



ADUR & WORTHING
COUNCILS

WBC Leader and ADC Executive
Member for Environment

4 August 2020

Decision to be taken on or after
12 August 2020

Key Decision: Yes

Ward(s) Affected:

Worthing Civic Quarter Heat Network feasibility stage 2

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- To update Members that Worthing Borough Council has applied for £120,000 of government funding towards Phase 2 of work to develop a heat network for the Worthing Civic Quarter site. A *Heat Network Feasibility Study and Master Plan for the Worthing Civic Quarter site* will be finalised in August 2020.
- The opportunity for a heat network on this site was identified in the *Adur & Worthing Council Carbon Neutral Plan. Platforms for Our Places* and *SustainableAW* commit to exploring the Worthing Civic heat network opportunity.
- Subject to the approval of funding from the government, this report seeks Executive Member approval to proceed to award a contract to a Project Manager and Stakeholder Engagement Consultant to carry work to the next stage.
- A decision on this is sought urgently in order to align with plans for the Worthing Integrated Care Centre scheme.

2. Recommendations

- 2.1. That the Executive Members:
 - 2.1.1. Note the application for £120,000 funding from the Government Department of Business, Energy and Industrial Strategy (BEIS)'s Heat Network Development Unit to Worthing Borough Council.
 - 2.1.2. Approve entering into the funding agreement, with Heat Network Delivery Unit (if successful)
 - 2.1.3. Approve a budget virement of £120,000 funding to the Council's revenue budget (if successful)
 - 2.1.4. Approve that officers procure and commission West Sussex Estates Partnership Ltd under the NHS LIFT Framework to provide consultancy advice and sub-contract to specialists to carry out the stakeholder engagement to develop Phase 2 of the feasibility work to progress a heat network project (if funding bid is successful); and
 - 2.1.5. To note that an update report will be presented once the feasibility study has concluded, and where a viable and practical heat network opportunity has been identified.

3. Context

- 3.1. This report seeks a five day decision from Executive Members, in order to commission Phase 2 of work on the Worthing Civic Quarter Heat Network¹ opportunity, within a timeframe that provides useful outputs to align with the project timetable for the Worthing Integrated Care Centre.
- 3.2. The report refers to a second phase of funding sought from HNDU/BEIS. Recommendations of a previous report on this were approved in March 2020: *Worthing Civic Heat Network Funding Approval* ([JAW/032/19-20](#)).
- 3.3. In March 2020, initial funding of £93,400 was secured from the Government Department of Business Energy and Industrial Strategy (BEIS) Heat Network Delivery Unit (HNDU) in March 2020. This funding was allocated to develop

¹ A heat network is defined as a system for distributing heat generated in a centralised location, via a network of underground pipes. Heat networks form an important part of the government's plan to reduce carbon and cut heating bills for customers (domestic and commercial). They are one of the most cost-effective ways of reducing carbon emissions from heating, and their efficiency and carbon-saving potential increases as they grow and connect to each other. They provide a unique opportunity to exploit larger scale – and often lower cost – renewable and recovered heat sources that otherwise cannot be used. It is estimated by the Committee on Climate Change that around 18% of UK heat will need to come from heat networks by 2050 if the UK is to meet its carbon targets cost effectively.

Worthing Civic Quarter Feasibility, Heatmap and Masterplan Study and to commission a Project Manager to manage the work.

- 3.4. If found practical and viable a heat network could provide renewable heat to the public sector buildings on the site, delivering decarbonisation through reduced carbon emissions associated with heating. Adur & Worthing Councils committed to explore the feasibility of a heat network on the Worthing Civic Quarter site under *Platforms for Our Places 2020-2022* and *SustainableAW 2020-23*.
- 3.5. The Feasibility work has been commissioned from technical consultancy *AECOM Ltd*. *AECOM* is developing the Worthing Heatmap and Heat Network Feasibility Study which is expected to be completed in August 2020.
- 3.6. Draft findings of the Feasibility Study have identified a viable heat network opportunity for the Worthing Civic Quarter using a number of potential renewable heat sources that include Open Loop Ground Source heat pumps² and Sewer Source heat pumps³
- 3.7. BEIS have been working closely with the council on the project and recommended that in order to progress the project quickly, a follow up funding bid be submitted for project management and stakeholder engagement support. The council submitted the bid in early July 2020. BEIS/HNDU are expected to announce the outcome of the funding bid in early August 2020.
- 3.8. The project management support will enable continuing management to ensure that the heat network project and wider WICC development schedules are aligned. West Sussex Estates Partnership were originally commissioned under the OJEU compliant LIFT framework. Funding is requested for continued support up until August 2021.
- 3.9. Specialist commercial support will enable stakeholder engagement consultants to work on the project through until 2021 with organisations from the civic quarter buildings including: WICC, MOJ, Adur & Worthing Councils, Worthing Theatres and Museums Trust and West Sussex County Council.

² Open Loop Ground Source heat pumps are where groundwater is extracted from the chalk aquifer, passed through a heat exchanger to capture the latent heat contained within, before being reinjected back into the aquifer.

³ Sewer Source heat is similar to a ground source heat pump systems but latent heat from hot water discharged through the sewer is used.

- 3.10. Once completed, the *Worthing Civic Quarter Heat Network Feasibility Study, Masterplan and Heatmap* will be brought to the Joint Strategic Committee with any proposals on how to proceed to investigate the opportunity.

4. Issues for consideration

- 4.1. At the Joint Strategic Committee of December 3rd 2019, members approved the adoption of the councils' Carbon Neutral Plan which identified interventions towards achieving the carbon neutral goal. It outlined a number of challenges to overcome. One of these was to decarbonise heating for council buildings, responsible for 42% of the councils' 3,000 tonne/year carbon footprint. This could be achieved mainly through shifting from gas based systems to renewable heating systems such as heat pumps.
- 4.2. The Carbon Neutral Plan includes recommendations for specific buildings. It recommended that the existing, end of their life, gas boilers in Portland House and Worthing Town Hall, be replaced with renewable heating. Due to the high cost of individual air source heat pumps (ASHPs) for large buildings, the Plan recommended exploring the opportunity for a heat network for the whole Worthing Civic Site.
- 4.3. The Plan recommends that by linking up all the buildings on the Worthing Civic Quarter Site (WCQ), greater efficiency and viability could be achieved, taking advantage of Government funding for viability assessments through the Heat Networks delivery Unit or HNDU; and funding for delivery through the Heat Network Implementation Programme or HNIP.
- 4.4. A heat network could potentially connect all buildings on the WCQ site, delivering efficiency and decarbonisation through development of an energy centre using heat pumps to supply heat to all the buildings on the WCQ site:

WCQ Building	Detail
Planned Worthing Integrated Care Centre (WICC)	New health development. Currently at RIBA Stage 3-4 (Spatial Coordination - Technical Design). Due to submit a Planning Application spring 2020 and commence build 2021-2 subject to approval.
Worthing Town Hall	Grade II Listed civic centre owned and occupied by WBC. Gas boilers which also supply the Assembly Hall, are at end of life.
Portland House	Civic office owned and occupied by WBC. Gas boilers are at end of life.
Assembly Hall	Grade II Listed venue owned by WBC, run by Worthing Theatre & Museums (WTM). (See para 6.4 for consultation undertaken).

Worthing Museum	Owned by WBC, run by WTM. Refurbishment is planned under the Let the Light In project, seeking Heritage Lottery funding.
Worthing Library	Owned by West Sussex County Council (WSSCC). Undergoing refurbishment to create a Community Hub including changes to heating provision. WSSCC have provided some match funding contribution towards this study. (See para 6.5 for consultation undertaken)
Worthing County Court	Owned by the Ministry of Justice. (See para 6.6).

5. Engagement and Communication

- 5.1. Cllr Kevin Jenkins was informed of the funding application to HNDU in October 2019, and supported it's development and plans to align with the WICC development, provided it did not delay delivery of the WICC scheme.
- 5.2. Finance, Legal, Democratic Services and Procurement Teams provide guidance to the project.
- 5.3. Updates on the project are reported to the councils' internal Carbon Reduction Delivery Group. The Major Projects Team are closely integrated with the project including the WICC Project Manager and Design Team.
- 5.4. All public sector stakeholders on the potential network referred to in paragraph 4.4 have been attending Stakeholder Meetings, receiving regular updates and providing information for the feasibility work. This includes Worthing Theatres & Museums, West Sussex County Council, and the Ministry of Justice.
- 5.5. The government has assigned an officer to oversee the project from BEIS who provides oversight, guidance, financial and technical expertise.
- 5.6. Under the Heatmap & Masterplan strand of work, consultants will be exploring opportunities to expand a heat network from the Worthing Civic Quarter out into the surrounding area. Consultation with relevant stakeholders will be undertaken as part of this.
- 5.7. The Heat Map will provide a helpful background document to the emerging Worthing Local Plan, identifying where heat networks are viable and practicable for allocated development sites and existing development.

- 5.8. It is proposed the *Worthing Civic Quarter Feasibility, Heatmap and Masterplan Study* will be brought to the Joint Strategic Committee once finalised, with any relevant proposals that result from it's findings.

6. Financial Implications

- 6.1. The amount sought from BEIS/HNDU is £120,00. This consists of £55,000 for Project Management and £70,000 for Stakeholder Engagement. If successful the award will be for 100% funding; no match funding is required from the council.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.4 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.5 The Council is able to access the NHS LIFT Framework and contract with the WSEP Ltd, the LIFT company for this area.

Background Papers

- [JAW/032/19-20 Worthing Civic Heat Network Funding Approval](#)
- Report to [JSC 09.07.2019: Climate Emergency Becoming Carbon Neutral by 2030](#).
- Report to [JSC 03.12.2019: Working towards the 2030 target - Adur & Worthing Councils' Carbon Neutral Plan](#)
- Report to JSC, December 2019: [Investing for the future: Capital Programme 2020/21 to 2022/23](#) (Corporate Investment Strategy 2020-2023)

- [Adur & Worthing Councils Carbon Neutral Plan, December 2019 \(AECOM\)](#)
- [SustainableAW 2020-23](#)

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Sustainability & Risk Assessment

1. Economic

- The Heat Network Study seeks to find an economic pathway to decarbonise heat in Worthing. Transition to a low carbon economy is vital to provide future energy systems resilience, and to address and reduce potential impacts of climate change

2. Social

2.1 Social Value

- By securing affordable, low carbon energy into the future, the councils protect budgets from future energy price rises, drawing less budget into council operational costs away from services delivery that benefit local communities.

2.2 Equality Issues

- The impacts of climate change are predicted to impact on all communities, but the greatest impact is predicted to impact the most vulnerable communities. It is imperative that all is done to mitigate climate change.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

2.4 Human Rights Issues

- The impacts of climate change are predicted to impact on all communities, but the greatest impact is predicted to impact the most vulnerable communities. It is imperative that all is done to mitigate climate change.

3. Environmental

- The key driver for the Councils' Climate Emergency Declaration and commitment towards becoming carbon neutral by 2030, is avert the predicted catastrophic impacts of climate change on the environment, economy and communities.

4. Governance

- The adoption of a Carbon Neutral Plan is intended to show leadership and put the councils own house in order in response to the climate emergency. This aligns with national legislation (the Climate Change Act 2008); national and regional policy, and the councils own policy under Platforms for Our Places and Sustainable AW.