

**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 at Baseline Studios, Whitchurch Road, London, W11 4AT on Tuesday 25 April 2023 at 10.30am.

**PRESENT:**

<b>NAME</b>	<b>POSITION</b>
Susan Al-Safadi	Director
Daniel Chin	Director
Heidi Hellmann	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
Shaun Haden	Head of Strategic Programmes and Innovation
Mike Read	Finance lead (heat network team)
Janet Hall	Resident engagement lead (heat network team)

**APOLOGIES:**

Faisal Butt	Director
Terry Oliver	Director

## 1 CHAIR

Daniel Chin was appointed chair of the meeting pursuant to article 15.4.1 of the articles of association of the Company (**Articles**).

## 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 provide a heat network update;

3.1.2 approve the previous minutes; and

3.1.3 consider and, if thought fit, approve the Company's proposed:

(a) 3-Year Business Plan (**Business Plan**).

## 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 Articles.

4.2 Accordingly, it was noted that the directors had no direct or indirect interest in any way in the proposed business of the meeting and could vote and count in the quorum at the meeting.

## 5 DOCUMENTS PRODUCED TO THE MEETING

5.1 The following documents were produced to the meeting:

5.1.1 the Business Plan

5.1.2 external due diligence provided by Mazars accountants and National Energy Action

## 6 PREVIOUS MINUTES

6.1 The previous minutes from the Board meeting on 6 February 2023 and actions were confirmed by the Directors as being correct, with no updates suggested.

	Action	Response
1	Heat network team to discuss back-up for the commercial loads if there are any issues at first 'Heat On' in the Christmas holidays.	The Phase 1 heat network has been designed to be highly reliable, with the Air Source Heat Pumps, electric boilers and thermal store, supported by emergency back-up at Kensington Leisure Centre. In addition Jeff Laidler is checking with Ramboll to ensure that the Academy substation includes the facility to bring in a temporary gas boiler as an additional emergency option, thereby enabling the Academy to choose to remove and avoid ongoing maintenance costs with its existing gas boiler and micro-CHP.
2	Arrange an Away Day in the next few weeks to enable the Board to	Completed, with Away Day hosted on 30 March 2023

	consider different parts of the Business Case in more detail	
3	Ensure that Notting Dale Heat is aware of the national prepayment meter scandal.	Completed. This has already been actioned through the D&B procurement specification.

## 7 HEAT NETWORK UPDATE

The chair reported that the heat network continues to generate momentum and that the Company has four principal workstreams, the status of which is as follows:

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

- Issued the Invitation to Submit Final Bids (ISFT) to the three shortlisted DBOM bidders and the two shortlisted D&B bidders. Preferred bidders are on track to be evaluated in May 2023. Residents continue to be closely involved with the procurement, joining an experienced team of heat network and sector specialists on the Evaluation Panel.
- Undertook four successful Stage 2 public consultation events at Kensington Leisure Centre in late March and early April 2023, with over 60 attendees and 26 feedback forms completed. This was in relation to the final locations and designs for ASHP 1 on top of Kensington Aldridge Academy; the Renewable Boiler Room at Camelford Walk; and the Renewable Heat Store directly to the south of Kensington Leisure Centre, in the open space directly opposite the northern end of Albany Park Road.
- 48% of residents were from W1, W10 and W8, with 52% living elsewhere. This is positive, with a good mix of residents living on and off the Estate.
- 84% of residents liked the same colour for both the thermal store and boiler room. 36% of residents preferred green but a darker green. 44% of residents preferred white, but a warmer white. With such an even split we'll seek the views of the Quality Design Review.
- As part of the Planning Performance Agreement that has been signed with the Council's Planning team, a Quality Design Review is scheduled for Thursday 20 April at Baseline Studios. This will provide additional due diligence on the quality of the architectural design.
- Jeff talked through the high-level programme.

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

- Having successfully determined provisional routes and the preferred technological solution, the Company has postponed the stakeholder engagement until after Final Investment Decision for Phase 1. Potential heat network customers will be more likely to commit time and resource if they know that Phase 1 is definitely happening. In addition, it will be easier to engage potential strategic customers through the Cross Borough Energy Masterplan, and then talk to them about Phase 2 connection opportunities.

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

- Hosted a successful Away Day on 30 March 2023, with confirmation from the Board that the Council will be responsible for clienting delivery of the DBOM contract. The Company will monitor and manage the Council's performance through a new Service Level Agreement (SLA). The SLA will include both clienting the DBOM and D&B contracts; use of the Lancaster West Neighbourhood Team's existing and experienced customer experience team; the Resident Transition and Resident Liaison Officers. We're meeting Womble Bond Dickinson on 26 April to discuss this further.
- Invited member(s) of Shareholder Committee to meet the Notting Dale Board prior to this meeting.
- A second Away Day is planned for 25 April 2023, straight after this Board meeting, where Construction Design Management training will be provided.

- Case study visits have been arranged for politicians, the Board and residents to see heat pumps and operational heat networks at both the University of West London and the London Borough of Southwark.

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

- This important piece of work started in January 2023 and is due to report in summer 2023.
- External workshop arranged for 10 May 2023, with the aim of showcasing existing and proposed heat networks, and engaging stakeholders to:
  - Enable prioritisation of significant heat network opportunities in both Kensington and Chelsea, and the neighbouring borough of Hammersmith and Fulham.
  - Provide a route map to decarbonise heating and hot water in Council homes and buildings.
  - Help inform planning policy and the development of 'Heat Zone(s)' in both boroughs., and to help prioritise the significant heat network opportunities.
- Confirmed speakers include Cllr Taylor-Smith, Notting Dale Heat, DESNZ, the GLA, Triple Point, Earl's Court Development Company, South Ken ZEN, White City and Television Centre.

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

### **8.1 3-YEAR BUSINESS PLAN**

- 8.1.1 Jeff Laidler presented an overview of the Business Plan, noting that Appendix 4 on Risks has been excluded as a Part B item. The results from the external due diligence will be presented as a Part B item.
- 8.1.2 The Board noted that the Company requires the approval of the sole shareholder of the Company (**Shareholder**) to adopt and implement the Business Plan pursuant to article 6.1.6 of the Articles.
- 8.1.3 The directors reviewed, considered and confirmed their understanding of the Business Plan (excluding Appendix 4 on Risks). Liam McCusker noted that it is a really good document and thanked the heat network team.

Action 1: Liam McCusker to double check that the forecast maximum capital expenditure in the Business Plan matches the Council's Capital Programme.

Action 2: Liam McCusker to investigate how the Capital Board inputs ahead of Final Investment Decision.

Action 3: Jeff Laidler to add the Heat Network Programme and its interdependency with the Refurbishment Programme as a standing item to Board meetings after Final Investment Decision.

Action 4: Janet Hall is developing the Resident Transition. Key items to consider include the resident cost calculator; how Benefit payments fit in; what it means for people in 1 to 5 bedroom flats; and feedback from the energy metering pilot.

## **9 RESOLUTIONS (PART A)**

- 9.1 After careful consideration, including consideration of the matters referred to in section 172(1) of the Companies Act 2006, **IT WAS RESOLVED** to:
- 9.1.1 circulate the Business Plan (excluding Appendix 4 – Risks and supported by the external due diligence, which are Part B items) to the Shareholder for approval and, subject to receiving such Shareholder approval, to approve and adopt such Business Plan (excluding Appendix 4 – Risks as a Part B item) with effect from the date of receiving such Shareholder approval; and

- 9.1.2 circulate, publish or otherwise make available the documents above to the Shareholder and/or any other interested parties in accordance with the Articles and/or the Shareholders' Agreement.

## **10 CONSIDERATION OF MATTERS (PART B)**

### 10.1 IDENTIFYING AND MANAGING RISKS, APPENDIX 4, BUSINESS PLAN (PART B)

See separate Part B papers.

### 10.2 EXTERNAL DUE DILIGENCE

See separate Part B papers.

## **11 RESOLUTIONS (PART B)**

See separate Part B report.

## **11 NEXT STEPS<sup>1</sup>**

### 12.1 The chair reported that the next steps to be actioned by the Company are to:

12.1.1 review and, if thought fit, approve Company policies. In accordance with the Shareholders Agreement, certain of these policies will be subject to Shareholder approval.<sup>2</sup>

12.1.2 review and, if thought fit, approve the commercial principles of heat supply updates in Tenancy and Leaseholder Agreements, it being noted that such principles will be subject to statutory consultation with tenants and leaseholders (such consultation to be conducted by the Shareholder) and could therefore be subject to potential amendment as a result of such consultation. This approach is now being considered as an alternative to individual residential Heat Supply Agreements with tenants and leaseholders.

12.1.3 review and, if thought fit, circulate to the Shareholder for approval the Metering and Billing options analysis and preferred option.

12.1.4 review, and if thought fit, approve the Service Level Agreement between the Company and the Council.

12.1.5 review, and if thought fit, circulate to the Shareholder for approval appointment of the preferred DBOM heat network contractor.

12.1.6 review, and if thought fit, approve the Company branding.

## **13 ANY OTHER BUSINESS**

13.1 None

## **14 CLOSE**

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

DocuSigned by:  
*Daniel Chin*  
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Chair

30.06.2023

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Date