
Report To:	Policy and Resources Committee	Date:	17/5/2016
Report By:	The Head of Legal and Property Services	Report No:	LP/073/16
Contact Officer:	Peter MacDonald	Contact No:	01475 712618
Subject:	Hydro Electric Schemes - Inverclyde Council and Scottish Water Horizons – Holeburn at Greenock Cut		

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.
- 2.2 There has been active involvement with SWH to take the Project forward. A project timeline has been agreed taking account of the latest hydrological study information and is attached. From this, it is anticipated that a detailed design will be completed and tenders received for the construction Phase of the project by the end of September 2016.
- 2.3 With a detailed design and construction tenders to hand, the partners will be in a position to take a fully costed decision on the Project, and therefore that in line with the timeline a further report will therefore be brought to the Committee at the earliest opportunity after September 2016.
- 2.4 In the event the scheme is not progressed then the Council will be required to meet 50% of the Design/Tender costs incurred by SWH. A funding route for this would need to be agreed if this was the outcome.

3.0 RECOMMENDATIONS

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

4.0 BACKGROUND

- 4.1 At the meeting of 19 November 2013, the Committee:
- approved the project proposals detailed in that report for the Project;
 - approved investment on the Project, as outlined in that report, by the Council in partnership with SWH; and
 - authorised the Chief Executive, in consultation with the Head of Legal and Property Services and the Chief Financial Officer to enter into formal partnership arrangements with SWH for the Project.
- 4.2 There have been active and extensive discussions between officers and SWH to progress this matter. Given their sector expertise, SWH are taking a lead role in the progress of necessary consent applications and procurement process, including both the detailed design and the construction phases of the Project.
- 4.3 A project timeline has been agreed, and is attached, taking account of the latest hydrological study information and detailing how matters are anticipated progressing in the course of this year.
- 4.4 From this timeline, it is anticipated that a detailed design will have been completed and tenders received for the build phase of the Project by the end of September of this year. Both the Council and SWH will then be in a position to take a fully costed decision on the Project. A further report will be brought to the Committee at that stage.
- 4.5 With a detailed design completed and tenders received for the build phase, the partners will be able to extend the timeline to include dates for anticipated completion and for commencement of power generation.

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	Hydro Implementation	2016/17	£35,000	Nil	Potential abortive design costs in the event the scheme does 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 None from this report.

Human Resources

- 5.3 None from this report.

Equalities

5.4 None from this report.

Repopulation

5.5 There are no repopulation implications.

6.0 CONSULTATIONS

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

