

**INGRAMS PAVILION SERVICES CONNECTIONS**

Introduction

On 26 June 2023, the Council considered a report regarding the possible connection of temporary services to the Ingrams Pavilion (attached). At that meeting, the Council resolved to thank the East Devon New Community Partners for their offer and to decline it for the following reasons:

- a) The consortium's offer of £10,000 to procure a temporary generator and foul effluent tank would not cover the total cost of the procurement of those two elements.
- b) E.ON would not be able to provide a temporary heat generator to the Council until two cell developer agreements had been signed and following this, the lead time for the generator was three months whereas the Council had been hoping to reopen the site soon. The immersion heater in the building which could be used to heat water has a capacity of 750 litres, resulting in no showers being available until the permanent services could be connected.
- c) Access being possible at weekends only resulted in the Council not being able to generate the revenue income required to fund the provision of temporary services.

(ref. minute 23/100(a)).

The Pavilion remains entirely without service connections to date.

Connection of Services

The Cranbrook Strategic Delivery Board met with the East Devon New Community partners on 26 February 2024 at which, among other items, the lack of services connections to the Ingrams Pavilion was discussed. Following that meeting, the Managing Director of Taylor Wimpey Exeter joined the monthly meeting between the Council's asset delivery working group and Brookbanks on 27 February 2024, ahead of a consortium meeting on 1 March 2024.

Following that series of meetings, the Council received confirmation from Brookbanks that services other than district heating (see below), i.e. electricity, water and foul drainage, can be connected temporarily to enable the desired April opening for the cricket season. Works to install the water main from the front of the site to the Ingrams residential parcel commenced on 4 March 2024. Brookbanks believe that they can co-ordinate the installation of the water main across to the Pavilion by early April. As a fall back, there is opportunity to run a temporary connection to the Pavilion.

The permanent electricity connection was booked to come across from Stone's Gallop substation to the front of the site from 8 March 2024 and Brookbanks thought they would be able to achieve early April.

In any case, Persimmon have offered to make temporary arrangements with their electric supply within the Pavilion car park, should this be required in the interim.

### Connection of Electricity

After initially being advised by National Grid (formerly Western Power Distribution) in November 2022 that they would not connect the Ingrams Pavilion to their mains electricity network because the site used to be under option to the consortium's provider GTC, they submitted a quote to the Council to do just that in February 2024 at a cost of £2075.09 plus VAT and excluding groundworks. This would provide a permanent power connection from the B3174 to the Pavilion.

The Council is awaiting confirmation from the consortium's project managers Brookbanks that this alternative connection would be acceptable to the consortium and not result in e.g. a compensation claim that the connection was not provided via GTC.

The consortium would need to remove their current compound of welfare units and car park in order to free the installation route which currently benefits from a licence to occupy until 30 April 2024.

The Council's asset delivery working group is meeting again with Brookbanks, E.ON and Persimmon on 19 March 2024.

### Connection of District Heating

On 5 March 2024, the Council's asset delivery working group met with Brookbanks, E.ON and Persimmon to discuss timescales for the connection of district heating to the Pavilion. Persimmon had changed their build programme for their residential site in order to accelerate the delivery of their show home close to the B3174. This will mean that a more timely connection to the Pavilion might be possible, subject to redesign work being completed. At the moment, the connection is likely to be provided in May/June 2024 based on E.ON's current programme.

### Financial Implications

On 31 January 2024, the Council held £30,226 in its earmarked reserve for the delivery of the Ingrams Pavilion. Works outstanding at the site include all service connections and final landscaping. E.ON alone have quoted a connection charge of £19,235 plus VAT index-linked to the consumer prices index which would be reviewed in April 2024. Capital is tight.

On 31 December 2023, the Council held general reserves of £493,586. On 16 October 2023, the Council's Finance & Personnel Committee agreed that the Council should maintain in region of £195,283 as a general reserve which represents approximately six months of net revenue expenditure, being a median between the recommended three and twelve months (ref. minute F&P/23/41).

At the full Council meeting on 19 February 2024, the Council considered day-one financial assumptions which indicated an assumed loss in year one of circa £25,000 resulting from an assumed £70,000 expenditure (minus some pro-rata building operation costs) against some assumed £5,000 of income and with contributions of

£26,000 in total resulting from the budgeted groundsperson salary and the reduction in the grounds maintenance contract with Tony Benger Landscaping Ltd. It is also hoped that the Council's grounds maintenance budget 4205 will be underspent at the 2023-24 financial year-end by £14,000 which could be earmarked to contribute to the Ingrams sports pitches.

The Council agreed on 19 February 2024 that hire charges should be halved while the building awaits service connections which further limits the potential for generating revenue.

If the Council uses its general reserves to absorb the losses which the sports pitches will be accruing while the Pavilion awaits the service connections, then this presents a potentially open-ended financial risk to the Council.

### Role of the Local Planning Authority

East Devon District Council stipulated in the Section 106 agreement that a connection to the district heating system is mandatory. While the Section 106 agreement stipulates an obligation to connect to district heating, it does not stipulate any kind of timescales within which the consortium has to deliver any connections.

The wording from schedule 25 in the Section 106 agreement is included below:

25.10 Unless a District Heating facility is provided and used to heat the Development the Owners shall submit Detailed Applications Approvals in relation to non-residential Buildings in compliance with the requirements of the Sustainability Strategy which when measured across the Land requires inter alia that 16.7% (in accordance with the Sustainability Strategy) of the Development's energy needs shall be provided by On-Site Renewable Energy Sources and the Owners shall demonstrate to the reasonable satisfaction of EDDC how this is to be achieved

25.11 Unless a District Heating Facility is provided and used to heat the Development the Owners shall install Biomass Boilers in all non-residential Buildings and shall maintain and continue to operate such Biomass Boilers unless otherwise agreed in writing with EDDC

25.12 If a District Heating Facility is provided the Owners shall use all reasonable endeavours to secure use of that facility to heat the Development or part thereof

### "Conversion" from District Heating to Electric

There is a technical option to "convert" the heating and hot water supplies to an electrical system which was originally considered by the full Council on 24 October 2022 (report attached) and dismissed for the reasons outlined in that report. The report also noted that "E.ON anticipates that the permanent district heating connection should be delivered in the spring 2023". Evidently, we are well beyond that timescale.

The Council's electrical engineers Outsource Engineering advised at the beginning of February 2024 that there are two options:

We can take an electric heater to every point which needs it, i.e. supply and fit an electric shower at every shower, heater to every sink etc. This is pretty labour intensive and will work out expensive as we would need to buy all new units and wire each one up.

The other option is to supply a main boiler and connect in with the existing pipe work, this is a simpler option but due to the potential demand for hot water the cost of a suitable electric boiler is high plus

the main incoming electric supply to the unit might also need upgrading so there could be additional costs there.

### **Recommendations**

a) To seek the local planning authority's consent to not connect to the district heating network if a connection cannot be established by 30 June 2024 because of:

- the continued delays to the connection,
- no timescales for a future connection being available,
- all the while the Council is incurring financial losses as a result of not being able to open the site for business.

b) To agree to a contribution from the Council's general reserves to a maximum of £50,000 at present to fund the shortfall in capital, to absorb the losses associated with the lack of service connections to date and to vire those funds from the general to the relevant earmarked reserve.

c) To receive quarterly financial update reports.