

REPORT TO: East Lothian Council

MEETING DATE: 26 August 2014

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Cockenzie Energy Park / Former Cockenzie Power Station

1 PURPOSE

- 1.1 The purpose of this report is to:
- 1.1.1 provide information to Members regarding the positive potential opportunities for redevelopment of the former Cockenzie Power Station site; and
 - 1.1.2 seek the agreement of the Council on its economic development position in this regard.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- 2.1.1 recognises the significant contribution the emerging proposals at the former Cockenzie Power Station site could make to the creation of new jobs for East Lothian and to the local economy as a whole.;
 - 2.1.2 engages with all parties involved in emerging proposals and work in partnership to ensure all potential opportunities and benefits are explored and maximised whilst all risks and drawbacks are identified and mitigated;
 - 2.1.3 develops supporting material from an Economic Development perspective that will inform debate;
 - 2.1.4 works with the relevant parties to ensure the requirements of the planning and other consenting processes are fully adhered to, including full, continuous and informed consultation with local communities by prospective applicants;

- 2.1.5 agrees that officers should explore all options, including joint venture, to secure the future of the proposed site should this be required to optimise its potential; and
- 2.1.6 agrees to form a cross party member and officer group to oversee option and engagement work undertaken.

3 BACKGROUND

- 3.1 Strategic national planning requirements mean that East Lothian will witness the development of up to 10,000 new homes over the next 10 years. This is a step-change. As well as creating the environment and supporting infrastructures for this to occur, East Lothian Council will have to do everything that it can to generate lasting new employment such that our local economy can grow. We must also ensure that we take advantage of regeneration opportunities when they present, particularly when they offer to deliver jobs within East Lothian for East Lothian citizens.
- 3.2 Cockenzie's coal fired power station has ceased generation and the site offers a major redevelopment opportunity of a strategic asset of national importance.
- 3.3 Cockenzie Power Station, operated between 1968 and 2013, latterly by Scottish Power, has been a valuable contributor to the local and regional economy through direct and indirect jobs and supply chain.
- 3.4 Scottish Enterprise, the national economic development agency, has identified that the former power station site at Cockenzie has the potential to become a strategic national Energy Park, which would contribute to building a long term future for the Renewable Energy Sector in Scotland, ensuring that East Lothian, the City Region and Scotland benefit by participating in a key growth sector. Inward investment and strengthening links with new and future growth sectors are part of a process of change which can address industrial closures and the loss of the range of jobs at the former power station.
- 3.5 Scottish Power remain the owners of the site and have a key role to play in the future use of this strategic asset. However, there continues to be uncertainty regarding the ownership of the site in the short to medium term. Stable and predictable ownership will be crucial in 2015 when decisions around site options are taken.
- 3.6 The Scottish Government has a clear objective to maximise the sustainable economic growth potential of a Scotland based offshore renewable industry. To deliver this, Scottish Enterprise and Highlands and Islands Enterprise have developed a National Renewables Infrastructure Plan (N-RIP), to ensure that appropriate (both manufacturing and operations & maintenance) sites are available in the right locations for investors to provide the platform for the growth of this industry. Having the right locations and allied infrastructure for the

industry is critical if Scotland is to become a home for the offshore renewable supply chain. Alongside this, work is planned to support the development of a workforce to service the industry, maximise potential supply chain companies to compete for orders and the development of Scotland's position as a location where the industry can innovate and test new devices.

- 3.7 The Scottish Government's Third National Planning Framework – Ambition, Opportunity, Place, (NPF3), identifies Cockenzie as a national development for thermal energy generation as well as a location of significance in respect of renewable energy and states the following:

'Whilst we have safeguarded Cockenzie as a site for future thermal generation, it may present significant opportunities for renewable energy-related investment. We expect developers, East Lothian Council and the key agencies including Scottish Enterprise to work together to ensure that best use is made of the existing land and infrastructure in this area. Given the particular assets of Cockenzie, if there is insufficient land for competing proposals, we wish to see priority given to those which make best use of this location's assets and which will bring the greatest economic benefits.'

- 3.8 Scottish Enterprise aims to secure significant investment into the site that is at a level that would generate considerable numbers of direct and indirect jobs. Most jobs in the thermal energy and renewable energy sectors are well paid. A substantial number of further jobs would also be created through the extended local supply chain. The scale and range of jobs, the prospect of reducing unemployment and the chance to create opportunity are all substantial and would help to deliver the East Lothian Community Planning Economic Development Strategy. There is also the opportunity to connect any potential redevelopment with a world-class research base and training centre. The relationship that the Council already has with The Edinburgh College, Queen Margaret University, Skills Development Scotland and the Energy Skills Partnership could ensure that East Lothian's current and future workforce are trained and equipped to flourish.
- 3.9 Good practice principles being consulted upon by Scottish Government for the industry sector should help deliver and maximise community benefits. A community benefit fund is considered a fundamental component of such a benefit package though other components may also be considered including, for example, apprenticeship schemes.
- 3.10 The areas of Prestonpans, Cockenzie, Port Seton, Wallyford and Whitecraig have recently been designated as areas of Regional Selective Assistance by the European Commission for the period 2014 to 2020, which means that grant aid will be available for initial investment and job creation in those areas.
- 3.11 The types of uses which a development of this kind may see include on-site future thermal generation of electricity and / or renewable energy related industry. Examples of which may include manufacturing,

assembly and fabrication of offshore wind turbines (nacelles/blades/towers), offshore grid connections, specialist marine devices (wave/tidal), foundation elements and bases together with ancillary research and development functions (which might include carbon capture technology, designated as a countrywide national development in NPF3). In any development of this nature, it would be envisaged that there would be on-site and off-site opportunities in ancillary supply chain manufacturing and long term contracts associated with marine operations and maintenance.

- 3.12 There may also be opportunity for a cruise liner berthing, utilising the port facilities developed primarily for the energy sector as a shared and complementary use of marine infrastructure.
- 3.13 Scottish Enterprise is undertaking a feasibility study into the potential options for use of the site and in seeking the statutory consents which would be necessary for redevelopment. In this regard, East Lothian Council have a key role to play as the planning authority.
- 3.14 To date, Scottish Enterprise has issued a Prior Information Notice (PIN) to test the market and gain insight into the likely level of market interest and how this would inform delivery and operation of the site. The PIN stated that Scottish Enterprise is exploring options for the potential redevelopment of the site. It is envisaged that the Energy Park could become a major hub within the wider Forth/Tay renewable energy cluster and operate in combination with other N-RIP locations.
- 3.15 Scottish Enterprise has advised the Council of their intent to bring forward an application for Planning Permission in Principle (PPP) for the site and a Proposal of Application Notice (PAN) has been submitted as statutorily required for national / major developments to ensure that communities are aware of and have the opportunity to comment on emerging proposals. The Council will ensure that any subsequent planning application is processed in accordance with statutory planning and related legislation.
- 3.16 Scottish Enterprise has commenced a programme of Pre-Application Consultation with local communities, as required before a formal planning application is submitted. Scottish Enterprise have reported that early consultation events have been well attended with a range of issues identified many of which noting community concerns including around the lack of available detail being provided, the perception of imposition, the effect on the coastline and direct impacts on noise, vision and traffic. Scottish Enterprise has agreed to work with the Council to share the findings of their early consultation, reflecting the feedback from all consultees.
- 3.17 The Council is currently scoping the Environmental Impact Assessment required for these proposals, to ensure methodologies are agreed in advance of detailed studies being undertaken.

- 3.18 In addition to planning permission, other required consenting and licensing requirements would include a Harbour Empowerment Order and Marine Licenses.

Proposals

- 3.19 As Planning Authority, East Lothian Council will ensure that all relevant statutory procedures are followed in terms of Planning and Environmental legislation. A summary of all that is involved in the context of an application of this nature is set out for your information in Appendix 1.
- 3.20 Economic Development staff will work with Scottish Enterprise, and other partners / stakeholders, to maximise opportunities on the site and further throughout East Lothian.
- 3.21 That council officers consider all options, including joint venture, as a means of securing the future of this strategic site of national importance and realising its significant potential. Should this become a proposed option, a further report on the nature of any such proposals would be presented to Council for consideration.
- 3.22 It is also proposed that a cross party member and officer group is established to oversee the option and engagement work undertaken in respect of 3.20 and 3.21.

4 POLICY IMPLICATIONS

- 4.1 The East Lothian Plan – Single Outcome Agreement 2013, Outcome 1; East Lothian has a growing sustainable economy. East Lothian Economic Development Strategy 2012 – 2022; lack of large employers, rising unemployment levels, renewable, bringing land zoned for economic use to market, skilled workforce and increasing the proportion of people both living and working in East Lothian.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – no direct implications on the Council's revenue or capital budget at this stage.
- 6.2 Personnel - none.

- 6.3 Other – ongoing engagement from Council officers at a senior level with applicant and other stakeholders.

7 BACKGROUND PAPERS

- 7.1 East Lothian Partnership, the East Lothian Plan, Single Outcome Agreement 2013 – 23; East Lothian Economic Development Strategy 2012 – 2022; Scottish Enterprise and Highlands & Islands Enterprise National Renewables Infrastructure Plan (N-RIP); Scottish Government Third National Planning Framework (NPF3).

AUTHOR'S NAME	Esther Wilson
DESIGNATION	Service Manager - Economic Development and Strategic Investment
CONTACT INFO	ewilson@eastlothian.gov.uk
DATE	14 August 2014

Cockenzie Energy Park - Planning Authority Actions

As Planning Authority, East Lothian Council will ensure that all relevant statutory procedures are followed in terms of Planning and Environmental legislation. This appendix sets out broadly the responsibilities of the Council when dealing with an application of this nature. Whilst this is set out to help inform Council of due process, we need to be minded that if a processing agreement is reached between the applicant and the Council then the timescales relate to that and that also the process does change in part if the application is called in by Ministers.

On receipt an application will be checked to see if it meets the statutory requirements for validation and registration as a competent application. (This will include for the submission of sufficient plans to identify the development, any required ownership certificates, an Environmental Statement, a Pre-Application Consultation Report, a Design and Access Statement and the requisite application fee).

Once registered, the Council will ensure that the statutory requirements for neighbour notification and advertisement are carried out and the application allocated to a case officer who will notify all statutory and other consultees, requesting their comments on the ES and the application.

From the date of registration the Council will endeavour to determine the application within the 4 month target period, though there is a statutory mechanism which allows the Council and applicant to extend this period of time by written (including electronic) agreement. Alternatively, if the applicant and Council enter into a processing agreement then the relevant timescales will be set out in that agreement, which will be published.

The case officer will manage the application process to ensure that consultations, responses and any further information requirements are dealt with efficiently. If there are changes to the timescale for determination then this will be published.

The Council will consider any representations lodged up until the officer commences a report on the application, rather than limiting this to the statutory minimum 3 week period.

Once all consultation responses have been received, including on any additional information requested, the case officer will complete a report with a recommendation to Council. The report will set out all of the material considerations relevant to the determination of the application, all of the grounds of objection and/or support and any other matters raised, together with an assessment of all of these which informs the recommendation and the design principles to be required of any grant of planning permission.

The report would be subject to a pre-determination hearing at a meeting of the Planning Committee and then a determination hearing at a meeting of the full Council, as required by statute. If the Council approves the application the decision would then be issued. If the Council is minded to approve subject a legal agreement then there is a six month time limit for its conclusion.

If refused, the applicant can then appeal to the Scottish Ministers. If approved, there is no third party right of appeal, however, the decision can be challenged in the Court of Session if lodged within 6 weeks of the decision.

If approved then the applicant would require to submit detailed applications for buildings, structures etc on the site. The due process outlined above would be followed for these.