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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>21 March 2017</b>
<b>Report By:</b>	<b>Head of Legal and Property Services</b>	<b>Report No:</b>	<b>LP/026/17</b>
<b>Contact Officer:</b>	<b>Gerard Malone</b>	<b>Contact No:</b>	<b>01475 712710</b>
<b>Subject:</b>	<b>Hydro Electric Scheme - Holeburn at Greenock Cut</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Committee with an update on the proposed development of a Hydro Scheme on the Holeburn at the Greenock Cut ("**the Project**"), in partnership between Scottish Water Horizons ("**SWH**") and the Council.

## 2.0 SUMMARY

- 2.1 The Council and SWH are in partnership to develop the Project and will use the experience gained for any additional locations within the partners' control. The Council and SWH entered into this high-level partnership in November 2013 for purposes of investigating the feasibility and developing outline schemes of mutual interest.
- 2.2 The proposal to develop small hydro schemes within Council/Scottish Water ownership is part of the Council's approach to renewables energy generation. The Climate Change (Scotland) Act 2009 introduced strict carbon reduction targets for Scotland and the Scottish Government has a renewable action plan to promote electricity consumption from renewable energy resource. The Council and Scottish Water Horizons identified the opportunity of developing a renewables energy scheme at the Holeburn at Greenock Cut.
- 2.3 The Committee was provided with an update on this matter at its meeting of 20 September 2016, and remitted to the Head of Legal and Property Services to provide a further update following on tender returns.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the position as outlined in this report.

**Gerard Malone**  
**Head of Legal and Property Services**

## 4.0 BACKGROUND

- 4.1 At the meeting of 20 September 2016, the Committee:
- noted the progress on the Project, outlined in that report;
  - noted the potential level of abortive costs in the event the Project were not to proceed; and
  - remitted to the Head of Legal and Property Services to provide a further update to the Committee following by March 2017.
- 4.2 Given their sector expertise, SWH are taking a lead role in the progress of detailed design phase, necessary consent applications and the procurement process in relation to the construction phase of the Project.
- 4.3 SWH have provided Officers with the following by way of an update on the anticipated timeline of the project:
- Mott McDonald have been appointed as the design consultants and prepared a detailed design document;
  - a final design review meeting will take place between Mott McDonald and SWH on Thursday 9th March, following which point the final version of the detailed design document will be completed, submitted to SWH and available for consideration by both it and the Council;
  - necessary SEPA and planning consent applications are currently being prepared by SWH for submission in March this year, to allow these to run in conjunction with the tender process outlined below; and
  - a construction tender package is currently being prepared by SWH with an anticipated date for tender returns in April/May of this year.
- 4.4 From this timeline, it is anticipated that the detailed design will have been completed and tenders returned for the build phase of the Project by April/May of this year. Both the Council and SWH will then be in a position to take a fully costed decision on the Project and a further report will at that stage be brought to the Committee with an update and recommendations.

## 5.0 IMPLICATIONS

### Finance

#### 5.1 Financial Implications:

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
tbc	tbc	2016/18	£50,000.00	nil	Represents the potential abortive costs should the project not proceed.

##### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

### Legal

- 5.2 The project is proceeding on a partnership basis with Scottish Water Horizons and the asset contributions, investment and revenue sharing is on the basis of equal share of risks and

benefits. The construction proposals will be dealt with through Scottish Water's procurement procedures.

### **Human Resources**

5.3 None from this report.

### **Equalities**

5.4 None from this report.

### **Repopulation**

5.5 This project involves the Council in the innovative use of its land and water assets for purposes of renewables energy generation. The high level partnership with Scottish Water Horizons and the potential renewables energy generation are all supportive of governmental priorities and local objectives to enhance this area.

## **6.0 CONSULTATIONS**

6.1 The Chief Financial Officer has been consulted on the terms of this report.