

To: Infrastructure, Land and Environment Policy Board

On: 24 March 2021

Report by: Chief Executive and Director of Finance and Resources

Heading: AMIDS District Heat Network – New Lease From Scottish Water

1. Summary

- 1.1 To submit details for land required to implement the AMIDS District Heating Network (DHN) and to obtain authority to enter into a new lease from Scottish Water as outlined in this report and indicatively shown on plan E3121A.
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2. Recommendations

- 2.1 The Board is asked to authorise the Head of Property in consultation with the Head of Corporate Governance to negotiate terms and enter into a Lease with Scottish Water for an Energy Centre and associated pipework within the Lighthawk Wastewater Treatment Works (WWTW).
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3. Background

- 3.1 Responding to the climate emergency has resulted in ambitious targets to reach net zero greenhouse gas emissions by 2045 to end Scotland's contribution to climate change within a generation. The Council has also declared a climate emergency and our ambitious targets included a pledge to work proactively with others to make Renfrewshire carbon neutral by 2030.

- 3.2 A low carbon district heat solution provides a significant opportunity for AMIDS and Renfrewshire, to reduce its future carbon emissions and enhance its reputation as a site with a vision 'to become internationally recognised for advanced manufacturing, leading innovation and research' whilst acting as a demonstration to the rest of Scotland of how a transition to a low carbon future could be achieved.
- 3.3 The funding for the AMIDS DHN project was approved at the Leadership Board on 2nd December 2020.
- 3.4 The Leadership Board approval noted land acquisition and assets requirements would be submitted to the ILE Board for approval.

Lease Agreement

- 4.1 The DHN will consist of an Energy Centre, which will be constructed on land owned by Scottish Water within the Laighpark WWTW, together with pipework from there to connect supplies to customers. The DHN is designed with a lifespan of not less than 40 years.
- 4.2 The rent payable will be not more than £6,000 pa payable quarterly in advance and will be subject to annual upward only reviews in line with RPI.
- 4.3 The Council will be granted a 6 month rent free period.
- 4.4 The Council will meet Scottish Water's reasonable legal fees up to a maximum of £5,000
- 4.5 The Council will be responsible for LBTT payable on the transaction (if any).
- 4.6 The landlord has a right to relocate the Energy Centre within their site so long as they provide a suitable alternative site and meet all associated costs.
- 4.7 The Lease will be for a period of not less than 40 years.
- 4.8 The Energy Centre and all plant and equipment therein installed or placed, the Energy Recovery Pumps and the DHN shall at all times remain the property of the Council.
- 4.9 The Lease will include rights of access; rights to construct, maintain, operate, repair etc the Energy Centre; and rights to install the pipework, all as required to operate the DHN.

Implications of the Report

1. **Financial** – The costs associated with the Lease and the Servitude as detailed in this report are included in the Project funding as approved at the Leadership Board in December 2020.
2. **HR & Organisational Development** – *N/A*
3. **Community/Council Planning** –
 - *Our Renfrewshire is thriving* – The AMIDS development will facilitate new development opportunities and business growth whilst improving educational and health opportunities for people within the local communities as well as aiding employees to access these major existing and new employment centres.
 - *Our Renfrewshire is well* – This project will play a significant role in responding to the climate emergency, generating low carbon heat and enabling the route to a lower carbon future, thus improving local air quality.
 - *Reshaping our place, our economy and our future* – The completed infrastructure at AMIDS, enhanced by the DHN, will enable new business creation at AMIDS and with that, thousands of additional new high quality permanent jobs will be created as well as improved access to existing jobs for people in our communities.
 - *Tackling inequality, ensuring opportunities for all* – As a demonstrator project, the successful implementation of *an AMIDS DHN* can prove the technology that can become a strong driver of job creation, job upgrading, in addition to the job opportunities AMIDS as a whole will create.
 - *Creating a sustainable Renfrewshire for all to enjoy* - The completed infrastructure will provide a route to a low carbon future, avoiding pollution and managing natural resources sustainably.
 - *Working together to improve outcomes* - Officers are working collaboratively with partners including Scottish Government, Scottish Enterprise and other partners to take forward the delivery of the AMIDS development as an exemplar commercial location.
4. **Legal** - Completion of the Lease and Servitude as outlined in the body of the report.
5. **Property/Assets** – as detailed in this report

6. **Information Technology** - none
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** – Failure to secure the Lease and/or Servitude timeously would delay Project delivery and realisation of Project benefits.
11. **Privacy Impact** - none
12. **COSLA Policy Position** – none
13. **Climate Risk** - None

List of Background Papers
n/a

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