

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 01 May 2018

TITLE	City Leap Prospectus		
Ward(s)	City-wide		
Author: David White	Job title: Head of Energy Services		
Cabinet lead: Cllr Dudd	Executive Director lead: Colin Molton		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: To approve a soft market testing exercise through the publication of the City Leap Prospectus.			
<p>Evidence Base: The publication of the City Leap Prospectus will initiate a soft market testing exercise for local, national and international organisations to enter into partnerships with the Council to deliver a city-scale low carbon, smart energy infrastructure programme over the next decade. The objective of this programme is to achieve a step change in the scale of delivery, enabling Bristol to continue on its path to be run entirely on clean energy by 2050 and remain a globally competitive, sustainable city.</p> <p>The future low carbon, smart energy system will include low carbon heat and power generation, heat networks, private wire, battery storage, energy efficiency and low/no emission vehicle infrastructure, connected by innovative digital technologies to minimise energy consumption and maximise value generation. It is estimated that the potential investment opportunity for City Leap partners in relation to energy over the next decade is of the order of £800m to £1bn.</p> <p>This is a massive transformational leap requiring nationally significant levels of investment - consequently, although Bristol City Council is recognised as being one of the most proactive and forward thinking local authorities in relation to energy, we cannot deliver the smart energy system of the future alone.</p>			
<p>Recommendations: That Cabinet:</p> <ol style="list-style-type: none"> 1. Agree to a soft market testing exercise to seek expressions of interest to work in partnership with the Council to deliver a city-scale low carbon smart energy infrastructure programme over the next decade. 2. Delegate authority to the Executive Director, Regeneration and Growth, in consultation with the Cabinet Member for Energy, Waste and Regulatory Services, to finalise, publish and promote the City Leap Prospectus to start this process. 3. Delegate authority to the Executive Director, Regeneration & Growth to set up governance arrangements to oversee the soft market testing exercise in consultation with the Cabinet Member for Energy, Waste and Regulatory Services. 4. Note that a further report will be taken to Cabinet once the testing has been concluded to progress partnerships arising from the soft market testing exercise. 			
<p>Corporate Strategy alignment: The City Leap Prospectus is intended to deliver the £800m to £1bn investment referenced under the second Wellbeing Key Commitment in the Corporate Strategy 2018-23, which was approved by Full Council in February 2018, 'Keep Bristol on course to be run entirely on clean energy by 2050 whilst improving our environment to ensure people enjoy cleaner air, cleaner streets and access to parks and green spaces.'</p>			

City Benefits:

- Keep Bristol on course to be run entirely on clean energy by 2050 by delivering £800m to £1bn of investment in the city's low carbon, smart energy system.
- Improve our environment to ensure people enjoy cleaner air through supporting the further deployment of renewable energy generation and electric vehicles.
- Improve physical and mental health and wellbeing by making residents' homes warmer and cheaper to heat, reducing inequalities and the demand for acute services.
- Tackle food and fuel poverty by reducing energy bills.
- Create jobs, contributing to a diverse economy that offers opportunity to all and makes quality work experience and apprenticeships available to every young person.

Consultation Details:

Initial partnership meeting - Autumn 2016	Cabinet Member plus various Services and partners
Outline partnership approach - Spring 2017	Cabinet Member plus various Services and partners
Draft prospectus - July 2017	Cabinet Member plus various Services and partners
Submission to Exec Board - Oct 2017	Approval to take forward to Cabinet

Revenue Cost	£100,000	Source of Revenue Funding	TBC
Capital Cost	£nil	Source of Capital Funding	N/A
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:**1. Finance Advice:**

The presentation of this report represents the next step in Bristol City Council's plan to enter in to partnership(s) to invest up to c.£1bn over the next decade in the city's energy system and is linked to savings/income initiative (ID. P2) in the latest approved MTFP.

This report requests approval to publish the City Leap Prospectus and commence a soft market testing exercise with appropriate governance with some of those organisations which respond to the prospectus. It does not commit the Council to any further activity at this stage nor does it commit the Council to any cost over and above the £100k cost for soft market testing.

Note that a source of funding for the £100k is still to be confirmed.

Finance Business Partner: Jemma Prince – Finance Business Partner – 19/3/18

2. Legal Advice:

This report requests permission to proceed with soft market testing prior to commencing the relevant procurement procedures to progress the initiatives set out in the City Leap Prospectus.

The soft market testing must be carried out in compliance with the Public Contracts Regulations on preliminary market consultations and prior involvement of candidates and tenderers (Regulations 40 and 41).

Legal Team Leader: Sinead Willis, Solicitor, Team Leader, Commercial and Governance Team – 19/3/18

3. Implications on ICT:

There are, at this stage, no identifiable IT implications of this initiative. In due course, though, some synergies with BCC enabled technologies, including network capabilities such as BNet, may become apparent. Engagement with IT and other technology partners at the appropriate time will help to ensure that such opportunities help support this initiative.

ICT Team Leader: Ian Gale, Head of IT - 18/03/18

4. HR Advice: No anticipated HR implications.

HR Partner: Celia Williams, HR Business Partner – 19/3/18

EDM Sign-off	Alison Comley	21 st March 2018
Cabinet Member sign-off	Cllr Dudd	21 st March 2018

CLB Sign-off	Jacqui Jensen	20 th March 2018
For Key Decisions - Mayor's Office sign-off	Mayor's Office	28 th March 2018

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO

EXTRACT FROM DRAFT CITY LEAP PROSPECTUS

The following is an extract from the current, near final, draft of the City Leap Prospectus, which provides an overview of the Prospectus, including the Council's rationale for undertaking this soft market testing exercise and what it hopes to achieve by doing so.

The Prospectus document itself will be published as soon as possible after the Cabinet Decision on 1st May and will be publically available from the Council's Energy Service's website at www.energyservicebristol.co.uk

It is currently anticipated that those wishing to submit an Expression of Interest in response to the City Leap Prospectus will have until Friday 31st August 2018 to respond.

EXTRACT BEGINS

Introduction

Bristol is vibrant, creative and ever expanding city growing city. The Guardian has ranked it as one of the best places to live in the world and we are currently the only Core City outside of London to make a net positive contribution to the UK Exchequer – a testament to our strong local economy. The development of a low carbon, resilient, and sustainable city is a cornerstone of our approach to remaining competitive in the global economy.

Bristol has long led the way in the fields of energy, sustainability, digital and [future start-up companies](#). It has the lowest carbon footprint of any of the UK's Core Cities, was the UK's first [European Green Capital in 2015](#), has possibly [the largest environmental network of its kind in Bristol Green Capital Partnership](#), [won the 2018 GLOMO Smart City Award](#), was voted the [number one smart city in the UK in 2017](#), successfully delivered c£50m of low carbon energy investment between 2012 and 2016 and set up one of the only municipally owned energy companies in the UK in 2015, [Bristol Energy](#), which now has over 120,000 customers.

The city enjoys a strong reputation for energy-related engineering consultancy and legal expertise and the national charity, the Centre for Sustainable Energy (CSE), is based here. Bristol also has many engaged residents and community energy initiatives, including Bristol Energy Network and Bristol Energy Co-operative.

Our Mayor and City Councillors across all parties are committed to continued delivery and want to achieve a step change in the delivery of low carbon and smart energy infrastructure, enabling Bristol to continue on its path to becoming a carbon neutral city by 2050 at the latest.

Low carbon and smart energy infrastructure is a broad agenda, covering both organisational and technological innovation, the latter including low carbon heat and power generation, heat networks, private wire, battery storage, energy efficiency and low/no emission vehicle infrastructure, all connected by innovative digital technologies to minimise energy consumption and maximise value generation.

We are aware that achieving this vision will result in a massive transformation of the city and its energy system and, although we have made a strong start, we cannot do this alone. This Prospectus is our platform for seeking a range of local, national and international partners to join us on this journey.

The scale of the task and the purpose of this Prospectus is to attract, facilitate and deliver up to £1bn of low carbon and smart energy infrastructure investment in Bristol's energy system over the next ten years. Whilst the Council may wish to and reserves the right to invest in some or all of these projects, it is likely that the large majority of the investment will be made by its partners.

CITY LEAP PROGRAMME AT A GLANCE

Investment opportunity	Estimated potential investment opportunity over ten years £m
Heat networks	300
Smart energy system	125
Domestic energy efficiency	300
Commercial energy efficiency	100
Renewable energy	40
Monitoring, dissemination and evaluation	10
Transport (non-energy)	Additional
Hydrogen	Additional
Marine energy	Additional
TOTAL	875

It should be noted that this investment is in addition to the investment that the city will need to undertake in, for example, transport and non-energy digital infrastructure.

Delivering such a programme will lead to a significant additional benefits for Bristol’s residents and businesses, including reducing in fuel poverty, the creation of jobs, warmer and cosier homes for residents, improvements to residents’ physical and mental wellbeing, better digital connectivity significant business opportunities, inclusive growth and low carbon energy security and resilience. In essence, a future city fit for its residents, businesses and visitors in the 21st Century, a city that will continue to successfully compete at a global level and be a net fiscal contributor to the UK. We have called this programme, “City Leap”.

A key principle underpinning our approach is Bristol City Council’s philosophy, supported by its [Corporate Strategy](#) and set out in the Council’s ‘[Our Resilient Future: A Framework for Climate and Energy Security](#)’, which is currently being refreshed, and will set out the long term roadmap for Bristol’s journey towards becoming carbon neutral.

This philosophy is to encourage and facilitate a partnership approach to the engagement and deployment of the full range of energy-related technologies (including supply, generation, efficiency and smart) across the City, involving as many citizens and organisations as possible. The aim of this philosophy is to maximise and equitably share the social, environmental and economic benefits that will arise from the City Leap Programme.

Bearing this in mind, Bristol City Council is seeking, via this Prospectus, to undertake a soft market testing with potential partners for the energy element of the City Leap Programme prior to undertaking appropriate procurement exercises later in 2018/19.

For those outside Bristol, the programme outlined below is replicable nationally and internationally, as the City Leap Programme provides an urban living laboratory mechanism to demonstrate how to strategically manage such a wide ranging, diverse programme of works, as well as demonstrating the framing and catalytic role of local and central government.

EXTRACT ENDS

In terms of the kinds of partnerships that the Council is hoping to enter into as a result of the soft market testing exercise, the Prospectus currently refers to the following:

EXTRACT BEGINS

The energy field is incredibly diverse, from offshore hydrocarbon exploration to behavioural energy advice in a consumer's home, and we anticipate that the range of potential partners that could be part of Bristol City Council's City Leap Programme could be equally diverse, including but not limited to:

- *Institutional and private investors seeking long-term, stable returns from energy-related infrastructure.*
- *Owners and operators of energy-related infrastructure, including low carbon heat and power generation, power and heat storage, heat networks, energy delivery and balancing services, at all scales from single domestic properties through to multi-MW operations.*
- *Information technology and software companies with innovative energy supply and demand solutions at all scales from single domestic properties through to Grid-scale.*
- *Electric vehicles (EV) manufacturers and charging infrastructure players, including autonomous vehicles.*
- *Innovators of all kinds, including those who are seeking to partner with the Council in funding bids, e.g. to the Industrial Strategy Challenge Fund.*
- *Community and third sector organisations interested in participating in the City Leap Programme, either as partners in particular projects or bringing forward their own innovative programme of work.*
- *Consortia of the above*

EXTRACT ENDS

City Leap Prospectus Risk Register

Negative Risks that offer a threat to the City Leap Prospectus and its Aims (Aim - Reduce Level of Risk)

Ref	Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk £k	Risk Tolerance			Actions to be undertaken		
									Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date	(Include dates as appropriate)	Resp. Officer
1	The Council does not respond adequately to responses received in relation to the Prospectus	1. Inadequate governance arrangements and senior management oversight. 2. Insufficient expertise within Council and amongst partners to adequately respond 3. Inadequate staff resource to properly co-ordinate the council's response to Expressions of Interest received 4. Inadequate or untimely provision of legal advice to support project team	1. Sub-optimal outcomes for the City and Council. 2. Significant reputational damage. 3. Subsequent phases take too long to complete and others move ahead of Bristol.	Open	Financial Loss/Gain Reputational damage Legal	David White	1. Robust governance arrangements to be put in place. 2. Funding requested for staff and legal support. 3. No authority to enter into partnerships provided under this Cabinet Report.		4	5	20	Nil	2	2	4	19.3.18	1. Obtain steer on governance arrangements and put in place 2. Obtain agreement on funding and make appointments	David White
2	No responses to Prospectus received or response are limited, minimal or not relevant	1. Prospectus is unclear as to nature of response required 2. Marketing of Prospectus does not reach target audience	Unable to proceed with City Leap via this approach	Open	Programme/ Project Management	David White	1. Input into/review of Prospectus from other Services and partners 2. Comprehensive marketing plan in place and actioned		3	4	12	Nil	2	2	4	19.3.18	1. Obtain input into/review of Prospectus from other Services and partners 2. Develop and implement robust marketing plan	David White

Positive Risks that offer an opportunity to City Leap Prospectus and its Aims (Aim - Increase Level of Risk / Opportunity)

Ref	Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk £k	Risk Tolerance			Actions to be undertaken		
									Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date	(Include dates as appropriate)	Resp. Officer
1	Receive overwhelming number of responses	1. Inadequate governance arrangements and senior management oversight. 2. Inadequate staff resource to properly co-ordinate the council's response to Expressions of Interest received 3. Inadequate or untimely provision of legal advice to support project team	1. Sub-optimal outcomes for the City and Council. 2. Significant reputational damage. 3. Subsequent phases take too long to complete and others move ahead of Bristol.	Open	Financial Loss/Gain Reputational damage Legal	David White	1. Robust governance arrangements to be put in place. 2. Funding requested for staff and legal support.		4	5	20	Nil	2	2	4	19.3.18	1. Obtain steer on governance arrangements and put in place 2. Obtain agreement on funding and make appointments	David White



Bristol City Council Equality Impact Relevance Check



This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

What is the proposal?	
Name of proposal	City Leap Prospectus
Please outline the proposal.	<p>The City Leap Prospectus outlines our plans to establish a low carbon, smart energy system which will enable Bristol to become carbon neutral by 2050 and remain a globally competitive, sustainable city.</p> <p>The proposal is to publish and promote the City Leap Prospectus and undertake a soft market testing exercise to identify organisations who may express an interest in becoming partners to invest in the city’s energy system.</p> <p>It is estimated that the potential investment opportunity for City Leap partners in relation to energy over the next decade is of the order of £800m to £1bn.</p>
What savings will this proposal achieve?	None at this stage
Name of Lead Officer	David White, Head of Energy Services

Could your proposal impact citizens with protected characteristics? (This includes service users and the wider community)
Please outline where there may be significant opportunities or positive impacts, and for whom.
None identified
Please outline where there may be significant negative impacts, and for whom.
None identified

Could your proposal impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)
Please outline where there may be significant opportunities or positive impacts, and for whom.
None identified
Please outline where there may be negative impacts, and for whom.
None identified

Is a full Equality Impact Assessment required?

<p>Does the proposal have the potential to impact on people with protected characteristics in the following ways:</p> <ul style="list-style-type: none"> • access to or participation in a service, • levels of representation in our workforce, or • reducing quality of life (i.e. health, education, standard of living) ? 	
<p>Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.</p>	<p>No – We do not anticipate at this stage that the publication of the City Leap Prospectus and soft market testing exercise alone will have an impact on people with protected characteristics. However the scale of this programme will require that a full EqIA takes place as the plans become more refined so that decision makers can give due regard to any potential impact on protected groups.</p>
<p>Service Director sign-off and date:</p> <p></p> <p>19/3/2018</p>	<p>Equalities Officer sign-off and date:</p> <p></p> <p>Duncan Fleming 19/3/2018</p>

Eco Impact Checklist

Title of report: City Leap Prospectus			
Report author: David White, Head of Energy Services			
Anticipated date of key decision: 1st May 2018			
Summary of proposals: To approve the publication of the City Leap Prospectus and commence a soft market testing exercise.			
Will the proposal impact on...	Yes/No	+ive or -ive	If Yes...
			Briefly describe impact
Emission of Climate Changing Gases?	N/A		See Summary below
Bristol's resilience to the effects of climate change?	N/A		See Summary below
Consumption of non-renewable resources?	N/A		See Summary below
Production, recycling or disposal of waste	N/A		See Summary below
The appearance of the city?	N/A		See Summary below
Pollution to land, water, or air?	N/A		See Summary below
Wildlife and habitats?	N/A		See Summary below
Consulted with:			
Summary of impacts and Mitigation - <u>to go into the main Cabinet/ Council Report</u>			
This proposal has the potential to deliver highly significant environmental benefits at a citywide scale, and these will be considered in future Cabinet reports. The soft market testing exercise does not have any direct significant environmental impacts so a full Eco Impact Assessment checklist is not needed at this stage and no mitigation is proposed.			
Checklist completed by:			
Name:		Steve Ransom	
Dept.:		Environmental Performance	
Extension:			
Date:		19/03/2018	
Verified by Environmental Performance Team		Steve Ransom/ Nicola Hares	