

EAST AYRSHIRE COUNCIL

CABINET – 3 DECEMBER 2008

CROSSROADS PRIMARY SCHOOL

Report by Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

- 1.1 To update Elected Members on the progress being made in discussions with Mr Wallace Hendrie regarding the future of Crossroads Primary School, and to seek agreement on next steps.

2. BACKGROUND

- 2.1 Elected Members would recall that following the consultation “Better Schools : Better Learning”, it was decided that the Council would enter discussions with Mr Wallace Hendrie regarding his proposals for Crossroads Primary School. In summary, Mr Hendrie was offering to donate land with the possibility of a new build combined with an imaginative scheme that focussed on the installation of a bio-digester which would generate heat and power both for the school and in support of a residential development. It was part of Mr Hendrie’s concept that the residential development could be used to generate funds to support the construction of the new school.

3. PROGRESS

- 3.1 Since the discussions at Cabinet, the Executive Director of Educational and Social Services and other officers have met with Mr Hendrie and received written submissions from him. Subsequent to those submissions, and particularly from a meeting which took place between the Executive Director of Educational and Social Services and the Executive Director of Neighbourhood Services and Mr Hendrie, it was decided that detailed opinions should be sought from the various Council departments which had a stake in this type of development and who would be able to offer an opinion on the proposals. The written submissions from officers are detailed, and have been made available in the Members’ Information Point. Below are summarised the main points to arise from the Officer’s submissions.

3.2 Environmental Considerations

The Executive Director of Neighbourhood Services has provided a detailed evaluation of the plans for a bio-digester so far as they are known. This evaluation is based on the best available knowledge of this relatively new technology. In essence, the response from the Executive Director of Neighbourhood Services recognises the innovative and forward looking nature of Mr Hendrie’s proposal. However, it does raise significant issues about the viability of the project in terms of the amount of energy that would

be generated together with economic viability and the potential for identifying sufficient materials to maintain the bio-digester at a cost effective level of operation. Mr Hendrie has estimated the requirement to be in the region of 25 tonnes of food waste per day. However, this volume is not currently available nor is there an efficient method currently available for collection and transport. The various examples of functioning bio-digesters are presently limited, however, and it is at this stage very difficult to evaluate what the true potential would be of this environmentally friendly source of energy which forms the basis of Mr Hendrie's proposals. Further difficulties relate to doubts over whether the plant can be sustained by the levels of food waste available locally and its collection and transportation to the site. In addition to issues related to planning and licensing these matters equate to substantial risks in developing the project.

3.3 Planning

It is the view of Planning colleagues that the concept of a bio-digester is consistent with policy CS8 of the East Ayrshire local plan and is therefore one that the Council would support from that perspective. However, it is pointed out that any renewable energy development will require to be rigorously assessed against a series of criteria detailed in policy CS9 of the adopted local plan. For ease of reference, these criteria are appended to this report.

As the bio-digester is in itself a waste disposal facility, the provision would also require to be assessed against policy CS4 of the adopted local plan which states that: "*The Council will ensure the provision of adequate waste disposal and management facilities comprising of land fill sites, waste collection, separation and recycling centres, waste transfer stations and civic amenity sites in as close proximity as possible to the point at which waste is generated.*"

The view of Planning in summary is that the assessment against these criteria would require a detailed development proposal and it is not at this stage possible to make any definitive assessment.

Mr Hendrie's proposal also requires the erection of 50 houses adjacent to the site of the existing Crossroads Primary School. This area has not been identified for specific housing development opportunity sites in the adopted East Ayrshire local plan. The area of land in question is located in the rural area within a zone identified in the local plan as a rural protection area. The advice from Planning is that the development of 50 houses in such a rural protection area does not constitute an appropriate development in terms of the stated policy and cannot be supported in planning terms. Rather, a development of this size would be seen as being more appropriate adjacent to large villages or towns. A smaller development of perhaps only 2 to 3 units would definitely be acceptable under the present planning arrangements with the possibility of an absolute maximum of housing development of 10 – 12 houses on the existing school site.

3.4 Roads

The view of colleagues in the Roads Department is that the types of development being proposed by Mr Hendrie would create specific issues in relation to traffic management off the main A76 Kilmarnock to Mauchline road. Principally, these would relate to access both from the school and the residential development to the A76 with the possible necessity of the installation of a second roundabout. It was the view of Roads that Transport Scotland would require to be consulted on any possibility of the installation of new access points off the A76 or A719 and that the outcome of this consultation could not be anticipated. Potentially collection of food waste and transport to and from the biodigester would increase traffic overall.

3.5 Asset Management

The Department of Asset Management have identified a concern of the need for a contingency arrangement to heat the school should the bio-digester fail or become unavailable for any reason. It is pointed out that this would cancel out any capital saving in respect of not installing boilers or similar and this would result in costs in the overall project. Asset Management also observed that much greater clarity would need to be developed on the potential of the digester to heat houses in addition to the school.

3.6 Legal Issues

As indicated by colleagues in Roads, specific access details both to the new school and the associated residential development have still to be finalised. It is understood that the proposals would require the utilisation of ground, in addition to that to be donated by Mr Hendrie, in the ownership of another farmer. It had initially been anticipated that this particular land would be donated but that is no longer the case. Accordingly the Council would require, if the development were to proceed, either to purchase the required ground, for value, or alternatively acquire a servitude right of access over it.

In addition whilst the proposed school site itself would be donated by Mr Hendrie, this would be subject to the obtaining of all necessary statutory consents required for the proposed development. This would include the erection of the new school and the associated bio-digester and residential development. Given the comments on the proposals by colleagues in Planning, this may not at the current time be achievable. Any gifted acquisition such as that envisaged for an identified use would be subject to a title use restriction securing that end use. Any title use restriction created in terms of the Title Conditions (Scotland) Act 2003 by Mr Hendrie as adjacent land owner could potentially be enforceable by him or his successors in ownership of the adjacent ground. Should the Council at any stage wish to vary that use this would require agreement with the adjacent owners as to the discharge or variation of the title condition or, in the event of such agreement not being reached, a referral to the Lands Tribunal seeking discharge of the condition. In either event compensation for the removal of the condition will be due to the adjacent proprietor. In order to avoid any dubiety in the future as to the extent of any such compensation it would be proposed that specific

agreement as to the quantification of any such loss would need to be reached at the time of acquisition.

4. DISCUSSION

4.1 It will be seen from the foregoing that a number of significant issues have been raised by colleagues. Each of these issues, whether they relate to roads, asset management, environmental planning, the local plan or legal matters create critical concerns, the outcome of consideration of which is presently unknown or is difficult to assess. It is however clear that presently the building of 50 houses in the Crossroads area is outwith the adopted local plan. Mr Hendrie sees such a development as being the critical step in terms of his overall project. The conclusion therefore must be reached that in the absence of an amendment to the adopted local plan, the project as originally envisaged by Mr Hendrie could not proceed.

4.2 However, to be clear, every officer who has been involved in discussions with Mr Hendrie, recognises not only his own commitment but the potential for the type of proposal that he has presented. As more becomes known of the technology of bio-digesters and green power and heat sourcing, it may well be that it is possible to produce a scheme that will accommodate the needs of all of the various participants. The Council therefore should be willing in the future to continue its dialogue with Mr Hendrie, or for that matter any other interested party with a view to taking such a project forward. However, in terms of the knowns and certainties for the future of Crossroads Primary School, there appears no alternative but to consider its development within the confines of the Council's known school estate strategy and arrangements for asset improvement.

5. LEGAL ISSUES

5.1 Are as described in the paragraph 3.6 above.

6. FINANCIAL ISSUES

6.1 Nil at this stage.

7. POLICY ISSUES

7.1 Nil at this stage.

8. RISK MANAGEMENT ISSUES

8.1 As described in the paragraphs above that for the project to proceed would require a detailed evaluation of risk on all the dimensions of roads, the environment, asset management, planning and legal matters. It is these very considerations of risk management that lead to the conclusions in the paragraph above, beyond the critical issue of the Planning implications.

9. RECOMMENDATIONS

9.1 It is recommended that Members of Cabinet:

- (i) note the Cabinet decision of 19 March 2008 in relation to Crossroads Primary School viz “to return Crossroads Primary School as a separate establishment and located in its current location”;
- (ii) agree that the future of Crossroads Primary School should be considered within the present arrangements for the school estates management plan and strategy on asset management for any associated maintenance and repairs;
- (iii) agree to continued discussions with Mr Hendrie, or any other relevant party, on the significance of any developing proposals relevant to bio-digester technology and associated projects; and
- (iv) otherwise, note the contents of this report

Graham R Short
Executive Director of Educational and Social Services

GS/JP
10 October 2008

Members requiring further information should contact Graham Short, Executive Director of Educational and Social Services, Tel: (01563) 576017.

LIST OF BACKGROUND PAPERS

Better Schools : Better Learning – Cabinet – 19 March 2008
Better Schools : Better Learning – Cabinet – 21 May 2008

Implementation Officer: Graham Short

APPENDIX 1

- (i) *the extent to which the development may adversely affect any sites of nature conservation interest and, in particular, the natural habitat, territory and breeding areas of upland birds;*
- (ii) *the extent to which the amenity of residents of nearby towns, villages and other residential properties may be adversely affected by reason of noise emission, visual dominance and other nuisance;*
- (iii) *the extent to which the development may adversely affect any recognised heritage resources, including Listed Buildings, Conservation Areas, Scheduled Ancient Monuments, Archaeological Sites and Historic Gardens and Designed Landscapes and their individual settings;*
- (iv) *the visual impact of the proposal and its setting within the immediate and wider natural landscape;*
- (v) *the extent to which the proposal may conflict with the Council's strategy to promote tourism related developments in the Doon and Irvine Valleys, Glen Afton and the Muirkirk Uplands;*
- (vi) *the extent to which the proposal may adversely affect or irreversibly damage prime quality agricultural land;*
- (vii) *the cumulative impact of the proposal with other existing or authorised renewable energy developments within the vicinity of the development site;*
- (viii) *the environmental impact of the connections linking the development site with the national grid and the provision of adequate access arrangements from the surrounding road network; and*
- (ix) *the impact of the turbines on radar performance and other air safety considerations.*

**EXTRACT FROM E-MAIL FROM WALLACE HENDRIE TO GRAHAM SHORT,
EXECUTIVE DIRECTOR OF EDUCATIONAL AND SOCIAL SERVICES AND
COPIED TO COUNCILLORS TOM COOK, ROBERT McDILL, IAN LINTON,
DOUGLAS REID, JIM TODD AND JIM ROBERTS**

CROSSROADS PRIMARY SCHOOL DEVELOPMENT

Dear Graham

Having been further able to dissect your report of the 10th Oct I felt I had to put in writing my concerns and also add further information which may be of help.

Environmental

The basic problem for me as yet is the unpredictability of the amounts of waste available. Councils do not yet know with any accuracy amounts of food waste available through food waste collections. Secondly as to how efficiently the plant will convert this to gas at a sustainable level to heat and power.

Scottish Enterprise have come onside and are very keen on this type of proposal, already suggesting other waste streams available. Together we are about to fund a full appraisal of the whole scheme to be undertaken by Caledonian University who have experience in the assessment of food and other waste available (they operate the trials currently running in 5 Scottish Councils). They have also developed a computer model for gas production from various feed stocks to give us a clearer assessment of heat and power. This will also give us a clearer picture of financial viability.

I have attached their proposal.

This is costly and I would like some indication that East Ayrshire Council are still onside as all our parts are crucial to make this work.

Planning

I stated at the outset that the digester would have the capacity to heat 50 homes yet we were only requiring 30 homes on the site half on the council land and half on our land. It will take reasonable and fair minded discussions with all sides to produce the size and style of development that will sit well with everyone and keep the environmental and development cost down. Hopefully, as I said to you, the new system I propose to visit in Norway will have a lower capital cost yet there is still the issue of wasting the heat energy produced if we reduce the development to 10 houses.

I have to point out the limited nature of the planning authorities view on such an environmentally based community heating project.

Roads

My understanding from my meeting with John Triakalo from roads was that if the access for the 30 house plus school development was moved 100metres from the A76 that this would be enough to satisfy current guidelines. Together with calming measures which are already in place and a filter lane.

It must also be pointed out that the extra traffic generated by the digester is at a separate site from the school which has it's own access to the A76.

Finally, I appreciate this is new technology, a new way of community heating and a new way of recycling our waste. The technology is not new in European terms, however it encompasses so many fields it will take much effort to find our own solutions. We must not forget the vision for this project is for a renewably heated and powered community and school giving a stronger focus for Crossroads community and allowing East Ayrshire to lead the way forward for Scotland and the UK.

Yours sincerely

Wallace Hendrie

Anaerobic Digestion

New Business Support

Proposal to

Mr Wallace Hendrie

November 2008

Contract Reference: Anaerobic Digestion – New Business Support

Submitted to: Mr Wallace Hendrie

Date: November 2008

By: Caledonian Environment Centre
School of the Built and Natural Environment
Glasgow Caledonian University
5th Floor, Buchanan House
Cowcaddens Road
Glasgow G4 0BA
T: 0141 273 1416
F: 0141 273 1430

Contact: Simon Glen
Simon.Glen@gcal.ac.uk
T: 0141 273 1348

The Caledonian Environment Centre is part of the School of the Built and Natural Environment, Glasgow Caledonian University and is supporting environmental research and policy development in Scotland.

Glasgow Caledonian University is
a registered Scottish charity, number SC02147

1. Background

Hendrie Brothers are seeking to engage in a new business venture to produce heat and power through treating agricultural, food and other biological wastes through

the use of anaerobic digestion.

It is intended that the company will produce heat and power to be used locally in a nearby school development, homes and also produce a high quality digestate.

2. Scope of Project

Mr Wallace Hendrie has asked the Caledonian Environment Centre (CEC) to submit a proposal for works that will provide an assessment of the financial feasibility of the project, the mass balances on energy and heat for the feedstock under consideration and pre diligence checks on the outline business plan.

3. Aims and Objectives

The objective of this work is to provide further detail and value to the Hendrie Brothers business plan and to provide comfort and knowledge on a range of specific areas.

In this project CEC will aim to provide:

-
1. Further identification and verification of suitable waste streams from municipal and commercial sources
 2. An identification and verification of a suitable technology for the feedstock under consideration
 3. Identification of capital requirements and ongoing operational costs
 4. Identification of likely energy and heat outputs
 5. Identification and verification of acceptable gate fees
 6. A "health check" on the overall financial model
 7. Identification of potential funding sources

4. Deliverables

This project will be concluded through the delivery of a report to Hendrie Brothers outlining the key findings, and where required datasheets of our projections and calculations.

5. Cost

For the delivery of this project in full we would anticipate and estimate a cost of £9,900 +VAT.

Work Package	Details	Days	Cost
1	Further identification and verification of suitable waste streams from municipal and commercial sources	3	£1,350
2	An identification and verification of a suitable technology for the feedstock under consideration	4	£1,800
3	Identification of capital requirements and ongoing operational costs	3	£1,350
4	Identification of likely energy and heat outputs	2	£900
5	Identification and verification of acceptable gate fees	2	£900
6	A "health check" on the overall financial model	4	£1,800
7	Identification of potential funding sources	1	£450
8	Reporting	3	£1,350
TOTAL		22	£9,900

6. Timescale

Caledonian Environment Centre could commit to completing all works as detailed here within eight (8) weeks or sooner from the date the works are commissioned.

7. Contact

Simon Glen
Research Fellow
Caledonian Environment Centre,
Glasgow Caledonian University,
5th Floor, Buchanan House,
Cowcaddens Road,
Glasgow. G4 0BA

Tel: 0141 273 1348

E: Simon.Glen@gcal.ac.uk

www.gcal.ac.uk/environment