

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	4 February 2014
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Clyde Wind Farm Community and Development Fund – Grant Application, Wiston Lodge
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Consider an application to the Clyde Wind Farm Community and Development Fund from Wiston Lodge.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that a grant be awarded to Wiston Lodge of up to £100,762 towards the delivery of a Biomass Heating project.
- (2) that the Executive Director (Community and Enterprise Resources) be authorised to conclude matters in relation to the award of this grant.

3. Background

- 3.1. The Enterprise Resources Committee of 17 March 2010, approved the Clyde Wind Farm Community and Development Fund and the administrative arrangements associated with the allocation of funds.
- 3.2. The Fund is supported with payments from Scottish Hydro (formerly SSE Renewables) who operate the Clyde Wind Farm. To date, Scottish Hydro has made payments into the Fund totalling £2,319,787. The fund will receive income for a duration of 25 years with the aforementioned payments relating to the first 3 years. The payments will rise annually in line with the General Index of Retail Prices (RPI).
- 3.3. The Clyde Wind Farm Fund is administered by Regeneration Services who have responsibility for advising potential applicants, assessing applications and monitoring projects to ensure that the community benefits associated with each project are delivered.
- 3.4. Grant awards from the main Community Fund require approval at the Council's Enterprise Services Committee, with grant awards of 50%-90% of eligible costs being achievable. Grant awards for successful applications to the Community Fund Small Grant Scheme (up to £5000) and all awards from the Development Fund are delegated to the Head of Regeneration Services for approval.

4. Proposal

Wiston Lodge – Biomass Heating project

- 4.1. Wiston Lodge is a rural charity and social enterprise formed in 2007. It aims to support the personal, social and emotional development of people facing disadvantage and inequality, through the delivery of outdoor learning, environmental education and arts based programmes. Instructors guide groups through six core skills of an empowered person; reliability, trainability, adaptability, communication, problem solving and team working. The organisation believes that these are the basic qualities needed for success in learning, working and social relationships.
- 4.2. At the heart of the project is Wiston Lodge itself, a large 1870's former hunting lodge, housing a wide variety of sizeable rooms for meetings, conferences and courses. The lodge can also provide overnight accommodation for up to 45 people. The building is set in 53 acres of rural grounds which includes woodland, a campsite with cabin accommodation for 18 people, large gardens and greenhouse, high ropes course, a canoe pond, an archery range, climbing wall, activity and problem solving stations. The rooms in the main house are also popular with local community groups who regularly make use of the facilities for meetings and community events, the consistent complaint, however, being the poor heating conditions from the inefficient and out of date heating system.
- 4.3. The organisation is, therefore, seeking funding for the installation of a woodchip fuelled biomass heating system into the Wiston Lodge main building to replace the existing Kerosene and LPG systems which are over 15 years old, inefficient and expensive to run. The system will increase lets, provide lower cost heating and hot water for the building and attract Renewable Heat Incentive revenue which will increase the environmental sustainability of Wiston Lodge and contribute towards the long term financial viability of the facility.
- 4.4. The organisation will also use the installation of the new heating system as a platform to deliver an education programme focusing on renewable energy and sustainability to youth and adult groups from nearby communities. This will consist of community open days and associated talks with the opportunity to view the biomass project in operation. Practical courses will also be delivered for young people, demonstrating different types of renewable technologies including biomass, solar, wind and hydro. This will be backed up by website information and printed materials and an interpretation board.
- 4.5. Funding is sought for the supply and installation of a self contained 150kw biomass boiler system that will provided heating and hot water to the lodge and associated buildings. Support is also sought for timber and woodchip storage and the supply of machinery to assist the organisation to harvest and use its own timber resource when available. The machinery sought includes a tractor, chipper and a range of hand tools.
- 4.6. Total costs are £211,525 (net of VAT), for which financial support is being sought of up to 50% towards eligible costs. This application scored 72% during the assessment process, allowing a grant to be offered of £100,762 from the Community and Development Fund. The applicant has indicated that the remainder of the funding will be provided from commercial finance sources and its own reserves.

5. Community Consultants

- 5.1. It is a requirement of the Clyde Wind Farm Fund that a consultation on all applications to the Community Fund, small and main schemes, will be undertaken with the Clyde Wind Farm Community Group, a constituted group with representatives from 6 Community Councils within the eligible area of the Fund. A supportive response was received on behalf of the whole group in relation to this application.

6. Employee Implications

- 6.1. There are no employee implications arising from this report.

7. Financial Implications

- 7.1. To date, Scottish Hydro has made payments into the Clyde Wind Fund of £2,319,787.
- 7.2. The Community Fund has received 70% of this income i.e. £1,623,851. Awards of £1,368,054 have been approved from current income to support projects and activities. Funding to the value of £519,182 has been drawn down from the Community Fund. At the time of writing this report, there is, therefore, a total balance (including interest) of £1,104,669 at account with an uncommitted budget of £255,797 available to support eligible Community Fund projects.
- 7.3. Therefore, due to the staggered implementation dates of supported projects and the available funding there are sufficient funds available to the Community Fund to meet the grant award of £100,762.

8. Other Implications

- 8.1. The risks associated with the project are focussed on the potential for cost overruns or delays to the programme. The applicants have indicated that any cost increases will be managed within present budgets subject to agreement from the Clyde Wind Farm Fund on any changes to their proposed project. This is highly unlikely to have an impact on the Council.
- 8.2. Delays to the programme will have no impact on the Council. Without the contributions from the Clyde Wind Farm Fund, it is highly unlikely that the project will proceed.
- 8.3. There are no implications for sustainability in terms of the information contained within this report.

9. Impact Arrangements and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy and therefore no impact assessment is required.
- 9.2. All necessary consultation arrangements have taken place (see section 5 above).

Colin McDowall

Executive Director (Community and Enterprise Resources)

7 January 2014

Link(s) to Council Values/Objectives

- Improve health and increase physical activity
- Effective and efficient use of resources
- Partnership working, community leadership and engagement

Previous References

- Report to Enterprise Resources Committee of 20 May 2009 – Clyde Wind Farm - Community Benefit Agreement
- Report to Enterprise Resources Committee of 17 March 2010 – Clyde Windfarm Fund

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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