

CAMBRIDGESHIRE HORIZONS

Agenda Item No: 15

Low Carbon Development Initiative (LCDI)

To: **Horizons Board**

Date: **27th June 2011**

From: **Sheryl French**

Purpose Of Paper: **FOR DECISION (FD)**

To identify governance arrangements for the Housing Growth Funds allocated to the Low Carbon Developments Initiative (LCDI) as part of the legacy planning for Cambridgeshire Horizons post September 2011.

Recommendation:

A Senior Officer from Cambridge City Council is proposed to Renewables East for consideration for the role of Director for the LCDI Community Interest Company, following the resignation of Horizons' Chief Executive from this role.

If appointed, the Cambridgeshire representative to oversee the interests of the three projects including Cambridge, St. Neots and Northstowe on behalf of partners and also provide strategic input to the wider remit of the LCDI-CIC.

Huntingdonshire and South Cambridgeshire District Councils identify representatives to attend Board meetings as observers.

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1.0 Purpose of the Paper

To identify governance arrangements for the Housing Growth Funds allocated to the Low Carbon Developments Initiative (LCDI) as part of the legacy planning for Cambridgeshire Horizons' operations stopping in September 2011.

2.0 Background

In December 2010 a paper was presented to Horizons Board setting out the governance and management arrangements in place for the LCDI. Please see Appendix A, which includes a summary of the Board paper.

3.0 Governance of the Housing Growth Fund Investment in the LCDI

Alex Plant, Chief Executive of Cambridgeshire Horizons will resign at the end of June 2011 from his role as a Director of the LCDI Community Interest Company (CIC). As part of this role, Alex oversaw the HGF investment and Cambridgeshire projects and also provided strategic direction to support the wider remit of the LCDI-CIC.

Renewables East will look to appoint a replacement. A representative can be put forward to Renewables East from Cambridgeshire for consideration. The role will oversee progress of the Cambridgeshire HGF investment and projects currently receiving investment through the LCDI. In addition the role will need to provide strategic direction to the LCDI-CIC as part of the broader remit of the director role. Renewables East has also identified the opportunity for 'Observers' to attend Board meetings.

Initial discussions have taken place with the three local authorities and Renewables East who are content with these proposals, subject to them being formalised.

4.0 Recommendation

See front cover.

Appendix A (summary of paper to December 2010 Horizons Board)

Governance and Management of the LCDI

Renewables East is the only member of the LCDI Community Interest Company, and it is Renewables East that therefore appoints the Board of the LCDI-CIC.

For the purposes of the ERDF investment it is Renewables East that acts as guarantor for the LCDI and therefore Renewables East is ultimately liable should any clawback of funds be sought by ERDF from the LCDI itself.

The founding directors of the LCDI-CIC are James Beal (Managing Director of Renewables East) and Alex Plant, and these two have responsibility for the company operations. If the activity of the company were to expand, then so would the Board.

At present, all funds invested and activities of the LCDI are governed by the contract arrangements in place with ERDF, and with the funding partners (at present Cambridgeshire Horizons, Dacorum Borough Council and Renewables East). The LCDI-CIC has no shareholders and no means of distributing funds. Any resources within the company could only be invested in projects that were in the community interest, and is subject to the regulations governing CICs that ensure this.

The LCDI-CIC has no ability to invest other than through its contracts. For each project, there are also individual steering groups in place (e.g. for the St Neots project, the Maylands project, Northstowe Renewable Energy and the Cambridge project). These steering groups oversee the detailed activity in relation to each project and provide a means for reporting progress against objectives.

The note overleaf has been drawn together by Nigel Dent, an employee of Renewables East who acts as Programme Manager of the LCDI. Should Board Members have further queries, James Beal and Alex Plant would be happy to arrange a further presentation.

Low Carbon Development Initiative Governance and Management Arrangements

Renewables East holds responsibility for the planning, implementing and delivery of the LCDI programme with support from a Programme Reference Group and Project Reference Groups who assist in the facilitating progress towards the programme goals and site-specific project goals, respectively.

Overall Programme Direction will be the responsibility of James Beal, Managing Director of Renewables East. Project Management will also be supplied by Renewables East in the form of a Programme Manager, who will have responsibility for the daily management of the project in terms of scope, schedule/time and budget.

The programme manager, Nigel Dent, will report into James Beal, Managing Director of Renewables East on a weekly basis, to the Programme Reference Group, which will meet on a quarterly basis including the funders. Reporting to Project Reference Group will be quarterly.

A second project manager (100% time allocation), Simone Sullivan has been recruited to manage and delivery the Maylands renewable energy project.

An additional project manager (100% time allocation) will be recruited to manage the two new projects.

The two project managers will report directly to the programme manager, Nigel Dent, who reports directly to James Beal, LCDI programme director.

Each individual project has a project steering group with members of each partner organisation present. Currently the project steering groups meet monthly to discuss project progress. Two new project steering groups will be created for the St. Neots and City/ARU projects.

The project specific reports will be made available to the Programme Director to take to the LCDI-CIC Board and for the Project Reference Groups to review.

- Quarterly project progress against milestones, output/outcome, risk and QA and strategic reports for review.

The project programme manager will hold responsibility for reporting to the funders

- Quarterly claims
- Output reports

The administration of the project will be the responsibility of the project programme manager with support from the Renewables East team. All project procurement and administration activities are carried out by the Renewables East support functions who are all working to EEDA procurement rules and obligations.

