



City Leap Energy Partnership

OSMB Update – 2nd November 2023



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What is City Leap?



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A carbon neutral Bristol



One City Climate Strategy

- Bristol has reduced emissions by 42% since 2005
- Bristol City Council has reduced its own direct emissions by 50% since 2015 and aims to achieve net zero by 2025.
- In November 2018, the council became the first UK local authority to declare a Climate Emergency and set a goal for the city to be **carbon neutral by 2030**.
- Our decarbonisation targets are now fully embedded in the **council's Corporate Strategy**, the **One City Climate Strategy** and are fully supported by the administration as **Mayoral priorities**.
- City Leap supports the **Mayoral, council and national government decarbonisation targets** and creates a scalable and replicable model for other cities to follow.

What is City Leap?

- A new approach towards public and private sector partnership for the delivery up to £1bn of low carbon energy infrastructure investment.
- Focus on a range of project types, including low-carbon heat networks, renewable energy from wind and solar, energy efficiency, EV charging and smart energy systems.
- Builds on the council's investment to date and works to leverage the local knowledge and expertise that we have established over the years.
- Supports the council's and national government's decarbonisation targets and creates a scalable and replicable model for other cities to follow.



Why City Leap?

Put simply:

- We need to increase the pace of decarbonisation to:
 - meet our own carbon neutrality targets,
 - demonstrate leadership in Bristol,
 - address the climate emergency.
- In order to achieve this, we've procured a private sector partner to form a joint venture with BCC that is focused on strategically delivering decarbonisation projects in a joined up way over a 20-year partnership.

What has the council procured?

- The council has let a **20-year concession** to Ameresco Ltd, to deliver and fund low carbon energy projects across the council's estate via the City Leap joint venture in partnership with BCC.
- Ameresco Ltd is now BCC's pre-procured partner and has the **right of first refusal**, via City Leap, to deliver and fund **all** low carbon energy projects on the council's estate, including its social housing.
- Ameresco are supported by their essential sub-contractor, Vattenfall UK Limited. Vattenfall are responsible for building out the Bristol heat network.
- City Leap will want to work in collaboration with Services across the council, facilitated by the **City Leap Client Function** within BCC, to develop low carbon energy projects.
- These projects will need to meet a number of **pre-set Project Acceptance Criteria** – if they do so, they will be approved by the council

Ameresco's winning bid commitments

- Accelerating the council's drive to make its **operations carbon neutral by 2025**
 - covering its direct energy and transport emissions
- **Retrofitting the council's social housing by 2030**
 - achieving minimum EPC Band C
- Meeting the following contractually binding Key Performance Indicators (KPIs) over the first five years of the partnership:
 - a) Delivering **c140,000 tonnes of carbon savings**;
 - b) Installing **c182MW of zero carbon energy generation**; and
 - c) Delivering **c£61m of social value**, including c£50m of contracts to be delivered by the local supply chain.



In its winning tender, Ameresco estimated that an investment of **£424m** would be required over the five-year period of the business plan to deliver the above.

Social value highlights



- **£61.5m of social value** including c£50m of expenditure with local supply chain
- **100% of people working on City Leap** paid at least the **Real Living Wage**
- A **£1.5m Community Energy Development Fund**
- A **£500,000 R&D Fund** to support Bristol's innovation sector
- Create a **Community Benefit Fund** estimated at **£2.8m** over 20 years
- **Crowd funding** of up to 10% of the capital investment requirements of non-heat network projects
- Production of **Bristol City Leap Equalities Diversity and Inclusivity (EDI) Strategy**
- Working with the Centre for Sustainable Energy (CSE) and other partners to support the development and finalisation of the **No Cold Homes strategy**
- Create **over 1,000 new jobs, apprenticeships and work placements**



The role of the Client Function and the Project Acceptance Process or PAC



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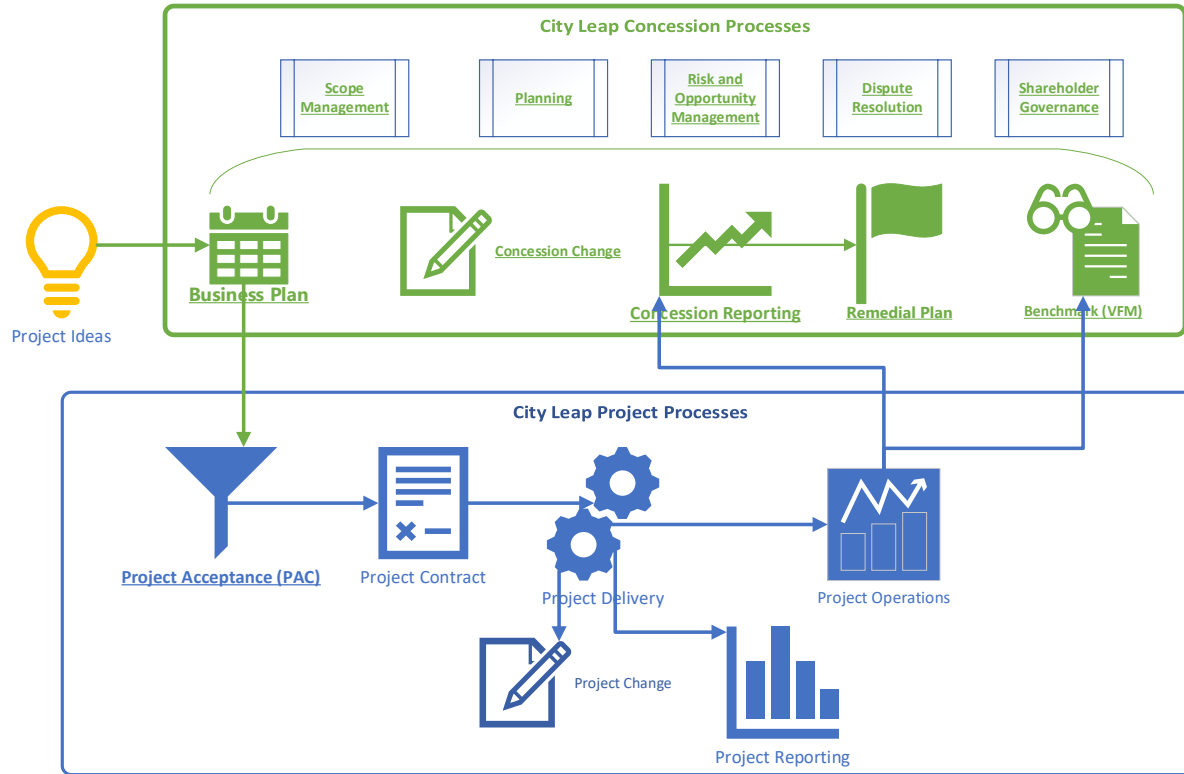
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City Leap Client Function Processes



City Leap Client Function Processes

Core processes

Project Acceptance	<ul style="list-style-type: none">• The process to start new projects on City Leap
Business Plan	<ul style="list-style-type: none">• Produced annually by SP and JVCo and forecasting five years of work.
Concession Reporting	<ul style="list-style-type: none">• Reporting of Concession KPIs, financial reports and project progress.
Scope Management	<ul style="list-style-type: none">• Tracking the scope of City Leap Projects.
Remedial Plan	<ul style="list-style-type: none">• Production of a Remedial Plan in the event of a poor Measurement Report
Concession Change and Project Change	<ul style="list-style-type: none">• Changes to the Concession or to individual City Leap projects
Risk and Opportunity Management	<ul style="list-style-type: none">• For both City Leap projects and the Concession
VFM Benchmark Report	<ul style="list-style-type: none">• Annual production of a benchmark report to show Value For Money on a sample of projects
Dispute Resolution	<ul style="list-style-type: none">• Resolution of Disputes between BCC and SP when they cannot be resolved.
Planning	<ul style="list-style-type: none">• Planning Client Function work and supporting in planning on Projects
Shareholder Governance Interface	<ul style="list-style-type: none">• Changes to JVCo governance (Reserved Matters)• Changes to Key Matters

City Leap Client Co-ordination / Roles

Shareholders and Non Executive Director (NED)

BCC have a 50% holding in City Leap Energy Partnership.

Approval Reserved Matters (changes to JVCo governance)

Changes to BCC policies and procedures

Other items NED should be aware of Key Matters, project proposal feedback, changes to the Concession, open disputes, performance

City Leap Delivery Group

Senior review and approval organisation within BCC

Reviewing performance reports and requesting ensuing actions

Approving progress through a project acceptance stage

Reviewing and approving annual Business Plans

Concession Management items: changes, risks, communications, Annual VFM benchmark

Key Matters (changes to contracts >£500k)

Service Working Groups

Working Groups involving City Leap Energy Partnership and BCC Services

New Project proposals

Business Plans

Progress on project proposal documents, project acceptance criteria approval/rejection

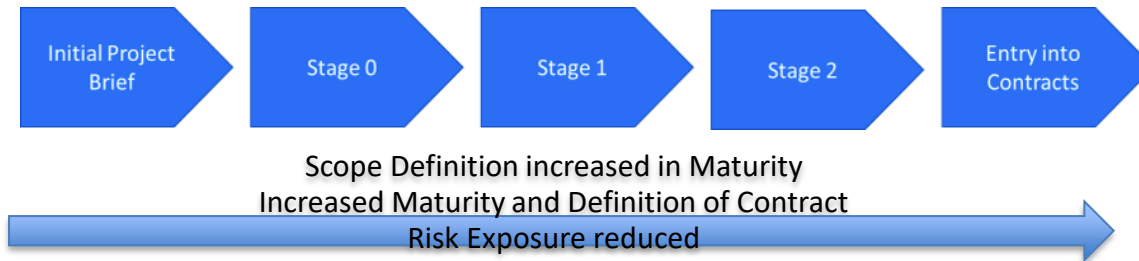
Progress on project delivery (in WG area)

Operational performance of projects

Project changes

Project Acceptance

- The project acceptance process is a four stage process
- At each stage, there are additional requirements, with greater detail and greater development of the project at each stage. These are set out in the Appendix.
- To progress beyond stage 0, stage 1 and stage 2 Consent from the City Leap Delivery Implementation Group will be required.
- Where projects require funding from the Council in excess of £500,000 they must be taken through the decision pathway for Cabinet approval, unless previously approved by Cabinet.
- After exiting Stage 2 the project can enter into a contract.



Current project register overview (i)



There are currently 35 projects in development on the council's owned estate / asset project register / pipeline. A further 15-20 projects that are not on the council estate which Bristol City Leap are actively exploring.

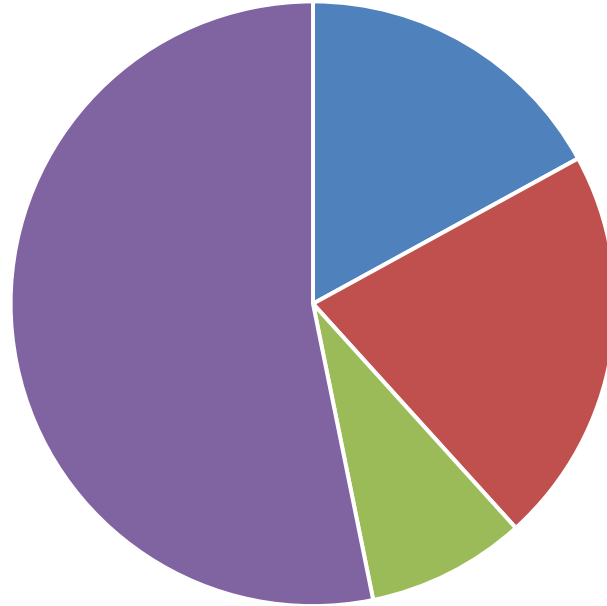
The category breakdown of projects in the council's project register if approved for delivery are:

- Electric Vehicles
- BCC Housing
- Large Scale renewables
- Council Property (assets)

Large range of measures being explored:

- Electric Vehicle Infrastructure
- Battery storage
- Energy Efficiency measures:
 - Building Management Systems
 - Heating distribution system improvements
 - LED lighting upgrades
 - Insulation measures
- Wind energy
- Solar energy (roof top and ground mounted)
- District heating

Current project register overview (ii)



- Electric Vehicles
- BCC Housing
- Large Scale Renewables
- Council properties

Funding – Bids and Grants

Public Sector Decarbonisation Scheme

- Application value circa £2.3m, submitted October 2023
- Focus on Canford Crematorium (burners), council offices and children's homes

Green Recovery Fund (via WECA)

- £3m in total
- Residential charging hubs
- Destination charging locations (e.g. central car parks)
- On-street residential charging (e.g. lampposts)

Local Electric Vehicle Infrastructure (via WECA)

- Expression of Interest in May 2023 for the region - £12 m
- Focus on public on and off-street EV charge-points for Bristol (£6m) and West of England (£6m) delivery.

Heat Networks

- Several 'live' applications have been submitted via Vattenfall. Details will be captured within the business plan

City Leap Business Plan Timeline

w/c 30th October draft business plan received by the Council

November 2023 – comments back to Bristol City Leap from the Council

December 2023 – January 2024 – finalise business plan

End of January 2024 – Scrutiny briefing

Mid-February 2024 – Business plan approval by the council in accordance with the Concession Agreement