. Appendices and Background Documents

Appendix letter	Title
A	Sutton Decentralised Energy Network Business Plan 2018-2021

Background documents
None



Audit Trail		
Version	Final	16 April 2019
Consultation with other officers		
Finance	Yes	Lyndsey Gamble
Legal	Yes	Fabiola Hickson
Equality Impact Assessment required?	No	N/A

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