

Overview & Scrutiny Management Board (OSMB) statement to Cabinet submitted on behalf of all OSMB members

Heat Networks and City Leap

(with reference to Cabinet agenda item 17 – Transfer of heat network assets from Bristol City Council to Bristol Heat Networks Limited)

OSMB held an online meeting on 4th July 2022 to consider the latest position about City Leap, particularly, the proposed transition of Bristol Heat Networks Ltd (BHNL) assets to become part of a new City Leap joint venture company part owned by Vattenfall.

We support Bristol's decarbonisation and work underway to achieve this.

We consider Bristol's heat network assets to be public investments (by national and local government) for which a proper and realistic value needs to be assessed and sought. Whether operational assets or those intended for future connections, they have value beyond solely the capital cost of installation, including the revenue generation potential from current and future connections.

We also considered the changing risk environment for heat networks, most notably, the incoming OFGEM regulation of the sector. We were pleased to hear that BHNL customer relationships and practice adheres to the Heat Trust standards and that compliance with any future regulatory measures is built into the agreement with Vattenfall.

However, the Cabinet report was not available in time for OSMB to consider, and we received a presentation consisting of a few slides, although we held a Q&A with officers. We had previously been told that the report would be available for our consideration, right up to the day of our meeting.

We consider overview and scrutiny to be part of the Council's assurance process and our inability to review and consider key documents means that we have been unable to properly fulfil this role.

Our assumption is that Cabinet will want to ensure scrutiny is provided with the documents and time to consider them that we require. The assurance we mention is not only for BCC internal consumption, but also for the wider city.

Cllr Tony Dyer

Chair of OSMB on behalf of all OSMB members