

<b>Item No:</b>	<b>Classification:</b> OPEN	<b>Date:</b> 7 February 2011	<b>Meeting Name:</b> Overview & Scrutiny Committee
<b>Report Title:</b>		Call-in: Multi Utilities Services Company (MUSCo) Commercial Partner (Cabinet 25 January 2011)	
<b>Ward(s) or Group affected:</b>		All	
<b>From:</b>		Head of Overview & Scrutiny	

## BACKGROUND INFORMATION

1. On 25 January 2011 the cabinet considered a report on the Multi Utilities Services Company (Musco) Commercial Partner (included as appendix).
2. The cabinet agreed:
  1. That the progress made to finalise the Dalkia consortium's best and final offer (BAFO) for a Multi Utilities Services Company (MUSCo) Commercial Partner since the major projects board meeting of 19 June 2008 be noted.
  2. That the contents of the best and final offer (BAFO) as described in paragraphs 42 – 55 of the report be noted.
  3. That the conclusions of the evaluation of the best and final offer (BAFO) be noted and officers terminate the Dalkia consortium's position as preferred bidder.
  4. That officers cease work progressing the procurement of a MUSCo solution and that the deputy chief executive seeks alternative solutions to providing services and reducing carbon for the Elephant and Castle and Aylesbury regeneration projects.
  5. That the strategic director of environment and housing look into the feasibility of decentralised energy networks to reduce carbon emissions for council social housing.

## REASONS FOR CALL-IN

3. On 2 February 2011 the Chair of Overview & Scrutiny Committee - Councillor Lisa Rajan - and three members of the committee (Councillors David Hubber, Tim McNally and Paul Noblet) requested a call-in of the decision on the following grounds:

“There has not been the taking of professional advice from officers, and the link between strategy and implementation has not been maintained:

1. The decision gives insufficient details about (a) the alternative means to achieve the zero carbon growth (and indeed 'Climate Positive' aims) outlined in the strategy, (b) the implications of halting the procurement on other bidders who have taken part, and (c) on the EU regulation implications of carrying out a new procurement that includes the supply of other sites outside the E&C footprint.

2. The likely costs associated with a new procurement and the reduced profit share are given insufficient consideration in making the financial case for abandoning the MUSCo.
3. There is no professional advice given on the impact of the decision on (a) minimum statutory building carbon emissions, (b) future carbon emission standards, (c) the existing failing district heating systems on the Aylesbury and other surrounding estates, and (d) planning permissions granted in the E&C area on the proviso that the MUSCo would be forthcoming.
4. The report states that there are no specific leaseholder implications, which is inaccurate if, as the report suggests, Lendlease are to set up an ESCo that will supply energy to neighbouring roads and estates.”

### **CALL-IN MEETING**

4. The committee will consider the call-in request and in particular whether or not the decision might be contrary to the policy framework or not wholly in accordance with the budget.
5. If, having considered the decision and all relevant advice, the committee is still concerned about it then it may either:
  - a) refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns, or
  - b) refer the matter to council assembly if the decision is deemed to be outside the policy and budget framework.
6. If the committee does not refer the matter back to the decision making person or body, the decision shall take effect on the date of the scrutiny meeting.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held at</b>	<b>Contact</b>
Report to Cabinet 25 January 2011	160 Tooley Street London SE1 2TZ	Everton Roberts Constitutional Team 020 7525 7221

<b>APPENDICES</b>
Cabinet report

**Audit Trail**

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	1 February 2011	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Communities, Law & Governance	No	-
Cabinet Member	No	-