

Decision Pathway – Report



PURPOSE: For reference

MEETING: Cabinet

DATE: 2 June 2020

TITLE	City Leap Energy Partnership - Update for Cabinet		
Ward(s)	All		
Author: David White	Job title: Head of Energy Services		
Cabinet lead: Cllr Kye Dudd	Executive Director lead: Stephen Peacock		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Timescales: Cabinet Approval 2 nd April 2019 – Update 2 June 2020			
Purpose of Report: This report provides the Mayor and Cabinet with an update on the work undertaken for the procurement of the Strategic Partner for the City Leap Energy Partnership.			
Evidence Base: Bristol City Council was the first local authority in the UK to declare a ‘climate emergency’ and has brought forward its internal and city-wide targets for carbon neutrality to better reflect the short window of opportunity that remains to reduce the city’s carbon emissions to zero. Bristol enjoys a global reputation as a leading energy city and has made significant progress in reducing its carbon emissions; however, despite having invested over £50m in low-carbon energy infrastructure and projects over the last decade, the pace of delivery must increase significantly if we are to play our full part in addressing the climate emergency and meet our 2030 goal for carbon neutrality. City Leap aims to build on the innovative leadership the council has shown in energy and sustainability over almost three decades to deliver a local interconnected, low carbon, smart energy system in Bristol that provides long-term social, environmental and economic benefits for its residents, communities and businesses. This transformation will involve the build out of significant low carbon energy infrastructure, such as heat networks, renewable energy generation, battery storage and energy efficiency, which will require substantial levels of capital investment; levels that the council cannot deliver alone. Therefore, one of City Leap’s main aims is to attract, facilitate and deliver at least £1bn of low carbon and smart energy infrastructure investment in Bristol’s energy system. To assist with attracting this investment, in May 2018, the council published the City Leap Prospectus, which set out the council’s past successes, current programme of low carbon energy projects and future investment opportunities in relation to low carbon energy within the council’s estate and across the city. The response to the City Leap Prospectus exceeded the council’s expectations with 180 Expressions of Interest being submitted containing a wide range of proposals. The council subsequently undertook an extensive soft market testing phase, meeting with organisations that submitted Expressions of Interest, and completing its own comprehensive options appraisal. This led to the council selecting a preferred model to deliver City Leap involving the setting up a joint venture with a Strategic Partner. Establishing this joint venture will merely be the start of the City Leap journey, as the partnership required to deliver Bristol’s future low carbon, smart energy system will need to be flexible and inclusive in its approach, bringing in new projects, innovation and partners over time as Bristol progresses towards carbon neutrality.			

Following approval of the Cabinet Report, 'City Leap Energy Partnership', in April 2019, the council commenced the procurement of a Strategic Partner for the joint venture in September 2019, including hosting a Bidders' Day event at City Hall, which attracted over 70 organisations.

Following the initial selection stage of the procurement, eight Bidders were selected to proceed to the next stage. Due to the innovative nature of City Leap, this second stage was designed to obtain feedback from Bidders on key points of the procurement to ensure the market could provide the best response and consisted of three rounds of face-to-face meetings with Bidders held over a period of six weeks, finishing on 5 March 2020. This enabled the council to gain valuable and extensive feedback across a range of topics from Bidders, with strong interest being shown by all Bidders in the low carbon energy infrastructure investment opportunities available under City Leap.

The feedback received from Bidders required consideration and discussion with Cabinet Members and senior officers to determine whether any changes should be made to the procurement. These discussions had to be delayed given the absolute priority for the council to fully focus on its response to the coronavirus pandemic. Accordingly, the decision was taken in mid-March to delay the third stage of the procurement, when Bidders would have been invited to submit initial bids, for an unspecified period of time.

Separately to the City Leap procurement exercise, the Council has commissioned consultants EY to support Bristol Energy in determining the optimal business strategy for the company going forwards which will be presented to Cabinet on the 2nd June 2020. Irrespective of the outcome of this assessment, following the feedback received from Bidders the council is confident that there is strong interest in the low carbon energy infrastructure investment opportunities available under City Leap.

Having now considered the feedback received from Bidders, the council intends to make a number of changes to the City Leap Energy Partnership procurement in order to deliver the best possible outcome for Bristol. Some of these changes materially affect the nature of the procurement and, following legal advice, the council therefore has decided to formally bring the current City Leap Energy Partnership procurement exercise to an end and to recommence with a revised and simplified procurement exercise.

Cabinet approval for this revised approach to the City Leap Energy Partnership procurement will be sought at Cabinet on 14 July 2020 and the revised procurement will commence as soon as practicably possible thereafter.

Cabinet Member / Officer Recommendations:

1. To note the decision to bring the current procurement to an end and to restart a revised procurement process subject to a further Cabinet Decision in July.

Corporate Strategy alignment:

1. The City Leap Energy Partnership 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.'

City Benefits:

1. 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.
2. Improve our environment to ensure people enjoy cleaner air through supporting the further deployment of renewable energy generation and electric vehicles.
3. Improve physical and mental health and wellbeing by making residents' homes warmer and cheaper to heat, reducing inequalities and the demand for acute services.
4. Tackle food and fuel poverty by reducing energy bills.
5. 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:

50+ briefings provided to the Mayor, Cabinet Member Briefings, Oversight & Scrutiny Management Board, Growth

and Regeneration Scrutiny Commission and Senior Officers from July 2018 to present.

Background Documents:

1. The April 2019 Cabinet Report: <https://democracy.bristol.gov.uk/ieDecisionDetails.aspx?AllId=15747>
2. The City Leap Prospectus: www.energyservicebristol.co.uk/cityleap

Revenue Cost	N/A	Source of Revenue Funding	N/A
Capital Cost	N/A	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

EDM Sign-off	Stephen Peacock	19 May 2020
Cabinet Member sign-off	Cllr Dudd & Cllr Cheney	
For Key Decisions - Mayor's Office sign-off	N/A	

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