
TITLE OF REPORT EDF Energy Easement and sub station: London Array Site, Port of Ramsgate

To: Cabinet 17.06.2010

Main Portfolio Area: Regeneration

By: Director of Regeneration Services

Classification: Unrestricted

Ward: All

Summary: **The report highlights the need for increased electricity supply to the new London Array Site at the Port of Ramsgate, which is currently under construction.**

For Decision

1.0 Introduction and Background

1.1 Thanet District Council has recently leased a site at the Port of Ramsgate for the construction of a 70,000 sq foot onshore facilities management building to be operated by London Array in connection with the construction of their offshore wind farm.

1.2 The facility will be for the maintenance and erection of the turbines and as such will require a new energy input.

1.3 The existing electricity supply at the Port is not capable of servicing London Array's electricity requirements and a new electricity supply is required.

2.0 The Current Situation

2.1 London Array has been granted a 50 year lease of the site and is now on site and starting the process of preparing their site, prior to the construction phase.

2.2 They have applied to EDF Energy for an easement to provide a new electricity supply into their site.

2.3 In addition to the easement, EDF Energy will require the freehold transfer of an area 5 metres by 5 metres, to provide a new electricity sub-station to service this new supply.

2.4 Thanet District Council will obtain an indemnity from London Array to meet the cost of the easement, the land taken up by the sub-station, together with ancillary costs.

3.0 Options

3.1 Cabinet to receive this report and approve the transfer of the area required for the electricity sub-station.

4.0 Corporate Implications

4.1 Financial

- 4.1.1 Because this is an urgent, recent request, no negotiations have yet taken place. However, we are of the opinion that the annual value of the cable easement is in the order of £550 p.a and that the capital value of the substation site is in the order of £7,000. The principles have been discussed with the Financial Services Manager, who has endorsed the approach taken.
- 4.1.2 Thanet District Council's costs will be indemnified by London Array. This will include the value of the easement; land required for the electricity sub-station and associated costs.
- 4.1.3 It is not considered appropriate to take this disposal through the Asset Management Disposal process because of the unusual circumstances. Specifically, the electricity supply is exclusively for the benefit of London Array, to enable them to build and operate their facility. The land on which the substation is to be located falls within the curtilage of their site, leased from Thanet District Council, for 50 years.

4.2 Legal

- 4.2.1 Thanet District Council is the freehold owner of the site in question, which has been let on a 50 year lease to London Array.
- 4.2.2 The easement required has been applied for by the tenant, London Array.

4.3 Corporate

- 4.3.1 This is part of an investment which is attracting European funds of approximately 2 billion Euros to develop offshore wind power.
- 4.3.2 In addition to this, the annual income during the construction phase to Thanet District Council will be in the order of £1 million pounds per annum. There will be approximately 100 jobs created with this investment.
- 4.3.3 This is consistent with theme one of the Corporate Plan.

4.4 Equity and Equalities

- 4.4.1 There are no issues to be considered under this heading.

5.0 Recommendation

- 5.1 That Cabinet approve the transfer of the land for an electricity sub-station, together with the associated easement.

6.0 Decision Making Process

- 6.1 An early decision is required to enable this project to proceed on time.

Contact Officer: Justin Thomson – Asset Manager Ext 7053