

To: All Members

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Date: 11th September 2024

Dear Councillor

EXECUTIVE MEETING MONDAY 9TH SEPTEMBER 2024 – DECISION NOTICE

I have pleasure in enclosing herewith, for your attention, a copy of the Decision Notice of the Executive held on Monday 9th September 2024.

Set out below is the procedure for calling in decisions of the Executive. **Only Key Decisions may be called in.** Request forms to call in a decision of the Executive may be obtained from the Governance Team.

Deadline date for calling in Key Decisions contained in the Decision Notice:

WEDNESDAY 18TH SEPTEMBER 2024

Number of Members required to call in an item:

Three Scrutiny Members

Method by which items may be called in:

- By completion of the form available from the Governance Team

Recording of called in items:

The Governance Manager shall be responsible for keeping and maintaining a log of called in items. In practice this log will be kept by the Governance Officers who are themselves authorised to accept notifications from Members.

A log shall be maintained in chronological order according to when requests are received. This log will be open for inspection by any Member of the Council, upon request.

Yours sincerely,



Solicitor to the Council & Monitoring Officer

**DECISION NOTICE OF THE EXECUTIVE
MONDAY 9TH SEPTEMBER 2024**

NON KEY DECISIONS

AGENDA ITEM		DECISION
5	Annual Letter from the Local Government & Social Care Ombudsman 2023/24	<p>RESOLVED that the Annual Letter from the Local Government & Social Care Ombudsman 2023/24 be noted.</p> <p>REASON FOR DECISION: To note the overall performance and receive the report and the Annual Letter from the Local Government & Social Care Ombudsman 2023/24</p> <p>OTHER OPTIONS CONSIDERED: None.</p>
6	Social Value Policy	<p>RESOLVED that the Social Value Policy be adopted.</p> <p>REASON FOR DECISION: The adoption of a policy on social value was approved by Executive on 3rd October 2022.</p> <p>OTHER OPTIONS CONSIDERED: Not to approve the policy. This is rejected as the proposed draft policy provides a useful framework to comply with the Council's statutory obligations.</p>
7	Council Plan Targets Performance Report - April to June 2024	<p>RESOLVED that quarterly outturns against the Council Plan 2024-2028 targets be noted.</p> <p>REASON FOR DECISION: This was a report for information only to keep Members informed of progress against the Council Plan targets noting achievements and any areas of concern.</p> <p>OTHER OPTIONS CONSIDERED: Not applicable to this report as providing an overview of performance against agreed targets.</p>
8	Budget Monitoring	<p>RESOLVED that 1) the monitoring position of the General Fund at the end of the first quarter as detailed in Appendix 1 to the report (A net favourable variance of £0.576m against the profiled budget) and the key issues highlighted within the report, be noted,</p>

		<p>2) the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter (Appendices 2, 3, 4, 5 and 6 to the report) be noted.</p> <p>REASON FOR DECISION: The report summarises the financial position of the Council following the first quarter’s budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury Management activity.</p> <p>The Medium-Term Financial Strategy approved in July 2023, and being presented to Members during September and October 2024 for updates and approval, stated that it was the Council’s intention to monitor the budgets of the services transferred into Dragonfly Management as part of the budget monitoring process.</p> <p>OTHER OPTIONS CONSIDERED: The Budget Monitoring report for 2024/25 was primarily a factual report which detailed progress against previously approved budgets. Accordingly, there were no alternative options to consider.</p>
9	<p>Medium Term Financial Strategy</p>	<p>RESOLVED that 1) Members approve the Medium-Term Financial Strategy at Appendix 1,</p> <p>2) the Council continues to fund the General Fund revenue base budget from the full amount of New Homes Bonus (and related grants such as Services Grant) allocated by Government,</p> <p>3) to set the strategic intention to continue to be a member of the Derbyshire Business Rates Pool while ever it is financially advantageous for the Council to do so,</p> <p>4) to set the strategic intention to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax referendum, to endeavour to continue to deliver services. (The actual Council Tax for any given year will be decided by Council in the preceding March),</p> <p>5) the Council maintains a policy of a minimum level of Balances for the General Fund of £2m</p>

	<p>REASON FOR DECISION: To inform the MTFP process by providing strategic financial intention.</p> <p>OTHER OPTIONS CONSIDERED: Members could decide not to approve the MTFS. The MTFP would then be prepared on assumptions not agreed by Members and there could be a risk it would need to be amended in January if the assumptions used were not agreeable. By law, the MTFP must be approved prior to the beginning of the financial year to which the budget relates, 31st March 2025.</p>
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KEY DECISIONS

AGENDA ITEM		DECISION
10	Combined Heat and Power Unit for The ARC	<p>RESOLVED that the award of the contract for the installation of the Combined Heat and Power Units for The Arc to Pure World Energy Ltd, be approved.</p> <p>REASON FOR DECISION: Following the grant award from the swimming pool support fund and subsequent approval from Executive, a procurement exercise was undertaken to find a suitable contractor for the installation of the CHP units.</p> <p>OTHER OPTIONS CONSIDERED: Continue with current operating systems of conventional gas fired boilers and not recoup the benefit of long-term savings.</p>
11	Mine Water Demonstrator and Heat Network Project	<p>RESOLVED that 1) the acceptance of funding from the Heat Network Distribution Unit be noted,</p> <p>2) the novation of the contract for the Mine Water Energy project from D2N2 to EMMCCA with the effect of accepting the £900,000 funding originally awarded by D2N2 be agreed,</p> <p>3) the procurement of ENER-G Renewable Solution Ltd to construct and operate the demonstrator and small heat network in Creswell serving the Creswell Heritage and Wellbeing Centre in the first instance be approved,</p>

4) Delegated authority be given to the Chief Executive Officer to make the decision to agree the contract price with ENER-G Renewable Solutions Ltd subject to this not exceeding £200,000

REASON FOR DECISION:

Extensive coalfields exist across Great Britain, and it is estimated that 25% of homes and businesses in the UK are located above former coal mines and more so in Bolsover District, and larger parts of North Derbyshire and North Nottinghamshire.

Water within the mines is warmed by natural processes and can, if sustainably managed, provide a continuous supply of heat. Mine water temperatures are not affected by seasonal variations and subject to the right support, mine water can provide renewable, secure, low carbon heating for buildings in coalfield areas.

With heating accounting for 40% of energy use in the UK, mine water heat connected to an appropriate heat distribution network could also play a large part in the District's efforts to tackle climate change and support its net zero future alongside providing cheaper energy to its residents.

Therefore, there are good reasons to endorse the application for - and acceptance of the funding for the feasibility study that will help determine whether mine water energy could be utilised in Whitwell and Creswell where there is relatively easy access to the underground mine water and determine the feasibility of heat networks more generally in both locations.

For similar reasons, it is considered appropriate to recommend endorsement of novation of the original contract made with D2N2 to ensure retention of the funding for the mine water demonstrator and the construction of a larger network if the demonstrator proves to be successful.

In particular, if the demonstrator is successful it will offer 'proof of concept' of a novel system that will significantly reduce the costs and risks associated with mine water energy and potentially

unlock this resource, which would be of local, regional, and national significance primarily because of the size and scale of the resource and the difficulties experienced in utilising this resource.

This is also because a heat network using mine water and ground source heat pump technology will have substantially better co-efficiency of performance compared to air source heat pump technology and would be cheaper to operate in the longer term despite higher initial costs because of the higher input temperature (c.17° - 22°) from a mine water system compared to the ambient winter temperatures (<5°) utilised by an air source heat pump in the UK.

However, because the system is novel and because it involves the use of mine water there is demonstrably an insufficient market to tender for the supply of goods, services or works required to carry out the project that is funded by an external grant on a 'not for profit' basis.

In this case, ENER-G Renewable Solutions Ltd are the only company that officers have been able to identify through extensive market engagement that not only have the relevant skills, knowledge and experience to carry out the project, and the trust and support of the Coal Authority, but are also willing and able to do so within an acceptable time frame and cost envelope.

Therefore, it is also considered appropriate to recommend approval of an exemption to the Council's Contract Procurement Rules and to make a direct award of the contract for construction and operation of the demonstrator to ENER-G Renewable Solutions Ltd.

The relevant exemption is part 4.8.4 (e) of the Contract Procurement Rules which allows for a direct award of a contract where it relates to commissioning of projects funded by external grant where there is no or insufficient marketplace. The Procurement team have been consulted and they are satisfied that there are grounds to award a contract to ENER-G Renewable Solutions Ltd without undertaking a wider procurement exercise.

Finally, the fee proposal received by officers from

		<p>ENER-G Renewable Solutions Ltd also includes full costings that are reasonable and competitive within this context but exceed £150,000. However the full value of the contract is yet to be determined. Therefore, it is recommended that the Executive delegate authority to the Chief Executive Officer to agree the contract price subject to this not exceeding £200,000</p> <p>OTHER OPTIONS CONSIDERED:</p> <p>The option to return the funding rather than novate the original D2N2 contract to EMMCCA was rejected because significant progress has now been made on the demonstrator project and the funding is required to carry the project out and build a larger heat network if the demonstrator is successful.</p> <p>The option to discontinue the demonstrator project was rejected because of the significance of this scheme in relation to the Council's own aims and objectives, and its wider significance in terms of decarbonisation of housing stock and commercial property.</p> <p>The option to go out to tender was rejected because only one company was identified through thorough market testing that could carry out the project to the satisfaction of the Coal Authority, meet the requirements of the funding body, and complete the works in an appropriate time frame and cost envelope.</p>
12	<p>Acceptance of Funded Support for Local Area Energy Planning</p>	<p>RESOLVED that the supported funding for a Local Area Energy Plan for Bolsover District be approved, and delegated authority be given to the Chief Executive Officer to sign the associated MOU on behalf of the Council.</p> <p>REASON FOR DECISION:</p> <p>The creation of a Local Energy Area Plan for Bolsover will use data, local information, and stakeholder engagement to create a strategic framework that will support the Council maximise inward investment in energy infrastructure, renewable energy, and energy systems.</p> <p>The Local Energy Area Plan will also provide a framework to support the Council to create the conditions for clean and inclusive growth, reduce energy costs for business and residents, and improve the environment.</p>

		<p>The cost to the Council of entering the MOU is primarily officer time used in providing information to, and engaging with, the consultants to identify local need and local priorities. The MOU does not otherwise place any unreasonable burdens on the Council or contain any unfair or unreasonable terms.</p> <p>Consequently, it is recommended that the Executive endorse the acceptance of the supported funding for a Local Area Energy Plan for Bolsover District and approve delegated authority to officers to sign the associated MOU on behalf of the Council</p> <p>OTHER OPTIONS CONSIDERED: Bolsover District Council could not participate in this research but there will be reputational damage in not supporting this EMMCCA led project. The LAEP will support our development plans and the transition to Net Zero, not entering into the MOU risks BDC undertaking projects and spending inefficiently.</p> <p>To undertake a LAEP, or a similar plan, including appointing consultants would cost the authority approximately £150K, in addition to the costs of officer time and the procurement process</p>
13	Green Skills and Retrofit Project	<p>RESOLVED that 1) Executive accepts the funding DESNZ,</p> <p>2) Executive approves the procurement of:</p> <ul style="list-style-type: none"> • Nottingham Trent University to provide the services as set out in paragraph 2.8 of this report • Direct Education Business Partnership CIO to provide the services as set out in paragraph 2.12 of this report • East Midlands Chambers to provide the services as set out in paragraph 2.17 of this report • Elmhurst Energy Systems Limited to provide the services set out in paragraph 2.26 of this report; and • RLB to project manage Phase 2 of the Retrofit Skills Pilot. <p>3) Executive accept the supported funding for the Local Area Retrofit Accelerator.</p>

REASON FOR DECISION:

In conclusion, the Council's work on retrofit skills has therefore been and will increasingly be of local and regional significance. This work can only continue as proposed and at pace with the support of external funding.

The work is of significance because of the challenges every Council faces retrofitting its own housing stock and the need to decarbonise our existing housing stock to achieve net zero. These projects aim to deliver actionable solutions that address these challenges.

In addition, the work is of significance because the quicker we can improve the energy efficiency of our housing stock through accelerating delivery of retrofit solutions, the quicker more of our most vulnerable residents will live in a house that is more likely to be free of damp, less draughty and cheaper to keep warm.

The work is also of significance because of the potential impact of substantial inward investment for retrofit for the local economy and local supply chain. This investment could be guided by the Local Area Energy Planning, subject of a separate report and due for adoption by the combined authority next year.

Decarbonisation of existing housing stock is already a priority for the new Government and the combined authority and the District needs to be investment ready to take advantage of any funding that becomes available from the Government or the Mayor in any event.

Retrofit skills are also the same skills that the local workforce and local businesses will need to get involved with projects like construction of heat networks goes ahead in the District if the mine water demonstrator project (also subject of a separate report) is successful, for example, in the construction of other large renewable energy projects or in the construction of new homes that will need to be to the 'future homes' standard.

Therefore, the projects in this report are closely aligned with the Council's own ambitions to drive the local economy, maximise opportunities arising from the combined authority and create the right conditions to make the District and the people who live and work here more prosperous.

The projects in this report are also closely linked to making the business case for a skills hub that has been included in the list of regeneration projects. In particular, this work is aimed at ensuring it would be a viable proposition if it were to go ahead and as importantly, work towards the Council's ambitions to improve educational attainment in the District and create more opportunities for more of our residents to find employment and gain careers in better jobs, with higher skills and higher wages.

Finally, the projects have been progressed to the point they are now ready to go, which means there is a very limited risk of failure to deliver on the requirements of the funding bodies but there is a residual corporate risk of reputational damage if the Council decided to withdraw at this late stage after showing purposeful leadership in this area and driving these initiatives forward across the region over several years.

Consequently, it is considered that there are very good reasons for the Executive to accept the recommendations made in this report especially when taking into account that aside from the original investment in the NTU report and officer time, this is all being achieved with no direct cost to the Council.

OTHER OPTIONS CONSIDERED:

The option to refuse the funding offers was rejected because significant progress has been made on retrofit skills and the funding is required to continue this work.

The option to discontinue the retrofit skills projects was rejected because of the significance of this work in relation to the Council's own aims and objectives, and its wider significance in terms of decarbonisation of housing stock and commercial property, the impact on the local economy, and the boost to employment and skills opportunities within the District.

The option to go out to tender where exemptions have been sought was rejected because of the urgency of the requirements for the relevant goods or services, or there has been a continuation of existing contracted works and where a direct award is to be made, the contractor is able to meet the requirements of the

		funding body, and can complete the works in an appropriate time frame and cost envelope.
14	Grant of an Easement along Loxley Lane, Whitwell	<p>RESOLVED that the Council grant an easement for a right of way across Loxley Lane, Whitwell on terms agreed by the Senior Valuer.</p> <p>REASON FOR DECISION: To secure Executive's agreement to grant an easement to the owner of the development. This matter has been considered by Asset Management Group who are comfortable with the proposal.</p> <p>OTHER OPTIONS CONSIDERED: Not to grant an easement. The Council would not receive a capital receipt and there would be no vehicular access to the properties being built on the development.</p>

Only Key Decisions may be called in. All other decisions will be actioned immediately with the exception of those referred to Council (shown in italics).