

NUCLEAR NEW BUILD PROPOSED PLANNING PERFORMANCE AGREEMENT (PPA)

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

Nuclear new build proposals will bring economic prosperity and growth to the area. The Planning Performance Agreement (PPA) is a legally binding contract securing an agreed level of service from Copeland Borough and Cumbria County Councils with the developer, NuGeneration Ltd, and securing an agreed level of funding from the developer to enable the Councils to provide the necessary resources to progress and assess a potential application for Development Consent.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(E.g. Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

To seek Executive support to sign-up to the proposed PPA.

RECOMMENDATION:

1. That Executive supports the proposal for Copeland Borough Council to enter in to the Planning Performance Agreement (PPA)
2. That Executive supports the proposal that Copeland Borough Council will be the Accountable Body for the Agreement.
3. That Executive supports the decision to delegate authority to agree the PPA to the Director of People and Places in consultation with the s151 officer, the Leader of the Council and the finance and resources portfolio holder.
4. That the income from the PPA is ring fenced to support the Council's future nuclear and energy related work.

1. INTRODUCTION/BACKGROUND

1.1 Executive will be aware that officers from Copeland Borough Council and Cumbria County Council have been working with NuGeneration Ltd to draw up a PPA which potentially secures an agreed level of funding to resource works required by the Councils to progress the application for a Development Consent Order (DCO) for a new nuclear power station at the site to the north of Sellafield, known as Moorside. The PPA is to cover the costs of the Council only and not intended to generate a profit.

1.2 The purpose of this report is to seek Executive agreement to the terms of the PPA and that delegated powers be given to the Director of People and Places to sign up to the agreement.

2. The Planning Performance Agreement (PPA)

2.1 Copeland Borough Council (CBC), Cumbria County Council (CCC) and NuGeneration Ltd (NuGen) are agreed that a Planning Performance Agreement (PPA) for the Moorside Project is needed. It will operate under the terms of national guidance for such agreements and will provide funding for the local authorities to participate effectively in the process.

2.2 Copeland Borough Council will act as Accountable Body for the project. As the Accountable Body we will have an overarching administrative role in the project. All work packages, invoices and administration will be managed by Copeland. As the lead Authority we will be strategically placed to drive the project forward and ensure that our needs and concerns are best represented.

2.3 The role of Accountable Body may require additional resources which will ultimately be financed through the PPA. NuGeneration Ltd have confirmed that they are willing to pay for the Council's costs associated with developing the PPA backdated to Sept 2011.

2.4 Cumbria County Council and Copeland Borough Council are host authorities for the project. In the event that the project involves development beyond the administrative boundaries it may become necessary for one or more additional Councils to be included within the PPA. Should this occur it will not prejudice or affect the rights and responsibilities of CBC or CCC under this PPA. NuGen may in addition enter into other arrangements outside of this PPA with other regulatory and advisory bodies that would not be host authorities.

2.5 The PPA establishes the need for a Strategic Project Team (SPT) and stipulates the requirements and nominated officer levels to be party to the SPT. The SPT will be a strategy, review and advisory forum and will provide the principle interface and forum for discussions between the Councils and NuGen.

2.6 All related work generated as a result of the DCO application will be carried out within certain workstreams. Examples of some of the workstreams that will be generated as a result of this project are:

- Programme Management
- Communications
- Adequacy of Consultation
- Infrastructure Implications (on/off site)
- Planning Policy Implications
- Socio-eco considerations
- Community Benefits
- Environmental Impact Assessment
- Emergency Planning

2.7 Tasks that are likely to be required to support each of the work streams will result in the creation of Task Orders. NuGen will issue a request to the Councils for the completion of Task Orders, the Councils will respond with proposals and estimated costs of completion of a Task Order.

2.8 The SPT will be responsible for monitoring the delivery of Task Orders including the scoping and strategy and acting as a steering group for the delivery of the outputs pursuant to the Task Orders.

2.9 Work has commenced into scoping out a number of the Task Orders e.g. Programme Management, to identify the level of requirements and skills needed to deliver on the Task Order. As part of the development of the Task Orders there will be a review of the resource implications for the Council and measures put in place to ensure that the Council has the right people in post to deliver on the project, as set out in the planning performance agreement.

3. WAY FORWARD

3.1 The PPA is an agreement between the developer and the Councils, where by the Councils agree to commit a level of service to the project provided that the developer reimburses the Councils fully for all resources, expenses and reasonable costs. In order to begin the process of establishing workstreams and drawing down funds to carry out Task Orders the Councils must sign up to the PPA.

3.2 It should be emphasised that requiring the developer to provide funding through a Planning Performance Agreement should **NOT** be regarded as a means by which the developer can influence the decision by paying for the means by which it is administered. Local communities

are entitled to have their interests represented as part of the Development Consent process, and for those interests to be presented to their elected local authority. If through lack of resources Councils are disadvantaged from engaging then the democratic process would be argued to have been excluded. By being required to make the necessary resources available to Councils to fully engage, the developers are simply doing the same as paying a planning fee. They are contributing to the costs incurred by Councils to determine major projects and nothing else.

3. The PPA stipulates in detail the requirements placed upon the Council in relation to the commitment to the project in relation to assisting the process. It also commits NuGen to funding the workstreams generated as a result of this process.

3.1 The final draft of the PPA should be available by the end of May. It will then be passed to the solicitors for verification and assuming that there are no major alterations required it will be signed off on by approximately the end of June.

5. CONCLUSIONS

5.1 The Moorside project is a major infrastructure project for the communities of Copeland, which supports the development of national and local energy related aspirations. The successful delivery of a new nuclear power station would have a significant positive economic impact on the area and would contribute to West Cumbria's objective of becoming Britain's Energy Coast.

5.2 The first stage in realising this aspiration is an agreement on how the DCO process will be funded through the PPA. If Members are agreeable to the principles set out in this report then it is recommended that they delegate authority to the Director of People and Places to agree and sign up to the PPA. Any costs included in the PPA will be agreed with the Section 151 officer prior to the document being signed.

6. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

6.1 The resource implications of this project will be considerable and the Council will need to consider options for the procurement of additional resources as necessary in order to move forward. Funding for the procurement of such additional resource will be drawn down from the PPA agreement.

6.2 Legal advice regarding the structure of the PPA has been obtained and there is provision within the PPA to fund the legal requirements of scrutinising the agreement.

6.3 The initial staff resource implications of drawing up the PPA can be reclaimed. However the main resourcing implications will begin with the initiation of the work streams, the Council needs to anticipate where the key pressure areas will be and ensure staffing is adequate in

these areas. Income generated by the engagement through the PPA will be ring-fenced to fund future nuclear activities.

7. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

7.1 Copeland Borough Council's input to the proposals is currently being led by the Corporate Director People and Places and managed by a project manager. The work package for Programme Management will include detailed arrangements for project and risk management. There are risks associated with the accountable body role and these will be explored in detail through discussions with NuGeneration Ltd and fully assessed and documented through the risk log.

8. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

8.1 An agreement by the Executive to sign up to the PPA through delegated authority to the Director of People and Places.

9. STATUTORY OFFICER COMMENTS

9.1 The Monitoring Officer's comments are: No additional to S151 below.

9.2 The Section 151 Officer's comments are:

The Council are considering taking on the accountable body role for this agreement. This will mean that the Council will take on some risk in delivering the outcomes. Due to the full details of how the relationships between the parties will operate in practice not being available at this time the full extent of the risks associated with this cannot be identified. These should all be identified and mitigated to the Council's satisfaction prior to any agreement being entered into. Any relationship between the County Council and Copeland BC should also be formally set out and agreed so as to also limit any potential risks to Copeland BC as a result of undertaking this role.

Full details of how Copeland BC's costs will be calculated and recovered have not yet been identified; these should be clarified prior to any agreement being signed, or additional resources being utilised by Copeland BC, to ensure that full cost recovery is obtained. These costs should also include any support services time involved in operating this agreement. The identification and calculation of these costs should be agreed with the Section 151 officer prior to the PPA agreement being signed.

Further details on how the PPA will operate in practice need to be identified and included in the PPA agreement prior to it being signed. An outline of these issues has been discussed with the Executive, CLT and the Interim Head of Nuclear and should be included in the revised documents.

9.3 EIA Comments (Equality Impact Assessment) comments are:

An EIA was carried out under the Nuclear and Energy Service Plan for 2012 / 2013 this carries out an assessment on all protected characteristics.

List of Appendices

List of Background Documents: