

DECISION NOTICE OF THE Cabinet Member Signing HELD ON Thursday, 8th January, 2026

Set out below is a summary of the decisions taken at the Cabinet Member Signing held on Thursday, 8 January 2026.

If you have any queries about any matters referred to in this decision sheet please contact Richard Plummer Committees Manager.

6. SELBY URBAN VILLAGE - PROCUREMENT STRATEGY FOR HEAT SUPPLY ARRANGEMENTS

DECLARATIONS OF INTEREST FOR THIS ITEM:

There were none.

RESOLVED

It was recommended that the Cabinet Member for Placemaking and Local Economy:

- Approve the commencement of a mixed procurement strategy (i.e. works, supply and services) and direct negotiations with the district heat network, Lee Valley Heat Network Operating Company Limited (company number: 09763702) concerning the connection, supply and potential management/maintenance agreements for 40 years for the Selby Urban Village scheme. The potential agreements were as set down in Section 5.14 and 5.15.

Reasons for decision

- Cabinet approved the overall design concept and sustainability aims behind the Selby Urban Village Project on the 19 September 2023 Cabinet Report: 'Contract award to KCA for design and architectural services for the Selby Urban Village masterplan'. Section 8, 'Carbon and Climate Change' of that report sets out that the energy strategy of the detailed Planning Applications would be developed in line with the energy policies of the London Plan, LBH and LBE, to achieve a zero-carbon target, and in accordance with the London Plan's energy hierarchy. These policies and the project's planning approvals require connecting to a District Energy Network.
- In the subsequent Cabinet Member Signing Report 'Gateway 0 Report - Phase 2, Selby Urban Village, N17 – Bruce Castle Ward' on 19 June 2024, para 8.12 notes "A communal heating system is the preferred solution, with connection to the local District Energy Network. Further work would be undertaken to establish if this was the best option for the Council and its residents". Work undertaken since that decision, confirmed that due to the nature of the scheme and policy requirements, the best option remained to connect to the Energetik

network operating in LB Enfield. Further detail on this could be seen in para 5.1 and Section 6.

- Given the strong rationale to approach Energetik, officers had investigated the Procurement, Legal and Other issues and recommended a way forward based upon the overall context.
- The proposed Procurement Strategy was set out in this paper and required Cabinet Member approval based on CSO 2.01(b).
- The proposal was for a mixed procurement covering the connection and supply arrangements for both the housing and non-residential elements of the development. A mixed procurement means the procurement is for works/ services/ goods. It was also a mixed procurement made up of public contracts and utility contracts (the housing elements are utility contracts by virtue of the Procurement Act 2023 Schedule 4, Para 1a). Further detail on the mixed procurement approach and rationale is set out in the exempt report.
- The nature of the mixed procurement means this procurement was exempt from procurement regulations requiring competitive processes. The rule for mixed procurement (where it is not realistic to separate it out) is to apply the rules from the largest element of the procurement to the entire contract. The largest element of this mixed procurement was the utility services element. In reviewing the utility services parts of the contract and considering the exemptions in Schedule 2 of the Procurement Act 2023, the utility contracts were covered by exemption 31.
- Hence the entire procurement was exempt from the procurement regulations and there was no requirement to run a competitive process/publish contract notices. Note that Haringey's internal contract standing orders still applied, but did not require a competitive process unless procurement regulations require one.
- It was important this this procurement process is commenced shortly and completed to align with the timetable for the Selby Urban Village main works contractor onboarding (March – April 2026). This would be to ensure that Energetik could provide necessary oversight over Stage 4 technical design work undertaken by the main works contractor, relating to the heat supply infrastructure.
- The expectation, assuming favourable negotiations with Energetik, is that a report would return to the Lead Member, Section 151 Officer and Corporate Director for award of contract, which will contain information on the final negotiated terms and conditions for the various contract types for heat supply arrangements. Should a different approach be required, following those negotiations, the decision on an alternative energy strategy will return to Cabinet for approval. Further detail is found in the exempt report under the risks and mitigation.

- Work was being undertaken to mitigate against potential risks associated with the connection to the District Energy Network and further detail on risks and mitigation can be found in the exempt report.

Alternative options considered

- Progress with a different heating solution and not a district heat network: The GLA's London Plan included a hierarchy that was applied to how new developments are heated. The London Plan policies showed a clear preference for connecting to existing heat networks such as Energetik where it was viable to do so. Both Haringey and Enfield's planning policies had similar requirements. As part of the earlier design development process other options were reviewed however, given planning policy requirements, connecting to the most local Heat Network, i.e. Energetik, was chosen as preference. This approach was embedded into the Planning Applications to LB Enfield and Haringey and subsequent approval from the 2 authorities and was part of the planning referral to the GLA. However, to mitigate against the risk of a non-connection to the district heat network, the council is still exploring alternative options for the heat supply to ensure these are fully understood as a fall back option.
- Investigate connecting to a different District Heat Network supplier: As outlined above Planning policy directs us to connecting to a District Energy Network such as Energetik. While there were other similar suppliers/ operational systems in London, the capital costs (which would fall to LBH) and feasibility of running pipework the distances required from these other locations (e.g. Stratford, Brent) to Selby Urban Village site render them unviable.
- Procure the connection to and supply from heat network separately: it was considered whether the mixed procurement could/should be disaggregated. There were robust commercial reasons for negotiating the connection and supply arrangements for the site as a whole and simultaneously, as set out in the exempt report.
- Procure connection to Energetik heat network, but do not procure service agreement (management and maintenance) from Energetik (e.g. management of heat supply to be by Haringey Council or another): It was considered whether the council should choose to directly operate the secondary network for the residential portion of the scheme. Technical advice received notes that this would not currently be the preferred option, predominantly due to financial implications: with supply and maintenance being more cost effective than supply and separate in-house maintenance. This will continue to be explored and tested during the negotiation period.
- Run a competitive tender process for the district heat network connection and supply: it was considered whether the council needed to run a competitive process for connection, despite not being required to by the Procurement Act. It was concluded that this was unlikely to generate an interest beyond Energetik and generate significant risk to programme and funding. Given the planning

context and the commercial reality of connection charges and distances, Energetik were the only likely supplier.