



# **THE INFRASTRUCTURE PLANNING (APPLICATIONS: PRESCRIBED FORMS AND PROCEDURE) REGULATIONS 2009**

**Preesall Underground Gas Storage Facility, Lancashire**

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## **Draft Heads of Terms**

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<b>Author:</b>	<b>Barton Willmore LLP Elizabeth House 1 High Street Chesterton Cambridge CB4 1WB Telephone: 01223 345555 <a href="http://www.bartonwillmore.co.uk">www.bartonwillmore.co.uk</a></b>
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## **SUMMARY**

1. This Report sets out the proposed heads of terms for a proposed development consent obligation under Section 106 of the Town and Country Planning Act 1990 (as amended by the Planning Act 2008) relating to the application by Halite Energy Group Limited (Halite) for a Development Consent Order (DCO) for an Underground Gas Storage Facility (UGS) at Preesall, Lancashire (the Project).
2. The principal parties to the obligation would be:
  - Lancashire County Council (LCC)
  - Wyre Borough Council (WBC) (together, the Councils)
  - Halite Energy Group Limited (Halite)
3. The draft heads of terms provide for the :
  - continued management of the Community Liaison Panel that has already been established;
  - establishment of a corporate social responsibility fund;
  - use of local employment and services;
  - de-commissioning at the end of the Project; and
  - the monitoring of existing brine wells.



## **1.0 Introduction**

1.1 This Report sets out the proposed heads of terms for a proposed development consent obligation under Section 106 of the Town and Country Planning Act 1990 (as amended by the Planning Act 2008) relating to the application by Halite Energy Group Limited (Halite) for a Development Consent Order (DCO) to construct and operate an Underground Gas Storage Facility (UGS) at Preesall, Lancashire and related infrastructure (the Project).

## **2.0 Principal Parties**

2.1 The principal parties would be:

- Lancashire County Council (LCC)
- Wyre Borough Council (WBC) (together, the Councils)
- Halite Energy Group Limited (Halite)

## **3.0 Community Infrastructure Levy (CIL)**

3.1 From 6 April 2010, as set out in the Community Infrastructure Levy Regulations 2010 (the CIL Regulations) a planning obligation may only constitute a reason for granting planning permission for a development, or any part of a development and if the obligation does not meet all of the following tests:

- 1) necessary to make the development acceptable in planning terms;
- 2) directly related to the development; and
- 3) fairly and reasonably related in scale and kind to the development

3.2 Further, a planning obligation may not constitute a reason for granting planning permission for a development to the extent that the obligation provides for the funding or provision of relevant infrastructure as defined in the CIL Regulations 2010.

3.3 All of the obligations outlined below are considered capable of complying with the tests set out above in accordance with the CIL Regulations – and as such, can be properly incorporated into a legally binding development consent obligation.

## **4.0 Community Liaison Panel (CLP)**

4.1 The Community Liaison Panel (CLP) that has already been established, as part of the pre-application consultation strategy, will continue through the application determination period. On the grant of the DCO, Halite will continue to be responsible for the CLP through the construction and operation of the Project.

- 4.2 The constitution of the CLP of the Panel will be expanded to include representatives from Halite, both Councils' Planning Departments, local elected members of the Councils, as well as Parish Councillors, residents and representatives from the local community.
- 4.3 Administration of the CLP will remain the responsibility of Halite and all Minutes of the CLP would be publicly available. The frequency of the meetings will be agreed by the CLP and will possibly be bi-monthly in the first instance.
- 4.4 The detailed constitution and operation of the CLP can be determined in due course, but in summary the CLP would provide a forum for discussions between representatives of Halite, the Councils and the local community in relation to all issues relevant to the Project.

## **5.0 Corporate Social Responsibility Fund**

- 5.1 Within 12 months of the grant of the DCO, Halite will establish a Corporate Social Responsibility Fund (CSR) within Over-Wyre and associated areas in close proximity to the boundaries of the Project; to promote and fund activities that support the sustainability of the local community particularly through actions relating to community safety & security, heritage and education.
- 5.2 The CSR will be incorporated to best meet the needs of its beneficiaries by way of a Community interest Company (CiC) or a charitable trust (as appropriate) and will recruit its directors/trustees accordingly.
- 5.3 Halite will contribute £50,000 during the first year of construction and an amount not less than this for each year of the construction period with further grant funding to be agreed with the social enterprise directors/trustees for any period thereafter. The social enterprise directors/trustees will be able and encouraged to raise further monies within the provisions of its articles and its constitution to deliver its social purpose.
- 5.4 The directors/trustees will identify the social and environmental issues that are most relevant and pressing within the local communities. Halite would through its condition of grant develop social investment to support the Wyre Borough corporate plan and in relation to the Project objectives.

## **6.0 Local Employment**

- 6.1 Subject to compliance with European and UK law in regard to employment, competition and procurement, Halite will seek to ensure it (and its supply chain) primarily uses local sourcing, where possible, and that it adopts best practice in terms of: transportation, materials use, construction, energy use and asset design.



6.2 Halite will also seek to employ local people, where possible.

6.3 Halite, and its supply chain, will promote local borough corporate plan objectives with regard to employment, and whilst recognising the skill requirements of such a Project, will, where possible, provide opportunities for apprenticeships, graduate placements and young people not in education and employment or training.

## **7.0 Decommissioning**

7.1 Prior to the commencement of construction, Halite will provide insurance to mitigate any risks relating to construction such that if any part of the Project should cease during the construction phase, the insurance would include appropriate cover to mitigate the cost of decommissioning any part of the Project from the commencement of construction. Halite would cover all costs of such insurance in the first year of the development of the Project and, thereafter, will pay annual premiums for cover during construction and the cavern washing programme.

7.2 At the end of the life of the Project and on the basis that there is no alternative use for the Project buildings and infrastructure, Halite would fund the decommissioning of the Project in accordance with a scheme to be agreed with the relevant Planning Authority under the terms of the Requirements.

## **8.0 Monitoring of Existing Brinewells**

8.1 Halite will monitor all of the Brinewells located on land in its ownership in accordance with a programme to be agreed with the Councils.

## **9.0 Conditionality**

9.1 The obligations outlined above shall be conditional upon :

- (a) The grant of a DCO for the Project pursuant to Section 114 of the Planning Act 2008; and
- (b) The implementation of the consent as defined in the DCO.