

Update Report to Development Management Committee

Report Title: District Heating proposals in relation to application **P/2011/0197**

Application Description: Mixed Use Development of 39 Hectares of land at White Rock, Paignton to construct up to 350 dwellings, approximately 36,800m² gross employment floorspace, a local centre including food retail (up to 1652m² gross) with additional 392m² A1/A3 use and student accommodation, approximately 15 hectares of open space, sports pavilion and associated infrastructure and engineering works to provide access, drainage and landscaping (Outline Application)

Application Site: Land West Of, Brixham Road, Paignton

1.0 Background

1.1 The Development Management Committee resolved to grant approval for the above proposed development on 13 February 2012. On 18 June 2012 the Committee agreed to extend the period within which to complete the s106 for the development by a further 6 months to December 2012.

1.2 The minutes to the original decision in February state that the development is approved subject to, amongst other things:

(iii) further information regarding the viability of the development, and

(iv) the detail of the heads of terms of the Section 106 Agreement be delegated to the Executive Head of Spatial Planning in consultation with the Chairman for final resolution. The Section 106 Agreement to be signed within six months of the date of this Committee or the application be reconsidered by members. Heads of terms to include the following:

- a) the early delivery of employment space*
- b) the provision of a minimum of 20% on-site affordable housing*
- c) the delivery of future-proofing infrastructure to serve a Combined Heat & Power supply if the viability is established*

If the conditions cannot be agreed the application will be bought back to the Committee.

1.3 In accordance with the above minute the matter is being referred back to members in relation to the ambitions to deliver future proofing infrastructure to serve a Combined Heat & Power energy supply for the development.

2.0 Update

2.1 In accordance with the minutes and the clear mandate from the committee, officers have proceeded to negotiate the provision of District Heating on the site, as part of a suite of S106 provisions. As part of this process considerable advice has been sought from SWEEG (the South West Energy and Environment Group), using expertise at the University of Exeter. In addition, viability assessment work has been carried out on behalf of the developer.

2.2 The conclusion of this work (both the viability assessment from the developer and the viability and deliverability work carried out by SWEEG) was that it would not be viable to provide the relevant energy infrastructure for District Heating (Combined Heat & Power) to serve the proposed development in isolation.

2.3 Following this conclusion, further exploratory work was then carried out into options for wider 'West of Paignton' District Heating options, including tapping into existing high energy users such as South Devon College and the potential to link up with other future developments such as at Yannons Farm and Bookhams.

2.4 The work carried out by SWEEG into this broader option was confirmed as being potentially viable, but the issue of deliverability remained unresolved. The principle issues in relation to deliverability surround the requirement to obtain agreement from a number of landowners, the need for upfront investment (of up to £3M), the need to retro-fit infrastructure and the potential for the requirement to deliver infrastructure that could tap into a DH centre without a clear commitment to the delivery of the DH centre.

2.5 Officers have also taken advice from SCOPE, on the potential for Torbay Council to provide upfront investment. SCOPE advised that the Council is not in a position to provide such funding. It is notable that the District Heating system being installed at Cranbrook, East of Exeter, has benefitted from considerable financial support (£4.1M) from the public sector.

3.0 Conclusions

3.1 As a result of the conclusions above it is now not possible to enforce the delivery of District Heating (Combined Heat & Power) through the consent at White Rock. Officers are keen not to further delay the approval of the White Rock scheme with the resultant delay in relation to the delivery of jobs and houses.

3.2 A District Heating system is not viable on the site alone and timescales, cost, necessary procurement requirements and 3rd party agreement prohibits delivery of District Heating on a multiple site basis. It is recommended that Members accept the removal of this 'subject to...' matter from the motion to grant that was agreed at the February committee.

3.3 A significant amount of employment space and commercial premises are being provided as part of this development. The site is attracting considerable interest for commercial development. The hotel and pub are already operating, planning permissions have recently been granted for a new innovation centre and for a sustainable construction centre, for South Devon College. The Innovation Centre will accommodate around 70 companies and bring around 220 new skilled jobs to the area. The sustainable construction centre will support 16 direct jobs and around 400 jobs through training to new and existing businesses. The S106 Agreement secures early and timely provision of further employment space in the Western Bowl, linked to phasing of development at the front end of the site.

4.0 Recommendation

4.1 Delete item *(iv) c)* from the recommendation (thereby removing the requirement to provide District Heating infrastructure) and proceed to complete the 106, including the District Heating fallback clauses below; subject to completion of the agreement before end of December 2012.

5.0 Draft District Heating s106 clauses

5.1 Please see below the current draft s106 provisions relating to District Heating (to cover for the eventuality that matters change in the immediate period following the grant of consent). In addition to the provisions below officers will ensure that a further clause is added such that, where the District Heating Site does not come forward for that purpose it is transferred to an employment site (so as to increase the delivery of employment land and so that an alternative non-employment use would require a separate planning consent):

District Heating

- 1. the Owner shall not commence any building works for the provision of Infrastructure in the Eastern Bowl which would compromise the delivery of the District Heating Infrastructure for six (6) months from the date of issue of the Planning Permission;*
- 2. the Owner shall give the Council a minimum of three (3) months notice in writing of the commencement of any works for the provision of Infrastructure in each Phase of the Eastern Bowl*
- 3. Should the Council within six (6) months from the date of the issue of the Planning Permission wish to take a transfer of the District Heating Site prior to the Owner itself commencing development of the District Heating Site for provision of an Energy Centre it shall serve notice on the Owner of its intention following which the Owner shall transfer the District Heating Site to the Council*
- 4. any transfer of the District Heating Site to the Council pursuant to paragraph 3 shall be on such commercial terms as agreed between the Council and Owner*
- 5. should a transfer of the District Heating Site be made by the Owner to the Council pursuant to paragraph 3 the Owner hereby agrees to work with the Council throughout its delivery of the Development to ensure as far as is reasonably possible that provision of the District Heating Infrastructure by the Council on the Site is constructed in tandem with the Infrastructure needed to deliver the Development*
- 6. in the event that the Council does not take a transfer of the District Heating Site or the Council transfer the District Heating Site to the Owner pursuant to paragraph 7 (below) the Owner acknowledges and agrees that the District Heating Site will not have the benefit of planning permission for any other use and that an alternative use will require express planning permission and in the event of planning permission being granted for another use the payment of such sums shall be made as shall be required pursuant to the SPD or such other system for securing contributions towards social infrastructure as may be in force at the time*
- 7. in the event that the Council does take a transfer of the District Heating Site but does not deliver an Energy Centre on the District Heating Site within three years from the date of such transfer the Council shall offer the District Heating Site back to Owner and the Owner shall have first refusal in respect of the Energy Centre Land*