

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: CHURCH STREET DISTRICT HEATING OUTLINE BUSINESS CASE APPROVAL

Notice is hereby given that the Cabinet Member for Finance, Property and Corporate Services, the Cabinet Member for Housing and the Cabinet Member for Environment, Sports and Community have made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. That this report and all its appendices 1 -5 attached to this report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, paragraph 3 as amended, in that they contain information relating to the financial or business affairs of Westminster City Council.
2. That the Cabinet Member for Environment, Sports and Community, the Cabinet Member for Finance, Property and Corporate Services and the Cabinet Member for Housing approved the decision to:
 - proceed with the Fast Track Phase of the project and
 - approve the Outline Business Case (OBC) as set out in the report.
3. That the Cabinet Members above noted that the following this decision the Executive Director for Growth, Planning and Housing will:
 - Transfer the project from the Housing Revenue Account (HRA) to the General Fund
 - Allocate funding as detailed in the report from the General Fund to progress the project through to the investment decision stage
 - Sign Heads of Terms and finalise the contracts for:
 - (a) connection and heat supply/off-take agreements with West End Gate; and
 - (b) heat purchase from City of Westminster College (including agreeing service levels with the Cabinet Member for Housing)
 - Implement the procurement strategy developed to support the OBC for enabling and implementation works with Gate
 - Commence procurement of the Design, Build, Operate and Maintain contractor for the Fast Track Phase against the ring-fenced budget in the HRA (with contract award subject to approval by the Cabinet Member for Housing)
 - Commence survey works for the route as recommended in the market testing response, including spending an amount as set out in the report of the Department of Business, Energy and Industrial Strategy's commercialisation funding.

- Instruct the professional team to prepare a planning application for the Fast Track Phase i.e. the pipework
 - Develop a communications strategy for the project for approval by Cabinet Member for Housing
 - Develop the implementation strategy for the subsequent phases for a future decision, including whether to continue with the project in the HRA or transfer in preparation for third party investment.
4. That the Cabinet Member for Environment, Sports and Community noted that:
- the budget for this project will require the allocation of:
 - Carbon Offset funding as detailed in the report
 - Section 106 and Community Infrastructure Levy (CIL), subject to a Cabinet Member report approval
 - Phase 1 and Phase 2 CIL funding as detailed in the report for the energy centre space – but not until 2021 and 2024.

Reasons for Decision

Approving the OBC does not commit the Council to implementing the full project; rather it allows Members to make a decision on project implementation from a more informed position.

**Stuart Love, Chief Executive
Westminster City Council
5 Strand
LONDON WC2N 5HR**

Publication Date: 22 March 2018

Implementation Date: 29 March 2018, 5.00pm

Reference: CMfES&C/2017-2018/25, CMfFP&CS/2017-2018/43 and CMfH/2017-2018/25