

# Report

11

Report to:	<b>Enterprise Resources Committee</b>
Date of Meeting:	<b>15 June 2011</b>
Report by:	<b>Executive Director (Enterprise Resources)</b>

Subject:	<b>Whitelees Renewable Energy Fund - The Village Centre, East Kilbride</b>
----------	--

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Consider an application to the Whitelees Renewable Energy Fund from The Village Centre, East Kilbride.

## 2. Recommendation(s)

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

- (1) that a grant be awarded to The Village Centre of up to £20,239 towards the construction costs of a hall extension subject to match funding for the project being secured and written confirmation of this being received by the Council.

## 3. Background

- 3.1. At the Enterprise Resources Committee of 27 June, 2007, approval was given to set up a Renewable Energy Fund in respect of Whitelees Windfarm, and to the administrative arrangements associated with the allocation of funds.
- 3.2. The Fund is financed from payments from Scottish Power who operate the Whitelees Windfarm. To date Scottish Power has made payments into the Whitelees Fund of £543,821.93 including interest.
- 3.3. The Renewable Energy Fund is administered by Enterprise Resources who have responsibility for advising potential applicants, assessing applications and monitoring projects to ensure that the community benefits associated with each project are delivered.

## 4. Proposal

### **The Village Centre – Phase 3 Works**

- 4.1. The Village Centre was established in January 2007 to build and run a centre for the community in East Kilbride in response to demand from local people and community groups for affordable surroundings in which to meet.
- 4.2. During the last 4 years, The Village Centre has rented land and raised over £355,000 to design and build a large multipurpose hall which over 40 diverse local groups now utilise. The second phase of works are presently on site with an estimated value of over £240,000 and involve the building of a café and kitchen facility to further improve the provision available to community groups. A Centre

Manager has been employed to manage the facility on a daily basis and is overseen by a voluntary management committee.

- 4.3. The third phase of development for the Village Centre involves the construction of a smaller extension to meet the increasing demands for meeting room space along with a café.
- 4.4. The increased meeting space will allow further groups and clubs to use the facility whilst the café will help generate income for the Village Centre to sustain its operation.
- 4.5. The total eligible cost of the project has been estimated at £80,955 (excluding administration fee of £1,500). The proposed grant from Whitelees REF is £20,239 equating to an intervention rate of 25%. A series of funding applications have been submitted including Rank Foundation, Imlay Foundation, Vardy Foundation, Lloyds TSB Foundation. These applications, coupled together with funds which the Village Centre has raised, form the remaining £60,000 of the project costs.
- 4.6. This application scored 24 points from a possible total of 32 during the assessment process, allowing an intervention level of up to 45%.

## **5. Employee Implications**

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

## **6. Financial Implications**

- 6.1. To date, Scottish Power has made payments into the Whitelees Fund of £543,821.93 including interest (i.e. a £529,580.36 contribution and £14,241.57 interest).
- 6.2. At the Enterprise Resources Committee of 27 June, 2007, approval was given to utilise 31 months of income (£265,248.43) from Whitelees REF towards the access works required and associated costs. This equates to an available budget total for the REF of £264,331.93.
- 6.3. Whitelees REF has committed funds, from the main Fund, of £178,105.98 towards projects from an available budget of £199,273.92 (70% of the available budget of £264,331.93 plus interest of £14,241.57 plus an additional £20,000 transferred from an underspend on the Local Grant Scheme to meet demand). The remaining monies comprise the Local Grant Scheme which is administered by Leader.
- 6.4. There are sufficient funds available from the remaining balance of £41,167.94, therefore, to meet the total of £20,239 requested.

## **7. Other Implications**

- 7.1. The risks associated with the project are focussed on the potential for cost overruns or delays to the programme.
- 7.2. The applicant has indicated that any cost increases will be managed within their present budget subject to agreement from the REF on any changes to their proposed projects. This is highly unlikely to have an impact on the Council.
- 7.3. Delays to the programme will have no impact on the Council.
- 7.4. Without the contributions from the Renewable Energy Fund, it is highly unlikely that the project will proceed.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. This report does not introduce a new policy, function or strategy and, therefore, no impact assessment is required.
- 8.2. All necessary consultation has taken place with community groups involved and appropriate Council Resources.

**Colin McDowall**

**Executive Director (Enterprise Resources)**

20 May 2011

## **Link(s) to Council Objectives/Values/Improvement Themes**

- ◆ Improve the quality of the physical environment
- ◆ Effective and efficient use of resources
- ◆ Partnership working, community leadership and engagement

## **Previous References**

- ◆ Executive Committee report on Community Benefit – 3 March 2004
- ◆ Enterprise Resources Committee report - Whitelee Windfarm Renewable Energy Fund – 27 June, 2007
- ◆ Enterprise Resources Committee Report - Whitelee Renewable Energy Fund
- ◆ Executive Committee Report on Renewable Energy Developments and Community Benefit – 1 December 2010

## **List of Background Papers**

- ◆ Completed REF Grant Application Form dated April 2011 received from The Village Centre.
- ◆ Completed REF assessment form dated 26 April 2011 for The Village Centre.

## **Contact for Further Information**

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

Stuart Hodge, Project Development Officer, Regeneration Services

Ext: 4759 (Tel: 01698 454759)

E-mail: [stuart.hodge@southlanarkshire.gov.uk](mailto:stuart.hodge@southlanarkshire.gov.uk)