Programme / Project Name : District Energy Network expansion/E.ON

Outline Business Case

The key purpose of the OBC is to confirm:-
1) the root cause of the business need is clearly defined
2) the preferred solution will deliver the defined outcomes and benefits and is value for money

Project Manager: Jed Turner
Project Sponsor: Mick Crofts
Project Budget: Waste Strategy budget
Outcome Programme Board: Waste Strategy Project Board

Business Need (Why & What)
A short summary (bullet points) that captures the overall objective of the project
- What is the problem: e.g. insufficient school places in the south east of Sheffield; extensive backlog maintenance across the school estate
- What is the objective: e.g. to provide sufficient school places in the south east of Sheffield; to identify Priority 1 backlog maintenance issues
- What is the solution: e.g. to build a new school; to rewire the first 10 schools on the priority list

An opportunity has arisen to obtain funding (a mixture of grant and loan) to support the expansion of the E.ON owned district energy network in the Lower Don Valley to make a connection to the Sheffield City Council district energy network (DEN). This project will:
- Require no direct capital or revenue funding from SCC but will require SCC to be the recipient of grant funding and then grant the funds to E.ON on reciprocal terms.
- As phase 1: Deliver a connection between the E.ON district energy network and the SCC DEN, providing additional low cost, low carbon heat to the SCC DEN providing resilience and opportunities to expand the SCC DEN.
- As phase 2: Deliver connections in the E.ON network to the Northern General Hospital and a BT datacentre.
- Support the city's regional development growth plan to encourage new industry and investment in the region; assisting with low cost, low carbon heat, improving air quality and ensuring Sheffield’s established and potential new investors are competitive in world markets.

A separate Business Case will be produced for phase 2 of this project during 2017/18. This Business Case focuses on phase 1 only.

N.B. To secure the grant funding for phase 1 from the HNIP pilot, a Memorandum of Understanding has to be signed by 31st March 2017.

Timescales (When does it Start & Finish)

<table>
<thead>
<tr>
<th>Gateway</th>
<th>Milestone Date</th>
<th>Date Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gateway 0 (Mandate)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gateway 1 (IBC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gateway 2 (OBC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gateway 3 (Development of the FBC)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Total Project Costs Summary (How much will the project cost?)

Funding available and any conditions attached to the funding i.e. to be spent within the financial year? Use this section to summarise how much your project will cost and how it will be funded.

Total project (phases 1 and 2)
The total project, delivering all three legs connecting the SCC DEN, Northern General Hospital, and BT datacentre will have a design and build cost of £13,200,000. It will be funded as follows:
- HNIP Grant: £2,231,250
- HNIP Loan: 3,500,000 (38 year term)
- E.ON funding: £7,468,750
- SCC funding: £0

Phase 1 (this OBC)
At this point the Council is committing only to delivering phase 1 of the project, the connection between the Blackburn Meadows plant and the SCC DEN. For this phase the cost of the project is £5.0m, to be funded as follows:
- HNIP Grant: £2,231,250
- E.ON funding: £2,768,750
- SCC funding: £0

SCC will act as the Accountable Body, drawing down the grant from BEIS as funding requests are received from E.ON against agreed milestones.

To secure the grant funding, SCC is being asked to sign a Memorandum of Understanding (attached) and note signed by the s.151 officer, no later than 31 March 2017. The grant can then be drawn down against agreed project delivery milestones during financial year 2017/18.

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>1:2015/16</th>
<th>2:2016/17</th>
<th>3:2017/18</th>
<th>³ to end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Funding</td>
<td>£0</td>
<td>£0</td>
<td>£2,231</td>
<td>£0</td>
<td>£2,231</td>
<td></td>
</tr>
<tr>
<td>Loan Funding</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£3,500</td>
<td>£3,500</td>
<td></td>
</tr>
<tr>
<td>Eon Funding</td>
<td>£5,119</td>
<td>£2,350</td>
<td>£7,469</td>
<td>£7,469</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total capital cost</strong></td>
<td>£</td>
<td>£</td>
<td>£7,350</td>
<td>£5,850</td>
<td>£13,230</td>
<td></td>
</tr>
</tbody>
</table>

Forecast Capital Expenditure £000’s

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>1:2015/16</th>
<th>2:2016/17</th>
<th>3:2017/18</th>
<th>³ to end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating Network Design and Build</td>
<td>£0</td>
<td>£0</td>
<td>£7,350</td>
<td>£5,850</td>
<td>£13,230</td>
<td></td>
</tr>
<tr>
<td><strong>Total capital cost</strong></td>
<td>£</td>
<td>£</td>
<td>£7,350</td>
<td>£5,850</td>
<td>£13,230</td>
<td></td>
</tr>
</tbody>
</table>

Cashable Benefits £000’s

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>1:2015/16</th>
<th>2:2016/17</th>
<th>3:2017/18</th>
<th>³ to end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td></td>
</tr>
</tbody>
</table>
Total cashable benefits £  £  £  £  £

(Whole life Costing’s) Revenue budget impact costs £000’s

<table>
<thead>
<tr>
<th>Year</th>
<th>1:2015/16</th>
<th>2:2016/17</th>
<th>3:2017/18</th>
<th>To end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
<td>£0</td>
</tr>
</tbody>
</table>

Total revenue cost £  £  £  £  £

How much will it cost to maintain and run once in operation for the life of the project (25 years)

The only costs to SCC will be minor administrative costs in acting as the Accountable Body, drawing down funds from BEIS and passing them on to E.ON against funding requests and agreed project delivery milestones. The agreement with E.ON will be a ‘back to back’ agreement, replicating the terms and conditions of SCC’s MoU with BEIS, so that SCC takes no risk and incurs no liabilities. SCC’s only costs will be administering the grant funding draw-down. The costs of administering the Accountable Body role will be covered through a discount on the price of heat purchased. In addition it is anticipated that as part of phase 2 of the project, where a BEIS funding will be through a low-interest loan, SCC will apply a small margin when passing on the loan to E.ON, to cover the costs of acting as the Accountable Body.

Additionally as part of phase 1, the Council will enter into a heat purchase agreement with Eon which will commit the Council to take a minimum of 7500 MWh of heat at a fixed price. It is anticipated that the price of the heat will be at least comparable to the gas back up currently used by Veolia and will create greater capacity of energy to sell on to third party customers of the DEN. This will subject to a separate approval and the Council will not draw down any funding and pass on to Eon until it is satisfied with the terms of the agreement with Eon and the appropriate approval has been given.

Decisions required

Brief summary of Sponsor recommendations and decisions required

The Executive Director of Place is invited to recommend to the Cabinet Member for Environment the signing of the Memorandum of Understanding to enable SCC to draw down grant funding to support the construction, by E.ON of a heat network connection between the E.ON Blackburn Meadows Biomass plant and the SCC DEN, as described in this OBC.

Project Sponsor Accountability

- I am accountable for delivering the benefits of the project on time and within budget
- I confirm the level of spend is within my delegated powers and available in my programme budget
- The impact of this project on other functions and areas has been agreed with them and is reflected in the business case and the sign-off below
- I have sought any additional sign-offs e.g. Cabinet

Name: Mick Crofts  Signature:  Date
Finance Approval (Appropriate Finance Manager):

- I have reviewed the business case and can confirm that the financial assumptions are accurate.

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jayne Clarke</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outcome Programme Board – Gateway 2a

- We have reviewed the business case and confirm the preferred solution is robust and achievable.

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[XXX]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Capital Programme Group Approval – Gateway 2b

- We have reviewed the business case and confirm the preferred solution is deliverable and represents value for money.
- We approve the associated funding.
- We accept the programme / project into the Delivery Preparation Phase Capital Programme at Gateway 2b.

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[XXX]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Why we need the Project

1.1 Background and problem/opportunity to be addressed
Explain the context of the project and how we have arrived at the current position, i.e. identifying that a project is required. This should explain why it should be done now and what the implications of not doing are. Root Cause Analysis to be used.

In autumn 2016 the Department for Business, Energy and Industrial Strategy (BEIS) invited applications to a pilot programme, the Heat Networks Investment Project (HNIP). The objective of the programme is to provide capital support to Local Authorities to increase the volume of heat networks being built, deliver carbon savings, and help create the conditions necessary for a self-sustaining heat network market to develop.

As part of the Waste Strategy review, considering options for the current Integrated Waste Management Contract with Veolia, Officers were considering how the existing SCC District Energy Network (DEN) could be developed as a strategic asset for Sheffield. The HNIP programme was seen as potentially one way of supporting developments. At the same time, E.ON, who own and operate the biomass power plant at Blackburn Meadows, and a DEN in the Lower Don Valley, were also considering the opportunities presented by the HNIP programme, and approached SCC with a view to bidding for funding in partnership.

A proposal was developed for a project that will deliver low cost, low carbon heat from the E.ON plant into the SCC DEN, providing resilience to the SCC DEN, and opportunities to expand the DEN to allow connection of, for example, the Sheffield Retail Quarter. In addition the project will connect the Northern General Hospital and a BT datacentre to the E.ON DEN. Funding will come from the HNIP programme and from E.ON’s own resources. There is no requirement for capital or revenue funding from SCC.

Because of the very tight timescales for the funding applications for the pilot HNIP support, we have agreed with HNIP that our funding application will be made and considered in two stages, which together make up the whole project. The first stage, and the subject of this OBC, is for the development of the connection between the E.ON DEN and the SCC DEN. This element of the project will be supported by a grant from HNIP to SCC, acting as the Accountable Body and passing the funding to E.ON who will undertake the construction and operation of the heat network connection.

For the grant funding to be made available as part of the pilot, SCC needs to have signed, by 31st March 2017, a Memorandum of Understanding describing how the funding will be used with HNIP. If we are unable to meet this demanding timescale, the opportunity for grant funding from this pilot will be lost.

1.2 Strategic Objective/s supported
This could be an internal Strategic Outcome and/or national policy/legislation.

A number of documents on sustainable local growth and development set the context for this project; these include Sheffield’s Economic Masterplan, Sheffield’s Development Framework, the City Centre Masterplan 2008 and specific Sheffield City Council (SCC) spatial planning policies. The sustainability policy “Growing sustainably: a bold plan for a sustainable Sheffield”, was approved at Cabinet recently, and makes several references to the importance of district heating and decentralised energy to delivering sustainability in Sheffield. A more extensive decentralised energy infrastructure would assist with flexibility, resilience and future-proofing of energy provision for Sheffield, together with carbon dioxide emissions reductions and a decrease in local atmospheric pollutants. The Sheffield Energy and Water Infrastructure Strategy has indicated that there is an opportunity to extend the existing district heating system or expand it to incorporate other decentralised energy sources, establishing a wider network across the city centre. This would be capable of delivering low-carbon heating, cooling and electricity to other areas of the city, including a variety of building types and energy users, both existing and emerging.

2. Project Objectives
What are the objectives of the project and what does the project need to achieve, particularly in terms of cost, time and quality. It is useful to identify both the immediate objectives for the project and the eventual outcomes (i.e. what the end products will deliver over the course of their lifespan, after the project has formally closed).

The objective of the project is to facilitate the development of a heat network to make a connection between the E.ON biomass plant at Blackburn Meadows and the Sheffield DEN, and subsequently, in phase 2, the expansion of the E.ON DEN by making a connection to the Northern General Hospital and a BT datacentre. The project seeks approval to agree the Memorandum of Understanding that completes the application to the HNIP pilot for grant funding to support the development of the phase 1 – the
connection to the SCC DEN to provide low carbon heat from the biomass plant, replacing heat from gas and oil-fired boilers used to top-up and back-up the heat from the Energy Recovery Facility, and also to provide heat capacity to enable expansion of the network (including to the Sheffield Retail Quarter).

Funding for this stage of the project will come from E.ON’s own resources, supplemented by a grant from HNIP. SCC will not provide any capital or revenue support for the project but will act as the Accountable Body for the disbursement of BEIS funds to E.ON.

The project build of phase 1 will be in financial years 2017/18, leading to the implementation of the new network connections and a heat network with a design life of 40 years, during which heat will be delivered to the SCC DEN.

Working in partnership with E.ON UK PLC presents a significant opportunity to interconnect the existing Sheffield energy-from-waste plant through the Lower Don Valley to the E.ON biomass power station at Blackburn Meadows (BBM). Such interconnection creates the potential for phase 2 of the project to supply the anchor heat load at Northern General Hospital and the additional BT Exchange Data-Centre. The Lower Don Valley area of the city is a proposed ‘Enterprise Zone’ with significant scope to initiate sustainable economic growth.

District heating provides a number of commercial and environmental benefits over and above alternative solutions, with carbon savings and improvements in air quality being of particular note.

3. Summary of Options Considered

What are the different options that have been considered to deliver the project? Please list the advantages and disadvantages.

- Consideration of options with preferred solution(s)
- Further evaluation of validated options
- Cost Benefit Analysis to be carried out for each option

3.1 Option: – Do nothing option or Model One the minimum option

The HNIP funding application (attached) provides evidence that in the absence of the HNIP funding, the project would not be viable. The SCC DEN would continue to rely on gas and oil boilers to provide back-up and top-up heat into the network at times of peak demand and during the Energy Recovery Facility (ERF) shut-down periods. The NGH would continue to rely on its own gas-fuelled energy centre and the BT datacentre would be likely to install a gas CHP energy centre.

The opportunities for carbon savings for all three organisations would be lost and the SCC DEN would remain unable to achieve significant development and expansion.

4. Preferred Option

Please describe why this option has been selected and how it will meet the project objectives.

This option is the only option that is able to draw on the HNIP pilot grant funding to deliver the benefits described below.

5. Project Scope

Given the preferred solution selected, detail what should be included as part of the project and also what is specifically excluded from this project? This will avoid misunderstandings and possible project scope creep later on.

The overall scope of the project is the connection of the SCC DEN, Norther General Hospital, and BT datacentre to the E.ON DEN. There will also be an associated heat purchase agreement under which SCC will buy heat from the E.ON network for onward sale to customers of the SCC DEN. However the scope of this OBC is phase 1 of the network interconnection, specifically the connection between the E.ON DEN and the SCC DEN and specifically the authority to enter into an MOU with BEIS to be able to receive grant funding. The Council will only draw down the grant funding and pass on to EON when it is satisfied that the commercial terms of the funding and heat purchase agreements are acceptable and have been approved by CPG/Cabinet as necessary.

Excluded from this OBC is phase 2 of the project which will cover the connection to the NGH and BT datacentre. Phase 2 will be the subject of a separate OBC and Report once the commercial assessment of phase 2 is completed during 2017/18.
6. Benefits and Dis-benefits
Use this section to summarise what benefits will be achieved. Include both financial benefits (cashable and non-cashable) These could include financial savings or an expected improvement within a certain area. Also include any dis-benefits.

A benefit is a measurable improvement delivered by a project or programme which is seen by a stakeholder to be positive and worthwhile. Dis-benefits are the outcomes from a project or programme which are perceived by one or more stakeholders as negative.

6.1 Benefits
Explain what high level benefits should be produced and the approach to their realisation, i.e. what we expect to achieve in terms of efficiencies, improvements, quality of care etc. Specify how they will be measured over what timescales. (KPI's). For example: creating more green spaces or a perception via a residents' survey that crime has gone down.

There are a range of benefits to the expansion of the existing energy networks, leading to lower CO2 emissions and improved energy security. Increasing the amount of energy (both heat and power) generated from renewable and sustainable resources will help meet the national and international legislation regarding renewable energy. Related to this is energy use minimisation using heat meters, which are often installed in homes using district heating. Monitoring energy usage makes people more aware of their energy consumption, which in turn can reduce energy demand. A key feature under the HNIP application will be the ongoing optimisation of associated plant and equipment to ensure carbon and cost operational savings are maximised. Furthermore, this raises awareness of sustainable/renewable energy sources and technologies in general and may encourage the use of other forms of decentralised energy, for example, microgeneration.

Secondly there are many environmental benefits, including aiding the achievement of carbon emission reduction targets. Additionally, energy made in Sheffield and the use of local fuel resources minimises the amount of fuel and therefore also the emissions generated from transportation. The carbon savings generated from installing a district heat network solution over the counterfactual gas boiler solution are shown in Figure 6 below, with calculated savings of 10.941tCO2 per annum for the initial connections proposed within this project.

![Figure 6: Carbon savings associated with the installation of a DHN solution rather than a gas-boiler solution total 10.941tCO2 per annum for the initial connections proposed within this project.](image)

Thirdly, there are socio-economic benefits. These include reduced energy bills for users on the district heating network compared to counterfactual solutions; integral for minimising fuel poverty. Furthermore, the economic benefits would also extend to the operators of such a system. Local ownership of energy generation and distribution is actively encouraged and growing, becoming an important resource for the city. It enables greater control of supply and promotes energy efficiency and demand reduction. Such investment supports sustainability and reduces fuel poverty, seeking profits to reinvest in related aims as well as the creation of jobs in the sector at all levels from research through to manufacture and project management and delivery.

Finally, the integrated network approach adopted by Sheffield will set an excellent example for other UK cities and towns. Sheffield is already in the minority for having one of only a few highly successful city-wide district heating networks, but this proposed expansion enabled by the HNIP funding would lead the
way for similar developments across the UK. Many other EU countries, particularly the Scandinavian nations, utilise district heating and/or cogeneration extensively and such schemes will support the standing of the UK with the rest of Europe. The systems deployed in major cities across the world (throughout Europe, the Americas and Japan), including Sheffield, are highly beneficial. Sheffield therefore has a clear opportunity here to yet again be a ‘landmark’ or ‘beacon’ city for decentralised and moreover sustainable energy generation.

The existing district energy network is fairly contained, therefore there is clear potential for expansions to incorporate a much larger area, utilising additional energy sources and providing heat to more users within the city and beyond. Furthermore, the energy recovery facility is not located within the centre of the current district energy network (all network pipelines extend to the south and west of the energy recovery facility), thus there are potential expansion opportunities to both the north and east of the existing network. The coupling of the Sheffield DEN with the E.ON Blackburn Meadows network significantly expands the reach of district heating within the city.

6.2 Dis-benefits
For example: additional operational costs or loss of green space in an area due to the building of a new school. Some changes can be seen by different stakeholders as both a benefit (net cost reduction through fewer staff) and a dis-benefit (job losses). These dis-benefits can be classified, managed and measured in the same way as benefits.

We have been unable to identify dis-benefits given that there are no SCC capital or revenue requirements, and all risks and obligations in relation to the funding flow through SCC to E.ON.

7. Key Assumptions
Include financial and non-financial, if applicable.

- We are able to sign the Memorandum of Understanding for the grant funding by 30/03/2017.
- SCC continues to operate (or subcontract the operation of) the DEN.
- HNIP grant funding is not withdrawn.
- Acceptable terms will be agreed with E.ON for the supply of heat.
- E.ON meet their obligations to fund the remainder of the capital cost of the project and meet agreed construction milestones.

8. Constraints
Any identified restrictions (e.g. on time, resources, funding or buy in from stakeholders) which may have an impact on project delivery.

The main constraint is the requirement to sign the MoU by 30/03/2017 and to use the grant funding to complete phase 1 of the project during 2017/18.

9. Links and Dependencies
State any links and dependencies with other projects and organisations.

- There are links to the Waste Strategy Review and the consideration of reprocurement of the contract for operation and maintenance of the SCC DEN. However under either scenario (continuing with the current Veolia IWMC, or with a new contract) the project will provide additional, low cost, low carbon heat that will support the development of the DEN.
- The project depends on the ability of E.ON to provide the balance of funding and to deliver the construction of the project to agreed milestones.

10. Risks and Opportunities
Summarise, without including the Risk and Opportunities Register, the most significant risks and opportunities for the project and mitigating actions? For example, would there be a risk to fulfilling the funding obligations if the project was delayed resulting in monies not being spent within the agreed time limit. Where possible, these challenges have been addressed through the inclusion and design of specific activities within the programme, or otherwise they are included as risks or opportunities.

- All agreements with E.ON will seek to ‘back off’ and ‘flow down’ and risks, obligations and liabilities to E.ON.
- SCC will only draw down funding from HNIP when requested by E.ON and once agreed milestones have been completed. The risk of any clawback is therefore minimal, but in any case that risk is also backed off to E.ON.
• There is a risk of procurement challenge (see below).

11. Governance
Insert diagram of the governance structure, showing all groups and individuals with specific responsibilities for the project, e.g. Outcome Programme Board, Steering Group, Outcome programme manager, project manager, project team, etc.

The Waste Strategy Board provides governance for the project. The Waste Strategy Programme Director and Programme Manager, together with the Head of Waste Services and the Sustainable Energy Project Officer, will manage the delivery and administration of the project. The project team includes representatives from finance, legal and housing.

12. Procurement Strategy
Briefly describe the procurement options considered and why the selected strategy is right for this project.

SCC has taken advice from Bevan Brittan on State Aid issues and on procurement issues.

From a procurement perspective they have considered what contracts the Council will enter into in order to deliver the whole project.

Because the arrangements are structured so that E.ON is under no legal obligation to carry out the works (but if they don’t, they don’t receive the funding), the Council can argue that one of the essential conditions for a “public works contract” is not met.

With regard to the purchase by the Council of heat from E.ON, the view is that the Council will be acting as a “Utility” and so the Utilities Contracts Regulations 2016 apply. If the Council purchases heat from E.ON for the purpose of the Council pursuing its activities as a utility, that purchase is covered by a specific exemption (Regulation 23 of the UCR) and the Council will not be under an obligation to run a procurement even if the threshold for supplies/services is exceeded.

The advice from Bevan Brittan is that there is an element of risk of challenge which could be mitigated by the publication of a VEAT notice.

13. Timescales
Use this section to summarise the main project milestones.

<table>
<thead>
<tr>
<th>Key milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoU signed</td>
<td>30/03/2017</td>
</tr>
<tr>
<td>Project mobilisation</td>
<td>03/04/2017</td>
</tr>
<tr>
<td>Commercialisation</td>
<td>April-June 2017</td>
</tr>
<tr>
<td>Construction milestones</td>
<td>July 2017-March 2018</td>
</tr>
<tr>
<td>Phase 1 completion</td>
<td>March 2018</td>
</tr>
</tbody>
</table>

14. Resources

14.1 What people will the project need?
Identify the people who will deliver the project (ensure that the impact upon Business As Usual resources is covered in section 16). Include any external advisors required.

The Waste Strategy Programme Director and Programme Manager, together with the Head of Waste Services and the Sustainable Energy Project Officer will deliver the project.

14.2 What will the project cost to deliver?
Include the costs of staff involved in the project, especially if these staff are to be back filled (ensure that the impact upon Business As Usual resources is covered in section 16). Provide costs for any external advisors that will be required throughout the project.

No additional resources will be required to deliver the project and it will be managed as part of the Waste Strategy Programme. No external advisers will be required to deliver the project.

15 Delivery Approach (business change projects only)
Describe the approach to delivery and demonstrate that there is a clear understanding of the Business Change Agenda and what plans are in place to address the change required.
15.1 **Impacts**
Impact Assessment Checklist to be used

15.2 **How will the proposed change be managed?**
Programme and project methodology
Use of external advisors

16 **Impacts**
What would be the impact (positive and negative) on the Council’s reputation or structures? Think about impact on equality, environment, likely social and economic impacts on citizens and communities. Are there any Legal implications? Human Resource implications? Equality implications? Commercial implications?

Delivery of the project will have a very positive impact on the Council’s reputation as a leader in district energy in the UK, and a positive impact on the local environment by reducing the carbon footprint of heating in the city. This will lead to opportunities for positive news stories.

Decentralised energy has the potential to help reduce fuel poverty and increase the competitiveness and resilience of industry in Sheffield.

Growing the SCC DEN will enable it to operate more efficiently and profitably, so that additional funds may be provided for any necessary refurbishments.

17. **Additional Appendices**
Please list (where relevant), Project Management Plan (including Health & Safety, CDM, Ganitt Chart, Finance Management Strategy, Meeting and Reporting schedule, Stakeholder Engagement Plan, Project Controls – Risks, Opportunities, Issues, Change), Extract of Q-Tier Financial - CAF, Procurement Strategy, Equality Impact Assessment, Challenge & Review Reports, Specialist Reports as required

- HNIP application
- Memorandums of Understanding
- Draft Heads of Terms for heat purchase agreement