

Examination of Edmonton Leaside Area Action Plan – Matter 8: Infrastructure

Hearing Position Statement on behalf of Aytans
MFG Co UK Limited

September 2018

Turley

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1. Introduction and Overview

- 1.1 This Position Statement is submitted by Aytans MFG Co UK Limited in relation to Matter 8(vi) ahead of the Examination of the Proposed Submission Edmonton Leaside Area Action Plan 2018 (ELAAP).
- 1.2 The main focus of the Statement is question (vi) within matter 8 relating to Policy EL26 and the Lee Valley Heat Network, which builds on the representations to the ELAAP submitted by Turley in April 2017. This submission refers to the revised policy wording and supporting text for Policy EL26 within revised Chapter 12 of the ELAAP (ref. **EXD-05**) dated 11 June 2018.
- 1.3 Aytans MFG Co UK Limited is owned by JS and SS Aytan, who in turn are the freehold owners of two key parcels of land that lie within the eastern part of the Meridian Water area of the ELAAP. The particular interest is in the wording under Policy EL26 which requires their forthcoming industrial developments at the Silvermere and Triangle sites (which benefit from full planning permission for B1c/B8 development with ancillary showroom and offices) to connect to, or commit to future connection, to the Lee Valley Heat Network (LVHN).

Overview and Change to the ELAAP to resolve the objection

- 1.4 In overview, the following sections demonstrate that Policy EL26 is unsound for the following reasons:
 - 1.4.1 Draft Policy EL26 is, in effect, creating a Council owned monopoly for the provision of heat and power without any competition; and
 - 1.4.2 Compliance with draft Policy EL26 places commercial requirements on businesses without any guarantee that the heat network will be functional or competitive.

2. Matter 8(vi) Policy EL26: Lee Valley Heat Network

Question (vi): In relation to the Lee Valley Heat Network, is policy EL26 justified? How does it accord with local and national plan policy? Is it too prescriptive? Does the involvement of LBE as a stakeholder in “Energetik” leave the policy unsound?

- 2.1 This section responds to the Inspectors question (vi) within Matter 8 which examines the soundness of Policy EL26 which requires connection to the Lee Valley Heat Network which is being developed by an Energy Supply Company (ESCO), Energetik. Enfield Council is the sole shareholder, as confirmed by the Energetik website¹.
- 2.2 This position statement builds considers the following documents:
- 2.2.1 Edmonton Leaside Proposed Submission Area Action Plan (AAP) January 2017, Enfield Borough Council (hereafter referred to as The ELAAP)
 - 2.2.2 Schedule of Minor Modifications published in March 2018 and specifically MMs 48-59. (ref: ELAAP-03)
 - 2.2.3 Revised policy wording and supporting text for Policy EL26 within revised Chapter 12 of the ELAAP (ref: EXD-05) dated 11 June 2018
 - 2.2.4 Representations submitted by Turley in April 2017 and specifically Section 5 – Sustainable Design and Construction.
- 2.3 The benefits of decentralised energy are recognised where it is commercially and technically viable and where there is sufficient heat demand to either receive from, or contribute to, a heat network. For manufacturing and logistics buildings in particular there is typically insufficient heat demand to justify connection to a heat network. It is acknowledged that certain building types (such as large offices, public buildings and leisure centres) are more suitable for such connections.
- 2.4 We recognise the Council’s MMs and updated Chapter 12 but this does not deliver a sound basis for Policy EL26 for the following reasons:
- 2.4.1 Draft Policy EL26 is mandating connection to and the purchase of heat/ and or power from a Council owned ESCO at an unknown cost which, in effect, creates an energy monopoly with no competition to ensure prices are kept low.
 - 2.4.2 The ELAAP summarises the proposals of Energetik to deliver this network. However, these are only conceptual in nature and no specific evidence has been delivered in support of this policy that confirms the cost of purchasing heat from this Council owned energy provider. There is therefore significant

¹ <https://www.energetik.london/what-is-energetik/company-details/>

concern that connection to, and therefore purchase of heat is mandated through the ELAAP creating a monopoly with no competition for the provision of heat to residents and businesses.

- 2.4.3 Furthermore, since the delivery of the draft ELAAP, there have been significant reductions in the carbon content of grid derived electricity which means that, in the very near future, gas fired Combined Heat and Power (CHP) systems may emit more carbon than heating systems powered by grid derived electricity. Draft Policy EL26 does not recognise this materially significant development in the energy market although the consultation responses to the Mayor’s Environment strategy recognise this issue².
- 2.4.4 There is still considerable uncertainty with regards to the delivery of the MWHN given that agreements with landowners with regards to the location and installation of pipework and energy plant still needs to be resolved. This confirms that the delivery of the LVHN is far from certain and may take many years to secure the necessary consents and control of land, thereby placing considerable uncertainty and additional cost upon new development intended within the ELAAP. Moreover, and given the representations made above as to whether the LVHN is deliverable and/or will secure any material benefits, that a “compelling case in the public interest” to secure rights or land by compulsion can be made out is doubtful.

² https://www.london.gov.uk/sites/default/files/report_to_the_mayor.pdf. Table 16, Page 77

3. Change to draft Policy EL26 to resolve objections

3.1.1 To ensure draft Policy EL26 is sound, the policy needs to be substantially revised. As a minimum, the following information and modifications are necessary:

3.1.1.1 The implementation of draft Policy EL26 should be paused or deferred until such time as the Council and Energetik have secured all necessary permissions to install the heat network and associated infrastructure;

3.1.1.2 Before any businesses or residents are asked to install temporary on-site boilers, connection infrastructure or incur any other costs associated with the current or future connection to the MWHN, the Council should publish a full cost/ benefit analysis of the cost and carbon emissions associated with the procurement of heat and/ or power from the network to allow residents and workers to consider if it is commercially viable to connect to such a system.

3.1.1.3 The first paragraph (which starts 'All major developments shall connect...') of Part D of draft Policy EL26 should be deleted. To reflect these requirements the following clause should be inserted in place of the first paragraph:

"The residents or businesses within the ELAAP area are free to procure heat and/ or power independently from the MWHN. For major developments and where it can be demonstrated that connection to the MWHN is technically viable, would be more economically or commercially viable and more environmentally sustainable to do so, the following policy requirements apply..."

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