

**NOTTING DALE HEAT NETWORK LTD****(Company Number 13882225)**

Minutes of a meeting of the board of directors of Notting Dale Heat Network Ltd (**Company**) held online on Tuesday 22 November 2022 at 5pm.

**PRESENT:**

| <b>NAME</b>     | <b>POSITION</b>          |
|-----------------|--------------------------|
| Terry Oliver    | Director (interim Chair) |
| Liam McCusker   | Director                 |
| Susan Al-Safadi | Director                 |
| Daniel Chin     | Director                 |
| Heidi Hellmann  | Director                 |
| Faisal Butt     | Director                 |

**IN ATTENDANCE:**

| <b>NAME</b>     | <b>POSITION</b>   |
|-----------------|---|
| Jeff Laidler    | Heat Network Programme Manager                                |
| James Caspell   | Strategic Advisor and Project Sponsor                         |
| Abbas Dadou     | Chair of Lancaster West Residents Association (Observer)      |
| David O'Connell | Vice-Chair of Lancaster West Residents Association (Observer) |
| Michelle Active | Secretary of Lancaster West Residents Association (Observer)  |

**APOLOGIES:**

|               |                      |
|---------------|----------------------|
| Tina Buchanan | Financial Controller |
|---------------|----------------------|

Terry Oliver was appointed chair of the meeting.

## **2 NOTICE AND QUORUM**

The chair reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the chair declared the meeting open.

## **3 BUSINESS OF THE MEETING**

3.1 The chair reported that the business of the meeting was to:

3.1.1 Note the appointment of two Independent Directors

3.1.2 Provide a heat network update

3.1.3 Approve the previous minutes

3.1.4 Consider, and if thought fit, approve:

- (a) An application to use The Co-Operative Bank for the Company's business bank account
- (b) The use of Dataplan for the Company's payroll system
- (c) The appointment of the Legal Advisor and Company Secretary (Part B)
- (d) The Heads of Terms with Kensington Aldridge Academy (Part B)
- (e) The principles for Heads of Terms (Part B) for:
  - (i) Heat Supply Agreement with Greenwich Leisure Limited (GLL) as the current operator of Kensington Leisure Centre;
  - (ii) Connection Agreement for Kensington Leisure Centre with Kensington and Chelsea (**Council**) as freeholder;
  - (iii) Heat Supply Agreement for Baseline Studios with the Council.

3.1.5 The Management Account template will be reviewed at the next Board meeting.

## **4 DECLARATIONS OF INTEREST**

4.1 There is a Conflicts of Interest Register, in which each director present has declared the nature and extent of their interest in the arrangements to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

4.2 It was noted that pursuant to Article 17.3 of the Company's Articles of Association, a director may vote and form part of the quorum in relation to any proposed transaction or arrangement in which they are interested subject to complying with the restrictions contained in Article 17.3.

4.3 Liam McCusker noted that he is likely to be a Director of the Council's new Housing Company when it is incorporated. Susan Al-Safadi has completed and will submit her Conflict of Interest form as soon as possible.

## **5 DOCUMENTS PRODUCED TO THE MEETING**

5.1 The following documents were produced for the meeting:

5.1.1 Options Analysis in relation to the Company's business banking accounts, with a recommendation to apply to The Co-Operative Bank for a business bank account.

- 5.1.2 Options Analysis in relation to the Company's payroll system, with a recommendation to buy Dataplan as the payroll system.
- 5.1.3 Report evaluating the procurement of the Legal Advisor and Company Secretary, with a recommendation to confirm appointment. The appointment of the Company Secretary is subject to Shareholder Committee approval.
- 5.1.4 Heads of Terms with Kensington Aldridge Academy
- 5.1.5 Principles for Heads of Terms for:
  - (i) Heat Supply Agreement with GLL as the current operator of Kensington Leisure Centre;
  - (ii) Connection Agreement for Kensington Leisure Centre with the Council as freeholder;
  - (iii) Heat Supply Agreement for Baseline Studios with the Council (Part B).

## 6 DIRECTORS

- 6.1 It was noted that the following, each of whom had indicated a willingness to act, had been appointed as directors of the Company by the Shareholder Committee on 19 October 2022:
  - 6.1.1 Heidi Hellmann
  - 6.1.2 Faisal Butt
- 6.2 Terry Oliver welcomed the appointment of the two Independent Board Members.
- 6.3 It was further noted that the details of all six of the directors have been entered into the Company's register of directors.

## 7 HEAT NETWORK UPDATE

Since the first Board meeting on 8 February 2022, the heat network has continued to generate momentum. We now have four workstreams:

### **Workstream 1: Commercialisation of the core scheme at Lancaster West Estate (Phase 1)**

- Issued the tender packs for both the Design, Build, Operate and Maintain (DBOM) contract and the Design and Build (D&B) contract for the secondary and tertiary heat networks. These are the two main heat network contracts for the Lancaster West Renewable Heat Network
- Organised subsequent bidder clarification meetings and site visits
- Organised and ran joint Procurement Evaluator training for residents and the heat network team, providing residents with the information and training to be able to decide whether to join the Evaluation Panels for one or both of the main procurements
- Appointed Tonkin Liu as architects for the Lancaster West Renewable Heat Network
- Completed our pre-application planning submission for the Renewable Boiler Room and Renewable Heat Store, with confirmation from the Council's planning team that:
  - 1 The proposed Phase 1 heat network to the Lancaster West Estate would bring clean, affordable energy to residents, and is supported in principle;
  - 2 Further details are required to demonstrate that the proposals would have an acceptable appearance and impact on the townscape and setting of neighbouring conservation areas, on neighbouring living conditions, the function of the highway, trees, flood risk and drainage, land contamination and air quality;
  - 3 The proposals should be developed in full consultation with the community;
  - 4 Given the strategic and complex nature of the proposals, it is recommended that the scheme is the subject of a Planning Performance Agreement.

- Work is now underway to undertake resident co-design of the Renewable Heat Store location, as well as the architectural appearance of
  - Air Source Heat Pump 1 (ASHP 1) on the top of Kensington Leisure Centre
  - ASHP 2 on the top of Treadgold House
  - Renewable Boiler Room
  - Renewable Heat Store
- In parallel, detailed assessments will be undertaken to support the planning application, which is scheduled to be submitted to the Council's planning team in February 2022. The application will include the primary network that will connect the four heat network technologies listed above to the residential blocks and public buildings on the Estate.
- Progress is being made with understanding the cost of the electrical power upgrades required for both the Renewable Boiler Room and ASHP 1 at Kensington Leisure Centre. Work is underway to reduce these costs. We aim to make the budget approvals for these electrical power upgrades part of the Leadership Report at Final Investment Decision in March 2023.

### **Workstream 2: heat network expansion into Notting Dale ward (Phase 2)**

- Continued work to develop the Outline Business Case for heat network expansion, which will now report in 2023. The amount of stakeholder engagement required is significant.
- A provisional route for the heat network has been determined, which will now be refined based upon the data collected for each potential heat load.
- We are actively working with colleagues in both Sustainability, Housing, and Social Investment and Property, to maximise the opportunity to again combine a 100% renewable heat network with energy efficiency improvements to the building fabric.
- There is the potential opportunity to double the size of the core scheme. As heat networks are most efficient when developed at scale, this is why heat network expansion helps protect customers from rising energy prices and fuel poverty

### **Workstream 3: setting up a local energy company**

- Organised and held the Company's first Away Day on 1 November 2022, which provided the opportunity to gain detailed feedback and comments from the Board on different aspects of the Company's Business Plan.
- Appointed Faisal Butt and Heidi Hellmann as two Independent Board Members who have already provided significant value, helping to shape the draft Business Plan
- Supported the Council's second Shareholder Committee meeting on 19 October 2022
- Developed the draft 3-year Rolling Business Plan, ready for informal consultation with Shareholder Committee. A publicly accessible version of the business plan will also be developed, with the detailed Business Plan forming a useful tool for the effective management and oversight of the Company.

### **Workstream 4: Cross Borough Energy Masterplan**

- Obtained additional £17,275 grant from the GLA and £8,6730.50 from Hammersmith and Fulham Council, with a match-funding contribution of £8,6730.50 from Kensington and Chelsea Council to deliver a more comprehensive Cross Borough Energy Masterplan. This adds to the £150k grant already confirmed by the GLA.
- Ran a mini-competition to appoint a consultancy to deliver the energy masterplan, with the winning contractor about to be appointed. The Cross Borough Energy Masterplan will report in 2023 and includes several senior stakeholder workshops.

## **8 PREVIOUS MINUTES**

- 8.1 The previous minutes from the Board meeting on 4 August 2022 and actions were confirmed by the Directors as being correct, with no updates suggested. Jeff Laidler confirmed that all previous actions were completed.

## **9 CONSIDERATION OF MATTERS (PART A)**

### **9.1 BANKING OPTIONS**

- 9.1.1 Jeff Laidler presented an Options Analysis on the Sustainability Policies of different business banks, noting the Board's request to seek a bank that both leads by example on sustainability and can provide a business bank account that meets the Company's operational requirements. It was noted that the Options Analysis contains a recommendation that the Company applies to The Co-Operative Bank for a business bank account.
- 9.1.2 The directors reviewed, considered and confirmed their understanding of the Options Analysis of Business Bank Accounts, noting that the Co-Operative Bank has strong sustainability credentials. It is also the only shortlisted option that provides dual authorisation of payments.

## 9.2 PAYROLL SYSTEM

- 9.2.1 Jeff Laidler presented an Options Analysis of payroll systems, and noted that it contained a recommendation to buy Dataplan as the Company's payroll system for an initial 12 month period.
- 9.2.2 The directors reviewed, considered and confirmed their understanding of the Options Analysis for Payroll provision.

## 10 RESOLUTIONS (PART A)

- 10.1 After careful consideration, including consideration of the matters referred to in section 172(1) of the Companies Act 2006, **IT WAS RESOLVED** to:
- 10.1.1 Approve the use of The Co-Operative Bank for the Company's business bank account.
- 10.1.2 Feedback to NatWest Bank that we have not selected their business bank account, due to Notting Dale Heat's sustainability ambitions and the apparent lack of strategic alignment.
- 10.1.3 Approve the use of Dataplan for the Company's payroll system for an initial 12-month period.

## 11 CONSIDERATION OF MATTERS (PART B)

- 11.1 See separate Part B papers on Appointment of Legal Advisor and Company Secretary; Heads of Terms with Kensington Aldridge Academy; and Principles of Heat Supply Agreements for Kensington Leisure Centre and Baseline Studios.

## 12 RESOLUTIONS (PART B)

See Part B report.

## 13 NEXT STEPS

- 13.1 The chair reported that the next steps to be actioned by the Company are to:
- 13.1.1 Produce a final version of the Company's Business Plan for approval by the Board on 4 January 2023, which includes the Strategic Risk Register and Business Development Strategy;
- 13.1.2 Review the first set of draft Company policies: Health and Safety, Financial, GDPR, Staff and Equal Opportunity Policies;
- 13.1.3 Approve the principles of the residential Heat Supply Agreements with tenants and leaseholders.
- 13.1.4 Produce a report in relation to the proposed change to the Company's accounting period for consideration and approval by the Shareholder Committee.
- 13.1.5 Michelle Active confirmed the LWRA's support for seeking views of people living on and off Lancaster West Estate in the public consultation on the energy centre options.

Action 6: Jeff Laidler to provide an update on the Director and Officer insurance to the Board.

**14 ANY OTHER BUSINESS**

14.1 None

**15 CLOSE**

There was no further business and the chair declared the meeting closed.

Chair 

Terry Oliver

24/12/22  
Date