

Supplementary Agenda

Special Meeting of West Dunbartonshire Council

Date: Wednesday, 23 November 2016

Time: 17:00

Venue: Council Chamber,
Clydebank Town Hall, Dumbarton Road, Clydebank

Contact: Christine McCaffary
Tel: 01389 737186– christine.mccaffary@west-dunbarton.gov.uk

Dear Member

ITEM TO FOLLOW

I refer to the agenda for the above meeting which was issued on 11 November 2016 and now enclose a copy of the undernoted report which was not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:- /

4 DISTRICT HEAT NETWORK FOR QUEENS' QUAY AND CLYDEBANK

19 - 56

Submit report by the Strategic Lead – Regeneration seeking approval to invest up to £6m for the delivery of a District Heating Network to initially serve the proposed developments at Queens' Quay with the potential for further extension and providing an outline of the business case to be presented by the Council for the scheme for funding under the Scottish Government Low Carbon Infrastructure Transformation Programme (LCITP).

Distribution:-

Provost Douglas McAllister
Councillor Denis Agnew
Councillor George Black
Councillor Jim Bollan
Councillor Jim Brown
Councillor Gail Casey
Councillor Jim Finn
Councillor William Hendrie
Councillor David McBride
Councillor Jonathan McColl
Councillor Michelle McGinty
Councillor Patrick McGlinchey
Councillor Marie McNair
Councillor John Millar
Councillor John Mooney
Councillor Ian Murray
Councillor Lawrence O'Neill
Councillor Tommy Rainey
Councillor Gail Robertson
Councillor Martin Rooney
Councillor Kath Ryall
Councillor Hazel Sorrell

Chief Executive
Strategic Director of Transformation & Public Service Reform
Strategic Director of Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 18 November 2016

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead of Regeneration Council: 23 November 2016

Subject: District Heat Network for Queens Quay and Clydebank

1. Purpose

- 1.1** This report seeks Council approval to invest up to £6m for the delivery of a District Heating Network to initially serve the proposed developments at Queens Quay with the potential for further extension and provides an outline of the business case to be presented by the Council for the scheme for funding under the Scottish Government Low Carbon Infrastructure Transformation Programme (LCITP).

2. Recommendations

2.1 It is recommended that the Council:

- (i) notes the progress of the District Heating Network (DHN) opportunity at Queens Quay regeneration site, Clydebank;
- (ii) notes the LCITP application for funding at Appendix 1;
- (iii) agrees, in principle, to the investment of up to £6m towards the District Heating Network subject to funding from both Scottish Government funding from LCTIP and Energy Savings Trust's Renewable Heat Incentive being approved and the final developed business case providing a return to the Council to at least recover the cost of borrowing;
- (iv) agrees to update the Council's Treasury Strategy to allow Council to invest in investment projects for periods of investment of greater than 364 days to up to £7m;
- (v) delegates authority to the Strategic Director of Regeneration, Environment and Growth, Strategic Lead for Finance and the Strategic Lead for Regulatory Services to procure the delivery of the DHN;
- (vi) agrees to the Council establishing and, together with any wholly owned nominee body, becoming the sole owners of the Energy Supply Company (ESCO); and
- (vii) notes that if the business case changes significantly then a further report will be provided to a future meeting of Council.

3. Background

- 3.1** The Council entered into a Development Agreement with Clydeside Regeneration Limited (CRL), the owners of the former John Brown Yard, in 2015. A masterplan with the required infrastructure works was approved by Council in March 2016. It is anticipated that these works, which are funded by the Council, will be completed in 2018/19 and thereafter the Council and CRL will share in income from land sales and related development income.
- 3.2** As part of the long term regeneration strategy CRL has undertaken a feasibility study to consider the potential for a DHN to serve the proposed developments and nearby facilities owned by the Council, West College Scotland, WDC Leisure Trust, Clydebank Property Company, Registered Social Landlords (RSLs) and the NHS.
- 3.3** The proposed DHN would contribute directly towards the Council's contribution towards the Climate Change (Scotland) Act 2009 targets to reduce Scotland's CO₂ emissions by at least 80 per cent by 2050. The Act additionally placed duties on public bodies, requiring them, in exercising their functions to:
- Contribute to carbon emissions reductions targets;
 - Contribute to climate change adaptation;
 - Act sustainably; and
 - This legislation underpins most targets and ambitions relating to climate change in the country.
- 3.4** A successful Expression of Interest in potential grant funding from the Scottish Government Low Carbon Infrastructure Transition Programme (LCITP) was made in September 2016. The principal aim of the LCITP is to contribute to the Scottish Government's long-term target of reducing greenhouse gas emissions by 42% by 2020. The first round of bids was very competitive with thirty four applications submitted. The successful seventeen applicants, including the Council, have been asked to apply for the final competitive process for funding by the deadline of 24 November 2016.
- 3.5** Under the terms of the LCITP the Council is being asked to support the investment required to deliver the scheme by up to £5.7m, being 50% of the required Capital Expenditure.
- 3.6** There is an opportunity to build in capacity and extend the proposed Heat Network once established from Queens Quay to connect with the NHS Golden Jubilee Hospital and to develop connections northwards to serve parts of Dalmuir and the Clyde Shopping centre. This may become a future investment opportunity for the Council, at which point a further report will be provided to Council.

- 3.7** Initial feasibility and subsequent modelling has indicated that the most viable opportunity for an initial DHN would be to include the following elements

Property	Potential Customer
Clydebank College Campus	West College Scotland
Clydebank Leisure Centre (opens 2017)	WDC Leisure Trust
Aurora Offices	The Council
Titan Enterprise	Clydebank Property Company
NHS Medical Centre (Expected 2019)	NHS Glasgow and Clyde
Clydebank Care Home (Expected 2018)	WDC CHCP
Phase 1 Affordable Housing (180 units)	Wheatley/Clydebank Housing Assoc.
1,000 New private homes	To be developed
Clydebank Town Hall	The Council
Clydebank Library	The Council
This initial network would be capable of further extension to serve to connect with Golden Jubilee Hospital and thereafter with Dalmuir and other areas of Clydebank.	

- 3.8** The cost of the project is shown in the following table, together with the 50% share which is currently anticipated to be funded by the Council at £5.7m.

Cost Breakdown	£000's
Building Costs	2,308
Plant	5,138
Distribution network	2,759
Preliminaries and Fees	1,195
Total Spend	11,400
50% Investment	5,700

4. Main Issues

- 4.1** LCITP bid for grant funding is required to support the expenditure necessary to ensure that the project becomes transformational and is delivered in its planned format. The DHN is planned to be delivered in stages with Stages 1, 2 & 3 including the following:

- Aurora House
- Titan Enterprise
- Clydebank Leisure Centre
- West College Scotland (subject to agreement)
- Clydebank Care Home
- NHS Health Centre (subject to agreement)
- Housing (Social and Private)

Stage 4 would be transformational for the network and includes the ambition to connect with the NHS Golden Jubilee Hospital and the potential for Dalmuir Flats and the Clyde Shopping Centre. If these users were included, the network would not only generate income and meet the needs of local commercial and health sectors, but would importantly make huge inroads into addressing fuel poverty in one of the Clydebank's more deprived communities.

- 4.2** Within the draft business model there is an anticipation that the DHN would attract funding support from The Energy Trust's Renewable Heat Incentive (RHI) fund – which provides low carbon energy providers with financial support for up to 20 years. This is a significant element of the funding stream for the proposal.
- 4.3** In order to deliver the proposed Heat Network it is anticipated that the Council will establish a special purpose vehicle defined as an Energy Supply Company (ESCO) which will become responsible for leading the delivery and ongoing operation and management of the DHN. After consultation with legal advisors and consideration of a number of options it has been determined that the ESCO will be 100% owned by the Council, possibly along with a Council wholly owned nominee body and is likely to be established as a Limited Liability Partnership, although if further assessment of sensitivities around cost of running, tax and organisational flexibility indicate otherwise, it could take the form of a Limited Company.
- 4.4** It is proposed that the ESCO will tender and procure a Design, Build, Operate and Maintain Contractor (DBOM) which will have the functional responsibility for the detailed design and construction of the energy centre and distribution network and will take on the day to day operational duties including maintenance, repair, customer interface, billing and ensuring Key Performance requirements are met.
- 4.5** The DBOM will be a suitable qualified, financially robust undertaking with demonstrable experience in this sector. It is anticipated that the initial investment required by the ESCO will, as noted above, be financed by the proposed Council investment and the Scottish Government's LCITP fund. The ESCO will transfer the construction and operational risk to the DBOM which will derive its return as an operating fee which will be accounted for in the tariff structure.
- 4.6** The proposed DHN has been properly designed to be scalable to accommodate extensive expansion to serve an area beyond Queens Quay which will permit the network to be developed to reach more customers in Clydebank and Dalmuir.
- 4.7** The system will comprise an energy centre to accommodate three Water Source Heat Pumps using water, abstracted from the River Clyde at the former fitting out basin to provide heat which is distributed to customers in insulated pipes. These pumps will provide around 80% of the forecast peak

energy demand, and 100% of the normal demand. To provide system resilience and to cater for peak demand supplementary gas fire boilers will be included in the energy centre.

- 4.8** The Council also has its own internal target to reduce CO2 emissions by 15% over the 7 years to 2019/20. Attaching the Council owned facilities at Queens Quay to a Water Source Heat Pump based district heating scheme would reduce the Council corporate emissions and make a significant contribution to our overall targets commencing 2018/19.
- 4.9** The business case for the larger system which includes the potential connection of NHS Golden Jubilee Hospital demonstrates that the proposal will generate an economic return. This return would be further enhanced as and when additional customer were added to the network. Additional network connections will involve additional incremental investment for distribution network (pipes and pumps) but the Energy centre has been designed to accommodate additional plant and would not require to be extended.
- 4.10** Revenue for the ESCO will be generated from Heat supply agreements entered into between the ESCO and customers which will be administered by the DBOM. The tariff structure will seek to adopt the following principles:
- Existing Council and other public sector consumers will benefit from a “business as usual” heat tariff which will be based on the current alternative heat source allowing for lifecycle costs;
 - Residential – a heat tariff which will be based on a heat trust benchmarked approach making it cheaper than the equivalent alternative; and
 - Affordable Housing (Flats) – the RSL will be given a tariff equivalent to Public sector consumers and can determine the appropriate customer billing regime and tariff for consumers.
- 4.11** In terms of the investment opportunity for the Council it is anticipated that the investment will be recovered over a 20 year period and return at least the cost of borrowing. In addition there should be a saving on Carbon Reduction Commitment payments of £11,000 per year from 2018/19. The Council can also expect to receive dividends from the ESCO.
- 4.12** The Council’s Treasury Strategy currently allows the Council to invest up to £1m of funds in investments that are planned for longer than 364 days. Therefore in order to allow the Council to invest in this project Council would need to agree to change this limit and it is recommended that this is increased to £7m to cover this potential investment.
- 4.13** If the bid for grant funding is successful, there will be limited time in which to commence construction. Some provision is made within existing advisor appointment for follow up advice, however it may be necessary to

commence procurement for works and services with a further report following to the next appropriate IRED Committee to permit award of such contracts.

5. People Implications

5.1 Scottish Government has available an additional grant of up to £100k towards staff costs associated with the development and establishment of the proposed DHN. A bid for this funding will be included in the LCITP application. It is expected that suitable resource will be identified and procured to provide this service.

5.2 Once established it is envisaged that any direct staff costs associated with operating the ESCO will be met by the company under its operational expenditure and not by the Council. The DBOM will meet its own operational expenditure costs within the terms of the contract with ESCO.

6. Financial and Procurement Implication

6.1 There are potential funding sources for the 50% share of the capital investment costs which are currently being investigated. At present it is assumed, as a working assumption that the funding would be provided by the Council. In order to do this it would be necessary to seek permission of the appropriate Scottish Government Minister.

6.2 This report is seeking Council approval to make an investment of around £5.7m which will be matched by an equivalent sum by LCITP. It is expected that the Council's investment be recovered at a rate of at least the cost of funding over the 20 year project life. In order to fund this investment the Council would borrow the funds required from PWLB which would currently cost around 2.6%.

6.3 The Council's Treasury Strategy allows the Council to invest in third parties.

6.4 As noted the modelled share of the investment which the Council would make is around £5.7m, however in order to provide some leeway in terms if Council approval it is suggested that permission is agreed to up to £6m of investment. Above there is explanation in terms of the changes required to the Council's Treasury Strategy by an additional £6m to reflect this.

6.5 As stated above there may be a future expansion opportunity to provide connections to the Golden Jubilee Hospital and beyond. Should this opportunity arise a further report to Council will be required.

6.6 Queens Quay is already subject to major investment by the Council and the proposed investment in the DH network will benefit from reduced costs which can be obtained through integration of respective work packages each of which will be procured in accordance with the protocols laid down in

the Council/CRL Development Agreement which require compliance with public procurement processes.

7. Risk Analysis

- 7.1** There is a risk that the LCTIP funding application is unsuccessful as there are at least sixteen other competitive proposals for the LCITP fund.
- 7.2** The LCITP funding requires that the network is established and commissioned by September 2018. There is a risk that due to the innovative nature of the DHN that this timeframe is not achieved. Every effort will be made to mitigate this risk and deliver the project on time.
- 7.3** RHI funding is a critical element of the financial model and therefore a robust application for this funding will be submitted that meets all Ofgem requirements.
- 7.4** There is a risk that the key stakeholders essential in delivering the district heating network are not in a position to be part of the network. The early consultation and the feasibility results that the DHN would deliver in terms of wider social benefits and important commercial viability together with the potential grant support from SG will mitigate this risk to some degree.
- 7.5** There is a risk that the assumptions related to heat prices in DHN financial model do not materialise, in particular if the price of heat energy falls. These price sensitivities have been considered in the model and scenarios considered to mitigate this.
- 7.6** State aid regulations will required to be adhered to at all stages of the DHN development in particular related to the provision of financial loans from the Council, establishing the ESCO, and any procurement processes adopted.

8. Equalities Impact Assessment (EIA)

- 8.1** The project has been screened and is relevant in terms of the equality duties; some potential positive impacts have been identified. The project is at an early broad stage. As the project develops more impact assessment work will be carried out to positively inform the process. This can be observed at Appendix 2.

9. Consultation

- 9.1** Consultation has taken place with all the key stakeholders including West College Scotland, SEPA, Golden Jubilee Hospital NHS, Clydeside Regeneration Limited, and services across the Council. Further extensive consultation will be progressed as the project develops.

10. Strategic Assessment

10.1 The Action Plan supports the four strategic priorities of the Council's updated Economic Development Strategy (2015-2020):

- Stimulating economic investment and growing the business base
- Improving the skills of all our people and supporting them into work
- Creating an inclusive and prosperous place where people choose to live work and invest
- Building stronger partnerships and innovative approaches to delivery

Jim McAloon
Strategic Lead, Regeneration
Date: 16 November 2016

Person to Contact:	John McKenna, Energy and Compliance Co-ordinator, Garshake Road, Dumbarton, G82 3PU. Telephone: 01389 737325 e-mail: john.mckenna@west-dunbarton.gov.uk
Appendices:	Appendix 1 – LCITP Application Appendix 2 – Equality Impact Assessment
Background Papers:	Nil
Wards Affected:	5 & 6



European Union



The Scottish
Government
Riaghaltas na h-Alba

EUROPE & SCOTLAND

European Regional Development Fund
Investing in a Smart, Sustainable and Inclusive Future



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean



Low Carbon Infrastructure Transition Programme

Scotland's Development Unit for Low Carbon Projects

Transformational Low Carbon Infrastructure Demonstrator Application Form

1. To help you complete the application form please read the LCITP Guidance Notes for this invitation. You must confirm on page 12 that you accept the terms and conditions of this application and that you have read and understood the privacy policy. Further information on the handling of personal data can be found on page 15. Electronic and hardcopy completed application forms are accepted – **but a signed hard copy of the exact same completed application must be provided by post**. Please submit completed electronic applications to: lcitp@gov.scot and signed hard copy applications to: LCITP Project Team, 4th Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU.

Please note the closing date for receipt of your electronic Application Form is **5pm on 24 November 2016**. Signed hard copies by post may follow but must be received by 30 November 2016.

To allow LCITP to fully evaluate your application, please ensure that you fully answer to the best of your ability every question within each part of this form. Help notes to assist you in completing the application are included and referred to throughout the application as well as reference to guide you to the appropriate section of the guidance notes, which will be provided as a separate document.

If there are significant material differences in the nature or scope of the project from that proposed at the Expression of Interest stage the LCITP reserves the right to reject the application.

Please note that a ✓ in the Assessed column on the right hand side of the form indicates that the answer to that question will be subject to evaluation and given a score by the LCITP Assessment Panel.

PART 1: Lead Partner Details Please read Guidance Note 1, page 1 - for Project Partners		
1.1 Name of lead organisation	West Dunbartonshire Council "WDC"	
1.2 Head office address	Council Offices, Garshake Road	
1.3 Town/city	Dumbarton	
1.4 Postcode	G82 3PU	
1.5 Local Authority area	West Dunbartonshire	
1.6 Contact name	Jim McAloon	
1.7 Job title/position	Strategic Lead – Regeneration, Environment and Growth	
1.8 Telephone number	01389 737401	
1.9 Email	Jim.mcaloon@west-dunbarton.gov.uk	
1.10 Website	www.west-dunbarton.gov.uk	
1.11 Type of organisation Please read Guidance Note 2, page 1 - on who can apply for support	<input type="checkbox"/> SME <input type="checkbox"/> Third Sector <input type="checkbox"/> Non-SME <input type="checkbox"/> Community Group <input checked="" type="checkbox"/> Other (Please state): Local Authority via a SPV which will be created to be the ESCO to lead delivery, own and manage the assets and contract with third parties	
1.12 What is your organisation's main business activity?	Local Government and the provision of public services	
1.13 Is the organisation incorporated?	Yes <input type="checkbox"/> A Special purpose vehicle will be incorporated to undertake the proposed development. This will be a wholly owned subsidiary of the Council	
1.14 Company/charity or other registration no.	No	
1.15 Is your organisation VAT registered in the UK? If so, please provide the VAT Registration no.	Yes, VAT No 659065214. The proposed SPV will register for VAT in its own right.	

<p>1.16 How many Full Time Equivalent (FTE) employees do you currently have?</p> <p>Please read Guidance note 3, page 1 - on description of FTEs</p>	<p>Please provide the actual number of FTE employees (if available):</p> <p>_____</p> <p><input type="checkbox"/> Zero</p> <p><input type="checkbox"/> 1 to 10 employees</p> <p><input type="checkbox"/> 11 to 50 employees</p> <p><input type="checkbox"/> 51 to 250 employees</p> <p><input checked="" type="checkbox"/> more than 250 employees</p>						
<p>1.17 What is your most recent (audited where applicable) annual turnover?</p>	<table border="1" data-bbox="451 604 1308 694"> <tr> <td>Annual Turnover £ 220,862m</td><td>Financial Year: 15/16</td><td>Audited: Yes</td></tr> </table> <p>Please provide your most recent annual turnover and the financial year it applies to (to be taken from your audited accounts where available).</p> <p>Note: In the event that the organisation has been trading for less than a year or does not produce audited accounts, please provide the information from non-audited or management accounts. Please state the reason why audited accounts are not available.</p>			Annual Turnover £ 220,862m	Financial Year: 15/16	Audited: Yes	
Annual Turnover £ 220,862m	Financial Year: 15/16	Audited: Yes					
<p>PART 2: Partner Details (if applicable)</p>				<p>Assessed</p>			
	Partner 1		Partner 2				
<p>2.1 Name of partner organisation(s)</p>	<p>Proposed SPV to be established by West Dunbartonshire Council "Clydebank Heat LLP"</p>		<p>Clydeside Regeneration Ltd "CRL"</p>				
<p>2.2 Address</p>	<p>Per Council Offices Garshake Road</p>		<p>c/o Wm Hamilton & Sons Limited Dovesdale Farm, Carlisle Road,</p>				
<p>2.3 Town/city</p>	<p>Dumbarton</p>		<p>Stonehouse,</p>				
<p>2.4 Postcode</p>	<p>G82 3PU</p>		<p>ML9 3PR</p>				
<p>2.5 Local Authority area</p>	<p>West Dunbartonshire</p>		<p>South Lanarkshire</p>				
<p>2.6 Contact name</p>	<p>Alan Douglas</p>						
<p>2.7 Job title/position</p>	<p>Manager of Legal Services</p>						
<p>2.8 Telephone number</p>	<p>01389737889</p>						
<p>2.9 Email</p>	<p>Alan.douglas@wdc.gcsx.gov.uk</p>						
<p>2.10 Website</p>							
<p>2.11 Type of organisation</p>	<p><input checked="" type="checkbox"/> SME</p> <p><input type="checkbox"/> Third Sector</p> <p><input type="checkbox"/> Non SME</p> <p><input type="checkbox"/> Community Group</p> <p><input type="checkbox"/> Other (Please state):</p>		<p><input checked="" type="checkbox"/> SME</p> <p><input type="checkbox"/> Third Sector</p> <p><input type="checkbox"/> Non SME</p> <p><input type="checkbox"/> Community Group</p> <p><input type="checkbox"/> Other (Please state):</p>				

2.12 What is the partner's main business activity?		Property Development and Investment	
2.13 How many Full Time Equivalent (FTE) employees does partner currently have? Please also provide the actual number of FTE employees (if available)	Actual no.: _____ <input checked="" type="checkbox"/> Zero <input type="checkbox"/> 1 to 10 employees <input type="checkbox"/> 11 to 50 employees <input type="checkbox"/> 51 to 250 employees <input type="checkbox"/> more than 250 employees	Actual no.: _____ <input type="checkbox"/> Zero <input checked="" type="checkbox"/> 1 to 10 employees <input type="checkbox"/> 11 to 50 employees <input type="checkbox"/> 51 to 250 employees <input type="checkbox"/> more than 250 employees	
2.14 What is the partner's most recent (audited where applicable) annual turnover?	Annual Turnover £ Financial Year: <div style="text-align: right;">Audited: Yes <input type="checkbox"/> No <input type="checkbox"/></div>	Annual Turnover £ TBC Financial Year: <div style="text-align: right;">Audited: Yes <input type="checkbox"/> No <input type="checkbox"/></div>	
2.15 What is the partner's role in the project?		Landowner and Development manager	
2.16 i) Describe the current contractual relationship (if any) between the partners ii) Describe any proposed contractual relationship or delivery vehicle that you are intending to put in place to deliver this project including ownership, shares, equity and profit distribution.	<p>It is intended that WDC will establish a wholly owned subsidiary as an Energy Supply Company (ESCO) which will be the partner organisation to lead the project. The ESCo is expected to be a LLP structure which will ultimately own the assets to be created and be 100% controlled by WDC.</p> <p>The ESCO will procure the services of a Design & Build, Operate and Manage contractor which will be responsible for specifying, building and running the proposed district heating network on behalf of the ESCo</p> <p>The former John Brown shipyard, known as Queen Quay, is owned by CRL and is at the heart of the West Dunbartonshire Council regeneration strategy for Clydebank.</p> <p>The brownfield site extends to around 160 acres and is situated between the town centre and the extensive river frontage onto the Clyde and former River basin which was used for the fitting out of ships. This Basin is owned by CRL which will allow for water abstraction without need to negotiate abstraction rights with any third party.</p> <p>The council entered into a Development agreement with CRL in July 2015 which committed an investment of £16.2M to provide the necessary physical infrastructure required to enable the future development of the site.</p>		

	<p>The Development Agreement obliges CRL to perform the function of Developer, responsible for leading the planning and implementation of works. These works have been approved as part of a master plan for the whole site which will be developed over the next 7-10 years and provide 1200 new homes (including 200 social/affordable homes), new NHS Health centre, WDC Care Home, Hotel and a range of small retail and commercial units.</p> <p>Under the terms of the Development agreement CRL and WDC will share any surplus from developments and sale proceeds arising from the disposal of land.</p> <p>ii) An adjustment to the existing Development Agreement will permit CRL to extend their role to provide Development management to include the physical works within the Queens Quay site and adjacent areas to be served by the District Heating Network. There is a strong interdependency between the civil engineering works for core infrastructure, to be constructed by CRL, and a high proportion of the work which relates this project. This includes the construction of physical structures for abstracting water to feed the Heat Pumps, the construction of the energy centre and the installation of the heat distribution network as part of the road and utilities infrastructure.</p> <p>It is expected that CRL will procure works on behalf of the ESCo in conjunction with a Design Build/Operate and Manage Contractor within the terms of the Development Agreement.</p> <p>CRL will not acquire ownership of any new assets nor have equity, shares or benefit from profit distribution from the proposed Heat Network. It is expected that CRL will receive a royalty payment in respect of their contribution of land, calculated relative to the volume of heat consumed.</p>			
PART 3: Overall Project Details		Assessed		
Building a picture	To help us understand the reasons why you are applying for support, it would be helpful if you could provide key details about the structure of the project.			
3.1 Confirmed Project title	Queens Quay and Clydebank District Heating Network			
3.2 Project Location Please provide UPRN if the project has one. Please also provide the postcode(s) of area(s) where the project will be	<table border="1"> <tr> <td>UPRN(s): 129043770</td> <td>Postcode(s): G81 1QH</td> </tr> </table>		UPRN(s): 129043770	Postcode(s): G81 1QH
UPRN(s): 129043770	Postcode(s): G81 1QH			

delivered		
<p>3.3 Final Project Outline</p> <p>Please provide a summary of your project.</p>	<p>The project will establish a district heat network at Queens Quay Clydebank where the energy source is a privately owned river basin which can supply water for a new energy centre housing 3 x1MW heat pumps. These pumps, powered by electricity, act as chillers that extract heat from large volumes of water with an average temperature of between 8-12c transfers the resultant heat at around 75c into the distribution pipe network.</p> <p>The distributed network will use heavily insulated pipes to deliver heating for all new developments at Queens Quay and a number of nearby buildings. It is expected that at least 80% of all heat consumed be derived from water abstracted from the Clyde. Traditional gas fired boilers will provide around 20% of the heat to meet peak demand.</p> <p>The objective is to establish a viable heat network which is capable of accommodating growth. On completion the project is expected to be the largest single heat network in Scotland using water source heat and will permit zero carbon homes to be built at Queens Quay. The Council's vision is that the network will expand to include large areas of Clydebank and Dalmuir.</p> <p>A key aim of the project is to lower carbon emissions by decreasing dependence on fossil fuels. The economies of scale in the district heat network can also reduce the cost of heating which will help alleviate fuel poverty.</p> <p>The proposed energy supply company (ESCo) will be fully controlled by West Dunbartonshire Council to ensure that where possible the opportunities to expand the network will be properly realized.</p> <p>The project will be delivered in phases incorporating the following initial stages. The application for funding relates only to stages 1-3.</p> <p>Stage 1 – the construction of energy centre, generating plant and initial pipe network to serve College, WDC Leisure centre, Aurora House and Titan Enterprise.</p> <p>Stage 2 – the provision of the main spine distribution pipework and connection of Health centre, care home and affordable housing</p> <p>Stage 3 - the connection in phases of private housing</p> <p>Stage 4 – the potential to connect the Golden Jubilee Hospital and nearby property.</p>	
<p>3.4 End Users</p> <p>Please specify the benefits, beneficiaries, end user(s) and end use(s) of the energy being created by the technology being demonstrated.</p>	<p>The proposed technological solution is the used of heat extraction (Heat Pump) technology to take heat from the water resource and to share that widely through a piped distribution network. During the initial stages of project the main beneficiaries are listed below</p> <p>West Dunbartonshire Council</p> <ul style="list-style-type: none"> • Aurora House, Council offices – [Heat] • Clydebank Town Hall – [Heat] • Clydebank Library– [Heat] • Clydebank Care Home (expected 2018) – [Heat] • WDC Leisure Trust – Clydebank Leisure centre (opens 2017) – [Heat] <p>Clydebank Property Company (WDC owned) – The occupants of Titan</p>	

	<p>enterprise offices – [Heat]</p> <p>West College Scotland – the Clydebank campus [Heat].</p> <p>NHS Greater Glasgow and Clyde Medical centre (estimated 2019)[Heat]</p> <p>The occupiers of all housing to and commercial development yet to be built at Queens quay (around 1200 new homes (including 200 affordable) will be directly or indirectly via Registered Social Landlords RSLs) to the heat network</p> <p>It is expected that the public sector consumers will receive heat at a tariff that will be equivalent to their “business as usual” alternative heating costs which will be benchmarked against the current provision including full life cycle costs. Initially, the direct benefit is therefore limited to the value of carbon saved but, in the longer term, this will include the capital costs associated with lifecycle replacements.</p> <p>RSLs will have access to low tariffs so that they can pass savings to Tenants in social and affordable housing which may include vulnerable groups. This approach will contribute to the alleviation of local fuel poverty.</p> <p>The project has been designed to provide for future expansion. Accordingly, it is expected that the number and scope of direct and indirect beneficiaries will grow over time.</p> <p>It is expected that the provision of the heat network and potential for Low /No carbon housing will further encourage building of new homes at Queens Quay, which will stimulate the local economy.</p> <p>During the construction phase subsequent operation there will be job creation and training opportunities. West College Scotland, a stakeholder and beneficiary, have expressed an interest in exploring how the proposed project can be used for student education and training.</p> <p>The project will give significant carbon savings to existing users who are reliant on fossil fuels for heat and in the new developments planned for Queens Quay.</p>			
PART 4: Funding				Assessed
<p>4.1 CAPEX breakdown</p> <p>Anticipated final total CAPEX of your Project?</p> <p>Please submit full Financial Model/Investment Strategy with this application.</p> <p>Please read Guidance Note 5, page 1 - on Investment, Financial Planning and Financial Due Diligence for the Project</p>	Detail of the work to be undertaken	Anticipated cost of work	% of total CAPEX	✓
		£000's		
	Stage 1 - Building - Substructure	772	6.8%	
	Stage 1 - Building - Superstructure	1089	9.6%	
	Stage 1 - Building - Internal finishes	65	0.6%	
	Stage 1 - Building - Services	221	1.9%	
	Stage 1 - Building - Preliminaries	161	1.4%	
	Stage 1 - Plant - Services	4066	35.7%	
	Stage 1 - Plant - External works	50	0.4%	
	Stage 1 - Plant - Preliminaries	487	4.3%	
	Stage 1 - Plant - Design reserve	535	4.7%	
	Stage 1 - Professional fees	352	3.1%	
	Stage 1 - Surveys / statutory consents	124	1.1%	
	Stage 1 - Legal fees	200	1.8%	
	Stage 2 - Services	50	0.4%	

	Stage 2 - External works	1867	16.4%																	
	Stage 2 - Preliminaries	202	1.8%																	
	Stage 1 & 2 - Additional staff costs	100	0.9%																	
	Stage 1 & 2 - Billing set up costs	50	0.4%																	
	Stage 3 - External works	573	5.0%																	
	Stage 3 - Preliminaries	67	0.6%																	
	PROJECT Contingency	369	3.2%																	
	TOTAL CAPEX Stages 1-3	11400	100.0%																	
	50% of TOTAL Capex	5700	50.0%																	
4.2 LCITP Support Requested	<p>Please confirm the financial support being requested from LCITP for your project? The total amount being requested cannot exceed 50% of the total CAPEX stated in 4.1 above.</p>			✓																
<p>Please read Guidance Note 7, page 2 - on what support is available</p> <table border="1"> <thead> <tr> <th>Detail of the work to be undertaken</th> <th>Anticipated total cost of work £000</th> <th>Amount requested from LCITP £000</th> </tr> </thead> <tbody> <tr> <td>Building cost</td> <td>£2308</td> <td>£1600</td> </tr> <tr> <td>Plant (excl WSHP)</td> <td>£5138</td> <td>£2200</td> </tr> <tr> <td>Distribution Network</td> <td>£2759</td> <td>£1400</td> </tr> <tr> <td>Preliminaries and fees</td> <td>£1195</td> <td>£500</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>TOTAL LCITP SUPPORT BEING REQUESTED: £ 5.7 M</p> <p>LCITP SUPPORT AS A PERCENTAGE OF TOTAL CAPEX (as detailed in 4.1 above): 50 %</p>			Detail of the work to be undertaken		Anticipated total cost of work £000	Amount requested from LCITP £000	Building cost	£2308	£1600	Plant (excl WSHP)	£5138	£2200	Distribution Network	£2759	£1400	Preliminaries and fees	£1195	£500		
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Distribution Network	£2759	£1400																		
Preliminaries and fees	£1195	£500																		
4.3 Other funding/finance secured for the project	<p>Please provide details of funding from alternative sources secured for the project, evidence to substantiate this.</p> <p>You must be able to evidence that your project can secure other sources of funding/finance that contribute a minimum of 50% towards the cost of the project.</p> <table border="1"> <thead> <tr> <th>Name of Funder/Finance Provider</th> <th>Amount secured £</th> <th>Type of agreement in place (e.g. Heads of Terms / MOU, a signed letter from a funder explicitly referring to explicit contribution)</th> </tr> </thead> <tbody> <tr> <td>West Dunbartonshire Council</td> <td>£ 5.7M</td> <td>WDC Council approval 23/11/16 towards funding to match 50% of LCITP. It is envisaged that this</td> </tr> </tbody> </table>			Name of Funder/Finance Provider	Amount secured £	Type of agreement in place (e.g. Heads of Terms / MOU, a signed letter from a funder explicitly referring to explicit contribution)	West Dunbartonshire Council	£ 5.7M	WDC Council approval 23/11/16 towards funding to match 50% of LCITP. It is envisaged that this	✓										
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West Dunbartonshire Council	£ 5.7M	WDC Council approval 23/11/16 towards funding to match 50% of LCITP. It is envisaged that this																		

must be submitted with this application.			will be through a loan to the ESCo. A provisional Funding commitment for stage 4 subject to Final Business case	
	TOTAL AMOUNT OF OTHER FUNDING SECURED: £ 5.7M OTHER FUNDING AS A PERCENTAGE OF TOTAL CAPEX (as detailed in 4.1 above): 50 % Please read Guidance Note 8, page 3 – on State Aid rules			
4.4 State what, if any, UK Government subsidies such as, ROCs, RHI etc., you intend to apply for under this project.	It is intended that Renewable Heat Incentives will be sought in respect of the heat consumed which is generated using water Source Heat Pump Technology. The heat pumps will be purchased by the proposed SPV which will benefit from the RHI.			
PART 5: Project Delivery and Outcomes				Assessed
5.1 Project Stage The low carbon project for which you are requesting support must be a demonstrator project and must have a detailed Business Case.	Does your project have a detailed Business Case? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Please tick to indicate that you are including a copy of your Detailed Business Case as part of your submission: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Please read Guidance Note 9, page 4 – which provides high level guidance on the probable content of a business case and proposition to prospective investors and a link to suggested checklist To follow			✓
5.2 Final Project Plan Please submit a project plan and corresponding Gantt Chart which sets out clear timescales - including construction period, milestones and deliverables.	Remember that providing a full Project Programme is mandatory. Full Project Programme To follow No we do not yet have a Project Programme <input type="checkbox"/> Please indicate if submitted with this application: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			✓
5.3 Project Delivery	West Dunbartonshire Council intend to establish an energy supply company ESCo as a wholly owned subsidiary. This will be funded by loan stock from WDC and grant funding from LCITP and there will be no			✓

Please provide details of your proposed delivery strategy including long-term (10 years or greater) ownership plans, any exit strategy and estimated revenues against operations and maintenance costs.	external shareholders.						
	The ESCo will collaborate with the Landowner, CRL, to appoint suitable technical advisers to further develop the feasibility work and to provide a detailed scheme design with performance specifications to be procured under a Design Build Operate and Manage contract to be tendered and awarded by the ESCO.						
	The DBOM contactor will further develop the scheme design to allow the project to be delivered within the budget provided by the ESCO. Due to the interdependencies and potential synergy between the WDC/CRL Queens Quay infrastructure project and the proposed DHN civil engineering work, it is expected that the DBOM will work closely with CRL to ensure a proper interface and to take advantage of economies of scale. This will include the works related to						
	<ul style="list-style-type: none">• Civil engineering around the Fitting out basin and the creation of pumping chamber and connections for abstraction pipework• Construction of the energy centre and utility connections thereto• The engineering and construction of the proposed spine road and the laying of distribution pipe network including provision for interface with road crossings on A814 at Dumbarton Road.• Provision for and connection to existing and new property within the Queens Quay development site.						
	On completion of the construction and commissioning stage, the ESCo will retain ownership of the energy centre and related abstraction and distribution network. This will be operated and maintained by DBOM to meet prescribed key performance requirements. Customer interface, billing and the award of any relevant sub contracts will be undertaken by DBOM on behalf of the ESCo.						
	The ESCo will receive all revenue and meet all operating and maintenance costs including DBOM fees. Once fully established and after an initial period of operation (10 years) it is expected that the ESCo would be able to re-tender the role fulfilled by DBOM either in whole or in discrete parts to ensure effective and efficient performance of the network.						
	As a wholly owned subsidiary of the Council the ESCo is expected to retain full ownership and not divest any part of its interest in the DHN. Moreover, it is expected that the ESCo will utilise surplus derived from operations to reinvest in expanding the network which will serve as wide an area of Clydebank and Dalmuir as is practical.						
5.4 Schedule of Licenses and Consents							
Please list all the consents you will require for full delivery of your project and provide an update on progress	License - Consent type	Regulator- Authority	Application Date / Timeline for outstanding consents	Issue Date	Owner	Comments	
	AMSiC	WDC	25/10/16 expected approval by January 2017		CRL	Reserved matters for masterplan	
	Detailed Planning	WDC	TBA approval expected by May		CRL/ ESCo		

			2017				
	Building warrants	WDC	TBA Warrant stage 1 by June 2017		CRL/ DBO	Energy centre and Civil structures	
	Water Abstraction	SEPA	TBA Approval by January 2017		CRL/ WDC		
	Marine licence	CRL	08/10/16			Approved	
	Development Agreement		Finalised by end of Jan 2017			Agreement in principle reached	
<p>The project has become integral to the masterplan for Queen Quay for which Planning Permission in Principle Consent was issued in September 2016. An application for Approval of Matters Specified in Consent (AMSiC) was made on 25/10/16. This will be followed by an application for Road Construction Consent in December 2016. The applicant for both is CRL as landowner and developer with WDC as statutory Planning authority.</p> <p>Detailed planning consent will be required for the Energy centre and associated civil engineering works. The PPIP application included for the energy centre and the planning authority have already been consulted on the proposed design. Allowance has been made in the project programme for determination of the application within the statutory guidelines.</p> <p>A Marine Licence was required for the proposed repair and reinstatement of the quay walls around the fitting out basin. This was obtained by CRL prior to the AMSiC application. No further licencing is required from Marine Scotland for the proposed project. The licence for works has a time limit of 2 years.</p> <p>SEPA were consulted in relation to a licence for the abstraction of water from the River edge of the fitting out basin. The relevant areas are classified as transitional waters and SEPA have advised that the licence will be therefore be granted on application. There are no time limits applied to the licence.</p> <p>The development Agreement between CRL and WDC provides for the development of a district heating network. Agreement in principle has been reached to make adjustment to that agreement to make allowance of the proposed ownership by ESCO and the intended delivery mechanism. The revised agreement will confer land rights necessary to implement the scheme.</p>							
5.5 Risks Please describe key risks associated with this Project and how these risks will be managed and mitigated (max 250 words) Please provide a project risk register	<p>Please read Guidance note 12, page 5 - on risks associated with the project and how to manage and mitigate them</p> <p>Narrative to follow</p>						✓

including details of mitigations and highlight any planning risks/issues or conditions that need to be met		
<p>5.6 Skills to deliver</p> <p>Please provide details of relevant skills within your project team/consortium and the role of the partners, this should include any contract that will be required to be tendered to deliver the work. (max 250 words)</p>	<p>Please read Guidance Note 13, page 6 - on relevant skills and any gaps within the project team and how this might impact on delivery</p> <p>The project team currently comprises</p> <p>Client: WDC via proposed ESCo (and internal council resource)</p> <p>Development manager: CRL with DAWN Developments - commercial developer with project management skills.</p> <p>Financial Adviser: Sustain and F1F9 - support for business case and financial planning for the proposed ESCo</p> <p>Legal Adviser: Shepherd and Wedderburn - Corporate structure, Procurement and state Aid and Heat agreements</p> <p>Cost Consultant: Gardiner & Theobald - Quantity Surveyors for Masterplan and DHN project.</p> <p>Structural and Civil Engineer: Goodsons - Supervising construction of Energy centre and installation of pipework</p> <p>Marine Engineer: Arch Henderson - design and supervision of marine works</p> <p>Heat Network Scheme designer: To be tendered with appointed post award. This is a technical team who can further specify the detailed parameters for the proposed heat network and co-ordinate inputs from different engineering disciplines. This is skills gap which was recognised and will be closed by the award date.</p> <p>Architect: ADF - Energy centre.</p> <p>The Selection of Design Build Operate and Manage Contractor will require to be tendered by the ESCO under OJEU guidelines. It is expected that this process may take 4 - 6 months from January 2017 to reach financial close Accordingly the approach to be adopted will be to proceed with scheme design in parallel with the DBOM selection both to inform that process and avoid any time lag in the pre-construction stage.</p> <p>Tenders for Road construction and Marine works around the Basin will be tendered by CRL but will include provision for works associated with the delivery of this project. The Road construction and Marine works packages will be offered for tender by CRL February 2017.</p>	✓
PART 6: Added Value		Assessed
<p>6.1 Low Carbon Impact</p> <p>Please provide evidence of the potential of the</p>	Narrative and tables to follow	✓

Project to deliver significant reduction of greenhouse gas emissions and energy consumption reduction in Scotland. (max. 250 words)		
6.2 Innovation Please provide details on the innovative elements of your project. (max. 250 words)	<p>The project can be considered innovative in a number of ways.</p> <p>The technology adopted, although established in other parts of Europe, is not widely used for Heat networks of this scale in Scotland. The location offers a unique opportunity to capitalise on the availability of an abundant renewable resource (transitional waters of the Clyde estuary/Irish Sea), the proximity of established Heat demand and the proposed development of 1200 new homes. .</p> <p>The local Council working in partnership with the landowner have already established a framework for the delivery of physical infrastructure to make the site ready for development. This same structure will facilitate the creation of a heat network which will have capacity to serve not only the initial stages of planned development but can extend to meet the wider needs of the community in Clydebank and Dalmuir.</p> <p>The creation of an ESCo, wholly owned by the local authority which can reinvest surplus generated from the operation of the heat network will ensure that the council can exercise control over future expansion and the pricing structure to ensure that the benefits of district heating will not be determined wholly by commercial imperative.</p>	✓
6.3 Transformational Please explain how your Project will be transformational for Scotland. (max. 250 words)	<p>The proposed system, which might otherwise have been limited to Queens Quay only, has been designed as large heat network to serve existing property and 1200 new homes with future expansion capability.</p> <p>Occupiers of new homes will enjoy the benefits of relatively low cost heat without the burden of maintenance costs associated with domestic boilers. Evidence form other similar project suggests that Housebuilders, although sometimes slow to embrace new technology, do benefit from high levels of customer satisfaction and reduced building costs where district heating networks are available.</p> <p>The aim is to make Queens Quay an exemplar low carbon, low watt development.</p> <p>The Golden Jubilee Hospital Campus lies around 800m to the west of the project site. The hospital is a major consumer of heat with significant heating and cooling loads which can easily be accommodated by the initial network.</p> <p>Technical and financial feasibility for a proposed connection to the Hospital has been assessed as an adjunct to this project and an active dialogue has been established with the hospital management. However, there is insufficient certainty with the proposal to include stage 4 in this application</p> <p>High level studies suggest the expected cost to extend the network would to be approximately £2m with additional costs related to the technical interface with the hospital system. The relatively low cost of extending the pipe network would offer a highly cost effective solution for the hospital as an alternative to committing further capital investment in their own plant to achieve cost and carbon savings.</p>	✓

<p>6.4 Replicability</p> <p>Please explain why your Project is replicable across Scotland. (max. 250 words)</p>	<p>The combination of existing demand with planned new development results in a quantifiable low risk early revenue stream to balance the relative uncertainties of the development process.</p> <p>The project can be replicated elsewhere serve existing heat loads and can be built up incrementally to meet the development needs for a large area.</p> <p>The abundance of water in Scotland in Loch, Rivers and the sea would suggest that the use of similar technology can be adopted over a wide geographic area. The capacity of the water resource, particularly for transitional/tidal water to provide heat is almost unlimited. The challenge is being able to distribute the heat generated to consumers.</p> <p>Although no market studies have been carried out, the technical aspects of the project can easily be replicated where suitable water resources and heat demand exists. The combination of other energy sources and or the inclusion of combined heat and power (CHP) would potentially enhance the operation of the heat distribution network.</p>	<p>✓</p>
<p>6.5 Creating an Effective Dissemination Strategy</p> <p>(max. 250 words)</p> <p>Please provide a copy of your Dissemination Strategy with this application.</p>	<p>The project has significant potential to connect widely and will provide for the dissemination of information at a number of levels. The proposed dissemination strategy will address.</p> <p>Public sector - West Dunbartonshire Council as the largest consumer of heat can demonstrate potential long terms costs savings and significant Carbon reduction achievements. This will form the basis of a case study which can be used to inform other projects within the local authority area and to be shared with other public sector bodies to encourage a similar change in behaviour either as a consumer or as a leader in the delivery of local heat generation and distribution networks.</p> <p>Education sector - It is expected that West College Scotland will become a heat customer. While this will provide the College with carbon savings and some potential cost benefits there are additional opportunities for direct and indirect learning and the potential for training and skills to be acquired during the construction and operation of the network.</p> <p>Local and national - The energy centre has been designed to create public interest and it is expected that there will be scope for educational provision to be made within the building envelope. The QQ project has an active community engagement programme which will be developed as the project advances but recent activities have been focussed on renewal and sustainability which is the underlying ethos of the project.</p>	<p>✓</p>
<p>6.6 Describe why you need LCITP support for your project through this invitation (max. 250 words)</p>	<p>A commercially led, market solution would not necessarily result in a project which would provide the expansion capability of the proposed solution. Instead, a network sized only to meet the immediate demand and the planned development stages would be expected. It is expected that such a solution would be driven by commercial imperatives and the need to generate a market return on equity. As a demonstrator project the technology is not sufficiently well proven to attract commercial lending at competitive rates which make funding extremely challenging.</p> <p>It should also be recognised that the interests of a commercial operator are not necessarily aligned with the Carbon and cost reduction objectives for the principal consumers. Whereas the proposed network is both fully scalable and not reliant on the incremental delivery of built development to fund future expansion.</p> <p>LCITP support will ensure delivery of a heat network which can expand</p>	<p>✓</p>

	<p>beyond the initial stages to serve the wider community and demonstrate a modest return over a 20-40 year horizon.</p> <p>In the absence of LCITP support it is likely that the promoters would revert to a project of significantly lesser scale which would need to develop over a 10-12 year period to serve the immediate Queens Quay area. Thereafter, expansion could continue but with much higher future capital requirements to provide for additional buildings, plant and network infrastructure. Accordingly, LCITP will accelerate the delivery of a future proofed scheme ready to accept extended connection at any point.</p>	
PART 7: Project Impact		Assessed
<p>7.1 Economic Impact</p> <p>Please describe the economic benefits (measured by the creation of FTEs, improvements in sales turnover and infrastructure) to Scotland (max. 250 words)</p>	<p>Please read Guidance note 19, page 8 - for Demonstrating Economic Impact of Projects</p> <p>A Full narrative to follow to address</p> <ul style="list-style-type: none"> • Capital investment and Scottish supply chain impact • FTE safeguarded? • FTE created • Increased sales/turnover as a result of the project • Reduce energy costs 	✓
<p>7.2 Social Impact</p> <p>Please describe the social benefits of your project including potential to alleviate fuel poverty, both at a local level and to Scotland</p>	<p>Please read Guidance note 20, page 9 - on Social Impact and Fuel Poverty</p> <p>The immediate social impacts are limited to the immediate QQ neighbourhood which in the main will comprise new homes for sale. However, the development will include 200 new social affordable homes which will be connected to the heat network. In so far as these new homes will be available to those who may be susceptible to fuel poverty the initial project makes a modest contribution to reducing the impacts of high energy costs</p> <p>In the longer term provision has been made within the system to accommodate a considerable volume of additional demand. The ability to provide access to this extended heat network to alleviate fuel poverty is a key aspiration for the Council.</p>	✓
<p>7.3 Community Engagement</p> <p>Please provide evidence of engagement to date with the local community about the aims and potential impact of your project? If you have upcoming community engagement activities please also list these. (max. 250 words)</p>	<p>Please read Guidance note 21, page 9 - on Effective Community Engagement</p> <p>Once the project is committed for Queens Quay a programme of future community consultation events will be planned for target areas which can be served by the planned district heat network. The communities which will be the focus for initial consultation will be those closest to an economically viable connection to the network. Accordingly, it is expected area of high heat demand / heat density will benefit from connection once the network expands beyond Queens Quay.</p> <p>Narrative to follow</p>	✓

<p>7.4 Community Ownership</p> <p>We are keen to understand more about Community Ownership including the barriers and challenges that are faced in developing projects. Please use this section to set out your views on Community Ownership in relation to your project.</p>	<p>Please describe the process through which you have explored the potential for community investment or ownership and the result. If you have not explored this option, please explain why not and why you consider this option is not appropriate for your Project.</p> <p>Please read Guidance note 22, page 10 - on Community Investment and Shared Ownership</p> <p>Narrative to follow</p>	
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PART 8: Declaration and Understanding

	Yes	No
Have you, or any other partner or director of your business, ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or been the proprietor, partner or director of a business subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?		no
If YES , please give details on a separate sheet of paper. This does not necessarily affect your chances of obtaining LCITP support.		

	Yes	No
Have you, or any other partner or director of your business, ever been bankrupt or subject to an arrangement with creditors?		no
If YES , please give details on a separate sheet of paper. This does not necessarily affect your chances of obtaining LCITP support.		

	Yes	No
Have you, or any other partner or director of your business, ever been a proprietor, partner or director of a business subject to any formal insolvency procedure such as Receivership, Liquidation, Administration or was subject to an arrangement with its creditors?		no
If YES , please give details on a separate sheet of paper. This does not necessarily affect your chances of obtaining LCITP support.		

	Yes	No
Have you, or any other partner or director of your business, ever been a proprietor, partner or director of a business requested repay a grant under any Government scheme? This includes any company requested to pay grant while subject to any insolvency procedure, where the director/company secretary knew or ought reasonably to have expected that any request to pay grant could be made?		no
If YES , please give details on a separate sheet of paper. This does not necessarily affect your chances of obtaining LCITP support.		

Declaration – Please read this carefully before signing

I/we understand that if I give information that is incorrect or incomplete, grant may be withheld or reclaimed and action taken against me. I/we declare that the information I/we have given on this form is correct and complete. I/we also declare that, except as otherwise stated on this form, I/we have not started the capital delivery phase of the project which forms the basis of this application and no capital expenditure has been committed or defrayed on it.

I/we understand that the LCITP partner organisations; The Scottish Government, Scottish Enterprise Highlands and Islands Enterprise, Scottish Futures Trust, Resource Efficient Scotland and other associated bodies such as, technical consultants and agents collectively referred to as “the Agencies”, will use the information that I/we provide on this application form to assess my/our suitability for support. I/we understand if my/our application is successful, the Agencies will use the information provided in this application form for administration and management purposes, including carrying out appropriate checks, audits and marketing. Your details may also be passed to auditors, the European Commission or its agents for administrative purposes.

I/we understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

I/we understand that should support be awarded under this call, I/we must actively engage with LCITP to develop the application and monitor the project’s progress.

I/we agree to accept the final decision of the LCITP Evaluation Panel in respect to this application.

Acceptance of terms and conditions

- The information I have provided is accurate and true to the best of my knowledge.
- I have read, and agreed to, the rules as outlined above, and accept the terms and conditions.
- Privacy Policy – you can find the privacy policy at [Appendix 1](#)

☐ I have read and understood the privacy policy at page 15

Signatory one

This section should be completed and dated by the primary contact person named in Part 1, Question 1.6.

Signature			
Name (printed)			
Position			
Organisation		Date	

Counter signing senior officer:

Signatory two

This should be the senior person in your organisation who is authorised to approve the application on behalf of the organisation e.g. the chair, chief executive or person of similar authority in your organisation.

Signature			
Name (printed)			
Position			
Organisation		Date	

Checklist

Before you press “send” make sure you have provided all the relevant **mandatory** supporting documentation using the checklist below:

Have you completed all the questions on the Application Form?		<input type="checkbox"/>
Have you enclosed/attached the following mandatory documents:		
A copy of your Memorandum and Articles or/ Constitution, signed and dated		<input type="checkbox"/>
Most recent audited accounts, or independently verified statement of income and expenditure		<input type="checkbox"/>
Most recent Annual Report		<input type="checkbox"/>
Copy of your Equality Policy ¹		<input type="checkbox"/>
Detailed Business Case		<input type="checkbox"/>
Project Programme		<input type="checkbox"/>
Evidence of other sources of funding/finance secured		<input type="checkbox"/>
Risk Register		<input type="checkbox"/>
Financial Model		<input type="checkbox"/>
Dissemination Strategy		<input type="checkbox"/>
Ensure a hard copy of the application is signed and sent to: LCITP Project Team, 4th Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU		<input type="checkbox"/>

¹If you require information on the possible scope and content of Equality Policies, in the first instance you may wish to refer to the Equality and Human Rights Commission's guidance on this: <http://www.equalityhumanrights.com/private-and-public-sector-guidance/employing-people/equality-policies-training-and-monitoring/equality-policies>

Appendix 1

LCITP Scoring

The LCITP's key aim is to contribute to the Scottish Government's long-term target of reducing greenhouse gas emissions by 42% by 2020. Therefore, the score for the applicant producing robust evidence of the potential of the project to contribute to the anticipated reduction of greenhouse gas emissions in Scotland is double weighted (**Application form - Part 6, Question 6.1**). The proposal must score a minimum of 3, or Satisfactory, against these criteria.

The scoring system is:

Quality of evidence provided	Scoring Methodology for Quality Criteria
1 Unacceptable	Inadequate response. Fails to demonstrate an ability to meet the requirement.
2 Poor	Response is generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
3 Satisfactory	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
4 Good	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
5 Excellent	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

Any offer will be subject to the conclusion of formal legal missives. Further Scottish Ministers reserve the right not to award any support at all under this programme.

Appendix 2

Scottish Government privacy policy

The Scottish Government seeks to ensure that the data gathered through your LCITP application form is fairly and lawfully processed. Any personal data collected through this application will be treated as confidential in line with the principles of the Data Protection Act 1998.

Data Protection Act 1998: We will use the information you give us on this form to process and assess your LCITP application. The LCITP is a working partnership between Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, Scottish Futures Trust and Resource Efficient Scotland. We may share the information you provide with other Scottish Government departments and the partner organisations listed above for the management of any potential LCITP project support. We will share the information with the European Regional Development Fund as the LCITP is part funded by the European Union. The information we share with the above organisations will be used in a number of ways, for example:

- administering and monitoring project development and support needs
- auditing compliance
- research and statistical analysis

The information supplied may be used to accelerate the development of future projects. Any data shared will refer to the business only, and no individual employee data will be shared. The Scottish Government may include on its website in the public domain the amount of any procured support made to your project through this programme.

Though we make every effort to preserve user privacy, we may need to disclose personal information when required by law that such action is necessary to comply with a current judicial proceeding, a court order or legal process. We have a duty to protect the public funds we handle, and we may use the information you have given on this form to prevent and detect fraud.

Third Party Intermediaries

We may use an outside contractor to maintain our project database. This company would be contracted to only process this data for the LCITP application as instructed by the Scottish Government. It would not use your personal data for any other purposes.

Links

The Scottish Government cannot be held responsible for the contents of any pages referenced by an external link.

This application form contains links to other sites. Please be aware that we, the Scottish Government, are not responsible for the privacy practices of such other sites. We encourage applicants to be aware when they leave our site and to read the privacy statements of each and every Website that collects personally identifiable information. This privacy statement applies solely to information collected by this Website.

Contact Information

If applicants have any questions or suggestions regarding our privacy policy, please contact us at:
Phone: 0300 244 1254 or 0131 244 0452 [charged at the local call rate from any landline within the United Kingdom]

Email: LCITP@gov.scot

Postal address: LCITP Project Team, 4th Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU

EQUALITY IMPACT: SCREENING AND ASSESSMENT FORM

This form is to be used in conjunction with the Equality Impact Assessment Guidelines. Please refer to these before starting; if you require further guidance contact community.planning@west-dunbarton.gov.uk

Section 1: Policy/Function/Decision (PFD) Details		
A PFD is understood in the broad sense including the full range of functions, activities and decisions the council is responsible for.		
Name of PFD:	District Heat Network for Queen's Quay and Clydebank	
Lead Department & other departments/ partners involved:	Regeneration	
Responsible Officer	Jim McAloon	
Impact Assessment Team	Ric Rea; Stephanie Williamson; John McKenna	
Is this a new or existing PFD?	New	
Start date of EIA:	16/11/2016	End date of EIA: Ongoing
Who are the main target groups/ who will be affected by the PFD ?	Residents of housing to be built on the site; residents of Council Care Home	
Is the PFD Relevant to the General duty to eliminate discrimination, promote equal opportunities or foster good relations? Please enter brief detail	Yes – as protected groups will likely be resident of the housing on the site, as well as residents of the care home, the PFD is relevant to the Duty.	
Yes:	If yes, complete all sections, 2-8	
	If no, complete only sections 1 and 8	
	If don't know, complete sections 2 & 3 to help assess relevance	

Section 2: Evidence

Please list the available evidence used to assess the impact of this PFD, including the sources listed below. Please also identify any gaps in evidence and what will be done to address this.

Available evidence:

Consultation/ Involvement with community, including individuals or groups or staff as relevant	
Research and relevant information	People from BME groups, women and disabled people are more likely to be on lower incomes than people from white ethnic groups, men and non-disabled people If there is a prospect of more affordable heating then this would be of particular benefit for these protected groups
Officer knowledge	See above
Equality Monitoring information – including service and employee monitoring	
Feedback from service users, partner or other organisation as relevant	
Other	

Are there any gaps in evidence? Please indicate how these will be addressed

Gaps identified	
Measure to address these	

Note: Link to Section 6 below Action Plan to address any gaps in evidence

Section 3: Involvement and Consultation Include involvement and consultation relevant to this PFD, including what has already been done and what is required to be done, how this will be taken and results of the consultation.			
Please outline details of any involvement or consultation, including dates carried out, protected characteristics. Also include involvement or consultation to be carried out as part of the developing and implementing the policy.			
Details of consultations	Dates	Findings	Characteristics
			Race
			Sex
			Gender Reassignment
			Disability
			Age
			Religion/ Belief
			Sexual Orientation
			Civil Partnership/ Marriage
			Pregnancy/ Maternity
			Cross cutting
<i>Note: Link to Section 6 below Action Plan</i>			

Section 4: Analysis of positive and Negative Impacts

Protected Characteristic	Positive Impact	Negative Impact	No impact
Race	People from BME groups, women and disabled people are more likely to be on lower incomes than people from white ethnic groups, men and non-disabled people		
Sex	See above 'Race'		
Gender Re-assignment			x
Disability	See above 'race'		
Age			x
Religion/ Belief			x
Sexual Orientation			x
Civil Partnership/ Marriage; this PC is not listed as relevant for Specific Duties; however under the General Duty we are required to eliminate any discrimination for this PC.			x

Note: Link to Section 6 below Action Plan in terms of addressing impacts

Section 5: Addressing impacts Select which of the following apply (use can choose more than one) and give a brief explanation – to be expanded in Section 6: Action Plan	
1. No major change	
2. Continue the PFD	X The project is at an early broad stage, as it develops more impact assessment work will be carried out to positively inform the porcess
3. Adjust the PFD	
4. Stop and remove the PFD	
Give reasons: Please refer to section 4 on potential impacts. There are no potential negative impacts identified in terms of equality	
<i>Note: Link to Section 6 below Action Plan</i>	

Section 6: Action Plan describe action which will be taken following the assessment in order to; reduce or remove any negative impacts, promote any positive impacts, or gather further information or evidence or further consultation

Action	Responsible person	Intended outcome	Date	Protected Characteristic
Consultation in west Dunbartonshire The scheme will also be highlighted to the West Dunbartonshire Equality Forum Research	Project team	Consultation will be conducted where relevant to identify any negative issues and any opportunities. As above Research on similar schemes will be conducted on similar schemes to inform the approach to gain benefits for protected groups	In line with key development stages	Disability
				Gender
				Gender Reassignment
				Race
				Age
				Religion/ Belief
				Sexual Orientation
				Civil Partnership/ Marriage
				Pregnancy/ Maternity
Cross cutting				

Are there any negative impacts which cannot be reduced or removed? please outline the reasons for continuing the PFD

Section 6a: Procurement Actions, Record of Equality issues for Procurement.

Complete this section if there is any procurement involved in this Policy which may require action to eliminate discrimination, advancing equality or fostering good relations: **If there is no procurement involved go straight to section 7.**

Confirm that you have read the WDC guidance on equality and procurement if relevant. Y/N

Question	Measure	Specification	
What attitudes / skills should staff have to meet needs of the range of people from equality groups			
What measures are required to ensure that the supplies, services or works are accessible for to people from equality groups (this includes physical access and access to information/ communication)			
What arrangements are required to ensure that the supplies, services or works respond to particular religious or cultural requirements?			
What arrangements are required to ensure that the supplies, services or works meet the needs of equality groups			
Any other equality issues that should be taken into account in the contract specification:			

Section 7: Monitoring and review

Please detail the arrangements for review and monitoring of the policy

How will the PFD be monitored? What equalities monitoring will be put in place?		
When will the PFD be reviewed?		
Is there any procurement involved in this PFD? If yes please confirm that you have read the WDC Equality and Diversity guidance on procurement		
Section 8: Signatures		
The following signatures are required:		
Lead/ Responsible Officer:	Signature:	Date:
EIA Trained Officer:	Signature: Ricardo Rea	Date: 17 11 2016