



**PRESALL UNDERGROUND GAS STORAGE FACILITY,
LANCASHIRE**

**Infrastructure Planning Commission (IPC) Application
Reference Number: EN030001**

**STATEMENT OF COMMON GROUND BETWEEN HALITE
ENERGY GROUP LIMITED AND LANCASHIRE COUNTY
COUNCIL ON THE TOPIC OF TOURISM AND SOCIO
ECONOMIC IMPACT**

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PLANNING ACT 2008

**Underground Gas Storage Facility Preesall, Lancashire
In respect of an application for a Development Consent Order
By Halite Energy Group Limited
Application Reference: EN030001**

**STATEMENT OF COMMON GROUND BETWEEN HALITE ENERGY GROUP
LIMITED, LANCASHIRE COUNTY COUNCIL AND WYRE BOROUGH COUNCIL
ON THE TOPIC OF TOURISM AND SOCIO-ECONOMIC IMPACT**

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STATEMENT OF COMMON GROUND: TOURISM AND SOCIO-ECONOMIC IMPACT

1. This Statement of Common Ground (SOCG) is made between Barton Willmore LLP on behalf of Halite Energy Group Limited (Halite) and Lancashire County Council (LCC) and Wyre Borough Council (WBC) in relation to Halite's application for a Development Consent Order (DCO) for an Underground Gas Storage (UGS) facility at Preesall (the 'Project'). This SOCG confirms that tourism and economic development are not issues as far as the local planning authorities are concerned.
2. The socio-economic impact of the Project is set out by Halite in paragraphs 3.106 – 3.111 of the Planning and Sustainability Statement (Doc Ref 9.1.1). Reference is also made to the Draft Heads of Terms (Doc Ref 9.1.4) and the conclusions of the Environmental Statement (Doc Ref 5.1).

Overview of the Topic

3. Halite state that the UGS facility would generate direct employment during the construction and operational phases of the development along with indirect jobs from local suppliers, again contributing to the local economy. Halite state that the construction period would be 8 years. In broad terms, the construction of the haul road and access roads; the brine pipeline; the seawall crossing; the brine outfall; the Seawater Pump Station; the Gas Compressor Compound; the interconnector pipeline and the works to Higher Lickow Farm would be carried out and completed in the first year. The Metering Station would be constructed in year 2 along with the commencement of the construction of the wellheads and the caverns. These works would be completed by the end of year 8. Halite state that it is likely that the construction and operational phases of the Project would be carried out in parallel. For example, the gas storage caverns that are created early in the programme (from year 2) would be brought into operation whilst the last caverns are being constructed (up until year 8). During the construction period, Halite estimates that the Project would generate 200-300 FTE jobs. Once operational, the Project would generate 35-40 FTE jobs.

4. Subject to compliance with European and UK law in regard to employment, competition and procurement, Halite has stated that it would 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. Halite states that it would also seek to employ local people, where possible.
5. Halite, and its supply chain, would 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, employment or training. It is agreed that the provisions to employ local people are provided for in paragraphs 6.1-6.3 of the Draft Heads of Terms (Doc Ref 9.1.4)
6. In the event that a DCO is granted, within 12 months of such, Halite propose to 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.
7. The CSR would 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 would recruit its directors/trustees accordingly.
8. Halite would 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 would be able and encouraged to raise further monies within the provisions of its articles and its constitution to deliver its social purpose.

9. 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.
10. It is agreed that the commitments to a community fund are set out in paragraphs 5.1-5.4 of the Draft Heads of Terms (Doc Ref 9.1.4).

National Policy Statements

11. It is agreed that NPS EN-1 (2011) states that 'the IPC should have regard to the potential socio-economic impacts of new energy infrastructure' (para 5.12.6). The NPS suggests that 'it is reasonable for the IPC to conclude that limited weight is to be given to assertions of socio-economic impacts that are not supported by evidence (particularly in view of the need for energy infrastructure as set out in this NPS)' and that 'the IPC should consider any positive provisions the developer has made through developer contributions and any legacy benefits that may arise' (para 5.12.7 – 8).

Assessment

12. It is agreed that in the previous appeal decision, the Secretary of State considered that the proposal would be likely to result in a 'marginal positive benefit' assuming no wider economic loss discouraging tourists from staying elsewhere in Wyre Borough (para 25). In the last planning application, LCC considered that the employment and other opportunities may be considered to be of benefit, but they must be considered against the impacts of the development not only in socio economic terms but also against the impacts of the development in a wider capacity. It was recognised that the development would provide employment opportunities for a skilled workforce both on a temporary and to a much lesser degree, permanent basis. LCC considered it was more difficult to determine whether tourism would be affected in the area other than the loss of the caravan parks and the impacts on the Wyre Way, therefore, it was not

considered that such an impact could constitute a sustainable reason for objecting to the proposal.

13. Both LCC and WBC consider that the construction of the observation platform at the seawall would produce benefits for those using the coastal path at this location.
14. In their Section 42 and 56 consultations response, neither LCC nor WBC has raised impact on tourism and socio-economic impacts as an issue that they require to be considered as part of the determination of the development consent order application. Accordingly, it is agreed that tourism and socio-economic impact are not issues as far as LCC and WBC are concerned.

This Statement of Common Ground on the topic of Tourism and Economic Development has been prepared by Barton Willmore, on behalf of Halite Energy Group Limited, and agreed by Lancashire County Council.


Signed


Adrian James

on behalf of Barton Willmore

Date: 1-6-2012

Signed


Michael Green
Cabinet Member for Economic
Development, Environment and
Planning
on behalf of Lancashire County
Council

Date:

1st June 2012

