

# Public Document Pack



**Nottingham**  
**City Council**

## **Nottingham City Council Communities and Environment Scrutiny Committee**

**Date:** Wednesday, 18 September 2024

**Time:** 1.30 pm

**Place:** LH 0.06 - Loxley House, Station Street, Nottingham, NG2 3NG

**Councillors are requested to attend the above meeting to transact the following business**

A handwritten signature in black ink, appearing to read 'J. Morris'.

**Director for Legal and Governance**

**Governance Officer:** Kate Morris

**Direct Dial:** 0115 876 4214

- 1 Apologies**
- 2 Declarations of Interests**
- 3 Outcome of the Heat Network Options Review** 3 - 8  
Report of the Statutory Scrutiny Officer

If you need any advice on declaring an Interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting.

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**Communities and Environment Scrutiny Committee  
18 September 2024**

**Outcome of the Heat Network Options Spotlight Review**

**Report of the Statutory Scrutiny Officer**

**1 Purpose**

- 1.1 The purpose of this report is to formally confirm any recommendations made by the Review Group to the Executive member for Carbon Reduction, Leisure and Culture following the Spotlight Review considering the various options open to the Council around the future of the Heat Network, allowing the Review Group to contribute to the decision making process.

**2 Action required**

- 2.1 The committee is asked to form recommendations to the Executive member for Carbon Reduction, Leisure and Culture to consider in formulating proposals to the Executive Board.
- 2.2 Due to time constraints these recommendations will be presented verbally at committee and forwarded directly to the Executive Member.

**3 Background information**

- 3.1 A decision about the future of the heat network beyond 2030 is due to take place in the autumn of 2024, contract negotiations are underway and Officers approached the Scrutiny Committee to ask that this subject be included within its work programme. This review gives members of the Committee an opportunity to scrutinise the options available, consider the risks and benefits associated with each option and any mitigation that can be put in place to reduce risk and provide feedback to Officers and recommendation to the Executive, prior to a final decision.
- 3.2 The committee will hear from expert officers around the options available to the Council, how each they impact the Medium Term Financial Plan, implications for the Improvement Plan and long term financial stability of the Council as well as how each option may impact citizens and business currently served by the District Heat network.

**4 List of attached information**

- 4.1 Heat Network Options Review Document

**5 Background papers, other than published works or those disclosing exempt or confidential information**

5.1 None

**6 Published documents referred to in compiling this report**

6.1 None

**7 Wards affected**

7.1 All

**8 Contact information**

8.1 Kate Morris, Scrutiny and Audit Support Officer.  
[Kate.morris@nottinghamcity.gov.uk](mailto:Kate.morris@nottinghamcity.gov.uk)

## Communities and Environment Scrutiny Committee Review Project – Heat Network Options

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| <b>Purpose of the Review</b>   | For the members of the Committee to consider the options available for the Heat Network moving forward beyond 2030 and contribute to shaping proposals prior to a report being presented to the Executive Board for formal decision making.  |
| <b>Links to the Council’s Strategic Plan</b>   | Serving People Well<br>Carbon Neutral by 2028  |
| <b>Aims and Objectives of the Review</b>   | To allow members of the Review to explore the options available to the Council for the Heat Network, to gather information and ask questions of expert officers, to make recommendations to the Executive on the information they have been provided. This will feed into the development of formal proposals due before Executive Board in the latter half of 2024. |
| <p><b>Background</b></p> <p>Nottingham City Council’s district heating network was first established in 1968 as a joint venture between the Nottingham Corporation and British Coal. In 1995, with the demise of British Coal it transferred wholly to Nottingham City Council, trading as EnviroEnergy (Nottingham) Ltd. In mid 2022 the operation was brought in-house and the District Heating Network is now managed within Nottingham City Council.</p> <p>The Heat network provides heat and power to homes and businesses across Nottingham. The network comprises of 68km of insulated pipework carrying pressurised hot water around Nottingham City Centre and St. Anns. Satisfying the heating and hot water requirements for 5,000 dwellings and over 100 commercial premises, including the Victoria and Broadmarsh shopping centres, the National Ice Arena, Nottingham Trent University, BioCity, HM Revenue and Customs, and The Royal Centre.</p> <p>Heat energy comes from incineration of 170,000 tonnes of municipal waste at the Eastcroft Incinerator, which is used to create a supply of super heated high-pressure steam, pumped directly into the Heat Station. Back-up is provided by gas boilers, ensuring a reliable supply.</p> <p>As a Combined Heat and Power (CHP) Plant, steam is also run through generating turbines producing 60,000MWh of electricity per annum. Electricity is supplied to commercial customers through a private wire network with excess power feeding into the National Grid.</p> <p>Options for the future of the heat network beyond 2030 are now being considered and developed, with a formal decision making report due before the Executive Board in early Summer 2024. This review gives non-executive members an</p> |  |

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| <p>opportunity to scrutinise the identified options currently available to the Council and deliver essential pre decision scrutiny.</p> |  |
| <p><b>Key questions</b></p>   | <ul style="list-style-type: none"> <li>• What are the benefits and drawbacks of each option?</li> <li>• How will these impact citizens?</li> <li>• Are there legal implications associated with the options and if so how will this impact the Council/Citizens?</li> <li>• How will each option impact the Council and its Medium Term Financial plan/ongoing budget gap?</li> <li>• What alternative options, if any, could be considered?</li> <li>• What are the delivery challenges for each option and how would these best be overcome/mitigated?</li> <li>• Which option is the preferred option and why?</li> <li>• How does each option impact the work of the Improvement Plan?</li> <li>• Does any option better serve the work of the Improvement plan?</li> </ul>  |
| <p><b>Methodology</b></p>   | <ul style="list-style-type: none"> <li>• Discussion and information presenting with Officers and Portfolio Holder (18 September 2024)</li> <li>• Consideration of information and formulation of recommendations (18 September 2024)</li> </ul>  |
| <p><b>Evidence to be provided by</b></p>  | <p>Mary Lester – Director of Resident Services</p> <p>Jeff Whittingham – Consultant</p> <p>Other expert and specialist officers as required.</p>   |
| <p><b>Additional information to be considered</b></p>   | <ul style="list-style-type: none"> <li>• Heat Network Options Appraisal</li> </ul> <p>This paper is exempt from publication under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to Information relating to the financial or business affairs of any particular person (including the authority holding that information), having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> <p>It is not in the public interest to disclose this information because it contains details of contract negotiations currently subject to non-disclosure agreements, breaching these agreements would prejudice contract negotiations and could result in legal action being taken against Nottingham City Council</p> |
| <p><b>Timetable</b></p>   | <ul style="list-style-type: none"> <li>• Discussion and information presenting with Officers and Portfolio Holder (18 September 2024)</li> <li>• Consideration of information and formulation of recommendations (18 September 2024)</li> </ul>  |

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|                                    | <ul style="list-style-type: none"> <li>Review reported to Committee and recommendations approved 18 September 2024</li> </ul> |
| <b>Reporting mechanism</b>         | Recommendations to be put to the Executive following approval at an extraordinary Committee meeting September 2024            |
| <b>Conclusions</b>                 | To be reported verbally at the Committee meeting  |
| <b>Recommendations</b>             | To be reported verbally at the committee meeting  |
| <b>Considered by Executive</b>     |   |
| <b>Response to recommendations</b> | The response to the recommendation will be appended to the Recommendation tracker presented to committee                      |

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