

Finance and Resources Committee

10.00am, Thursday, 8 September 2022

Land at Millerhill, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	N/A
Council Commitments	

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 Approves the disposal of 1.09 hectares (2.69 acres) of land, and grant of servitude rights, at Millerhill to Midlothian Energy Limited, on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

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Land at Millerhill, Edinburgh – Proposed Disposal

2. Executive Summary

- 2.1 Midlothian Energy Ltd require a site to construct a District Heating Centre, to utilise heat from the Millerhill Recycling and Energy Recovery Centre, and has approached Edinburgh and Midlothian Council (as joint landowners) to purchase 1.09 hectares (2.69 acres) at Millerhill together with seeking servitude right of access to install and maintain a pipe network.

3. Background

- 3.1 On 22 January 2010, the Council, in partnership with Midlothian Council, acquired 14.44 hectares (35.68 acres) at Millerhill (Edinburgh Council acquiring 80% share of the land acquired) for the development of a Zero Waste Project.
- 3.2 In September 2019, the Millerhill Recycling and Energy Recovery Centre was formally opened.
- 3.3 Vattenfall is a Swedish multinational power company who specialise in renewable energy including the design and construction of district heating systems. Vattenfall has been selected by Midlothian Council as its energy partner in a 50/50 joint venture known as Midlothian Energy Ltd (MEL). They will provide an innovative district heating network to new homes at Shawfair with capability of delivering a 75% carbon saving against conventional heating systems.
- 3.4 To utilise heat offtake from the Millerhill Energy Centre, MEL has approached the Council to acquire an area of adjoining land. The area identified, shown outlined red on the plan attached, extends to approximately 1.09 hectares (2.69 acres) and forms part of the site that was acquired in 2010.
- 3.5 In addition to the land purchase, servitude rights are required to install the infrastructure to the centre. These areas, which again fall within the site acquired in 2010, are shown shaded blue on the plan.

4. Main report

- 4.1 Following negotiations, terms have been provisionally agreed for the sale of land, and grant of servitude rights, to Midlothian Energy Ltd as follows:
 - 4.1.1 Subjects: 1.09 hectares (2.69 acres) at Millerhill, Edinburgh;
 - 4.1.2 Purchaser: Midlothian Energy Limited;
 - 4.1.3 Purchase Price: £219,000 (split with Midlothian Council in terms of ownership),
 - 4.1.4 Servitude Price: £341,000 (split with Midlothian Council in terms of ownership)
 - 4.1.5 Conditions of purchase: the sale is subject to planning consent for a district heating centre and associated infrastructure works; and
 - 4.1.6 Costs: Midlothian Energy Ltd will reimburse the Council's reasonable fees and expenses.
- 4.2 The Council instructed an independent valuation of the site. The agreed purchase price is based on that valuation and allows for site and other infrastructure works required for the development.

5. Next Steps

- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed conditional disposal and grant of servitude rights.

6. Financial impact

- 6.1 The Council will receive £448,000, for the disposal of land and granting the servitude rights, pro rata based on site ownership, in financial year 2022/2023.

7. Stakeholder/Community Impact

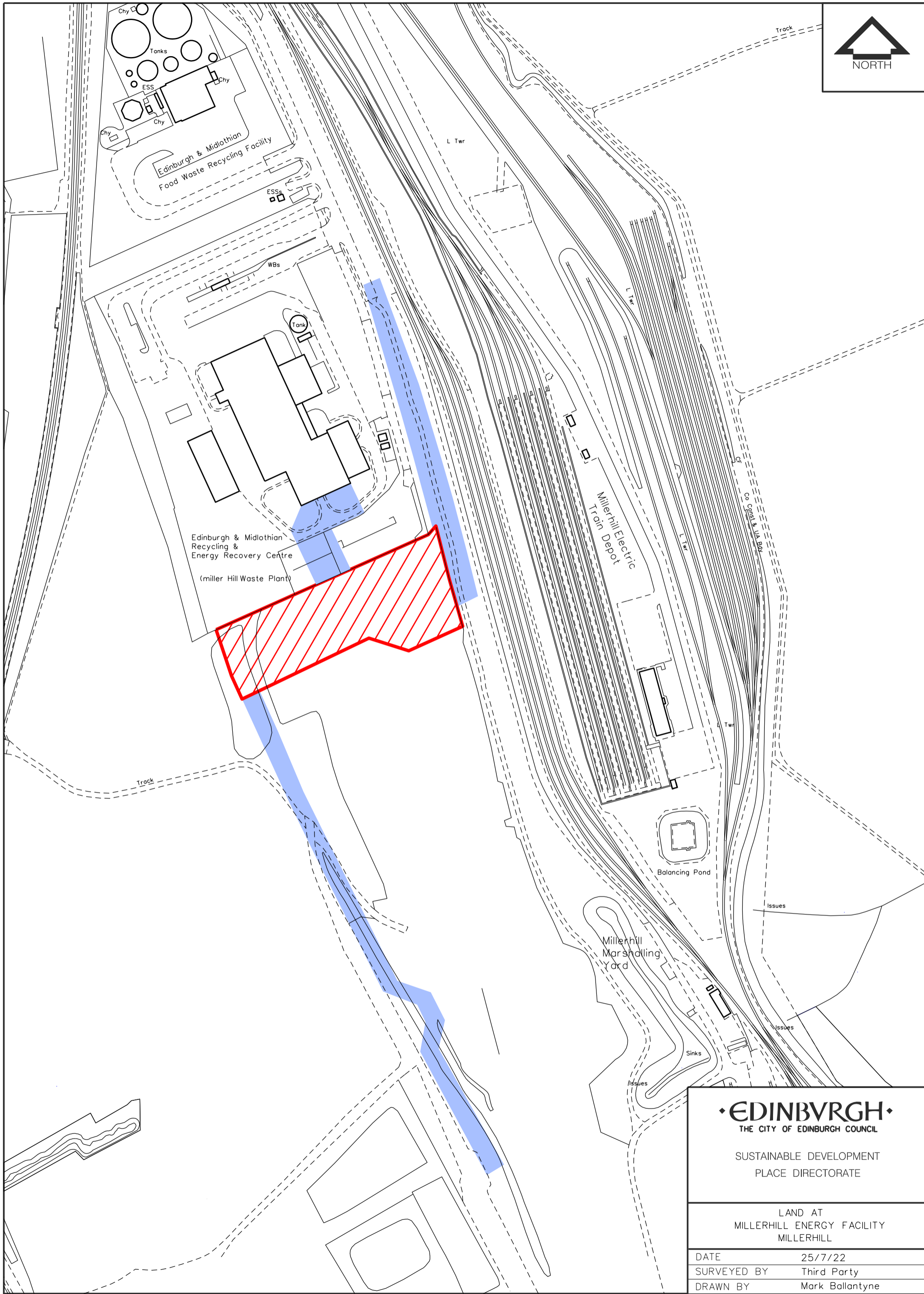
- 7.1 Midlothian Council has been made aware of the recommendations of the report and the sale of their interest can be completed under delegated authority.

8. Background reading/external references

- 8.1 None.

9. Appendices

9.1 Appendix 1 – Location plan.



SITE PLAN

SCALE 1:1250

EDINBURGH
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

LAND AT
MILLERHILL ENERGY FACILITY
MILLERHILL

DATE	25/7/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:2500 @ A3 SIZE
NEG. NO.	A3/2388a