

<b>19 November 2013</b>		<b>ITEM: 7</b>
<b>Planning, Transport, Regeneration Overview and Scrutiny Committee</b>		
<b>THAMES ENTERPRISE PARK</b>		
<b>Report of:</b> Councillor Andy Smith, Portfolio Holder for Regeneration, Highways & Transportation		
<b>Wards and communities affected:</b> Corringham and Fobbing	<b>Key Decision:</b> Non key	
<b>Accountable Head of Service:</b> Matthew Essex, Head of Regeneration and Andrew Millard, Head of Planning & Growth		
<b>Accountable Director:</b> Steve Cox, Assistant Chief Executive and David Bull, Director of Planning and Transportation.		
<b>This report is public</b>		
<b>Purpose of Report:</b> The purpose of this report is to inform Committee of the emerging proposals for Thames Enterprise Park on the site of the former Coryton Oil Refinery.		

### **EXECUTIVE SUMMARY**

Closure of the Petroplus Coryton Oil Refinery in June 2012 had a significant impact on the local area. Closure saw the loss of over 700 jobs on site – nearly 300 of which were Thurrock residents. Subsequently the site has been acquired by a consortium comprising Vopak, Shell and Greenergy and rebranded as a joint venture (JV) named Thames Oilport. The JV proposes to develop a refurbished terminal for the bulk importation and blending of fuels, thereby ensuring the continued energy security of the UK, and to redevelop the rest of the former refinery site as Thames enterprise Park.

Whilst the site will no longer be used for refining of fuels, its historic use and the infrastructure which supported this, together with its location and river access present an opportunity to create a genuine cluster of energy related industries co-located with supply chain companies and research and development firms.

The proposal is that around 400 acres will be designated as Thames Enterprise Park focused on the environmental technologies and energy sector with the potential to create up to 2,000 new jobs. 100 acres of this land is available immediately. Thames Oilport are currently working with the Council to develop a Master Plan for the site and wanted to give this Committee an early chance to help shape that plan.

Representatives of the consortium will be present at the meeting to present their vision for the future use of this site.

**1. RECOMMENDATIONS:**

**1.1 The Committee is invited to comment on the emerging proposals for the Thames Enterprise Park to inform the development of a site Master Plan.**

**2. INTRODUCTION AND BACKGROUND:**

2.1 Closure of the Petroplus Coryton Oil Refinery in June 2012 had a significant impact on the local area. It is estimated that more than £250m was taken out of Thurrock's economy (and more than £1bn nationally). The closure also saw the loss of over 700 jobs on site – nearly 300 of which were Thurrock residents.

2.2 Subsequently the site was acquired by a consortium comprising Vopak, Shell and Greenergy and rebranded as a joint venture (JV) named Thames Oilport. This JV proposes to develop a refurbished terminal for the bulk importation and blending of fuels, thereby ensuring the continued energy security of the UK. Whilst the site will no longer be used for refining of fuels, its historic use and the infrastructure which supported this, together with its location, river access and Thames Oilport's vision to redevelop extensive parts of the site present a real opportunity to create a genuine cluster of energy related industries with major production, generation, storage and supply operations co-located with supply chain companies and research and development firms.

2.3 The emerging proposal is that around 400 acres (comprising the now redundant areas of land formerly occupied by the former Coryton refinery) be designated as Thames Enterprise Park (TEP). 100 acres of this land is available immediately for development and has already attracted considerable interest. The presence of the Thames Oilport terminal will act as the anchor for TEP and a coordinated package of initiatives will be developed aimed at encouraging environmental technology and energy related firms to establish operations in the park. The project has the potential to create up to 2,000 new jobs and also to broker relationships with Higher Education Institutions with a view to securing a sector specific skills offer on the site together with a potential research and development centre on the site.

2.4 The site owners are advancing with the production a Master plan for the site. It is anticipated that this would provide a spatial vision for the Thames Enterprise Park over the medium to long term (a period to be determined). It would need to be underpinned by robust and credible assessment and understanding of potential cumulative environmental impacts. It is anticipated that the Master Plan would set out how effective mitigation measures can be created and deployed having regard to the anticipated impacts and phased nature of development. Measures should not only seek to reduce / mitigate negative impacts of the developments, but also harness and maximise the socio-economic benefits the development affords.

- 2.5 The owners have appointed a team of consultants to advance the Master Plan. To date Officers of the Council have been engaging with the consultants to establish the scope of works and discuss the planning policy issues arising.
- 2.6 The Master Plan would be used to inform future statutory plan making and to assist in the consideration of individual planning applications. Having a credible assessment / evidence base is critical to the creation of a robust document.

### **3. ALLOCATION OF THE SITE AND POTENTIAL USE**

- 3.1 Up until June 2012 the site was operated by Petroplus as an oil refinery. Following the refinery's closure the site was acquired by the Thames Oilport Consortium who plan to develop a refurbished terminal for the bulk importation and blending of fuels, thereby ensuring the continued energy security of the UK. As there will no longer be a need for the refinery the footprint of this new terminal means that approximately 400 acres of land is available for redevelopment.
- 3.2 Around 100 acres of the site (the unoccupied West Site) is relatively clean and is available for development from 2013-14. It is expected that this would form the first phase(s) of the Enterprise Zone. Around 300 acres (the land currently occupied by the former refinery, auxiliary plant & equipment, facilities and buildings) is subject to the typical level of contamination to be expected from its historic use as a refinery. It is proposed that the refinery will be cleared through 2013-14 and would potentially be available in two phases from late 2014 onwards.
- 3.3 Buildings occupy c.25 acres of land with the majority currently unused and available either for rent or redevelopment. The only existing businesses on the site relate to management of the refinery closure (which will naturally complete in 2014), the road loading bays for the terminal, development of the new import terminal and new business development opportunities on the site. Those relating to the new terminal are expected to relocate onto the terminal site in 2014-15.
- 3.4 Shell has the option to re-commence commercial operation of the existing Bitumen plant and facilities on the site.
- 3.5 The LDF Core Strategy (2011) Adopted Interim Proposals Map details the majority of the existing site as 'Oil Refineries' (Policy E8A). The existing refinery site is proposed in the Initial Options Site Allocation and Policy Local Plan to be allocated as part employment land (Policy E2v) and part oil refinery (Policy Q4). An alternative proposal is for the whole site to be allocated as employment land (policy E2RA). This plan was subject to public consultation January to March 2013.
- 3.6 Between January and March 2013 the Council consulted on the 'Core Strategy and Policies for the Management of Development (Core Strategy) Focused

Review: Broad Locations and Strategic Sites (Regulation 18). This included proposals for the inclusion of land ‘E8B – Oil Refinery Expansion Areas’ back into the Green Belt. Para 1.16 states;

*‘1.16 The Council is also taking the opportunity to propose the inclusion of 44.2 ha of land into the Green Belt that is currently safeguarded for the purpose of Oil Refinery Expansion Land. With cessation of refinery activities at the former Coryton oil refinery the purpose for safeguarding this land for oil refining purposes no longer exists. The Council proposes that the safeguarded land which meets the purposes for including land in the Green Belt and which has also biodiversity benefits, should be included in the Green Belt’.*

- 3.7 It has been the Council’s intention to seek the return of this land to the Green Belt as part of a review of the LDF-CS. The site owners have not sought to include the E8b Expansion Land within their proposed Master Plan.

#### **4. THE ENVIRONMENTAL TECHNOLOGIES AND ENERGY SECTOR**

- 4.1 Environmental Technology, Recycling and Energy was identified as a key Opportunity Sector within Thurrock’s Economic Development Strategy (published in 2008). This noted that ‘the Energy sector is already well established in Thurrock’ and that existing plans to replace the Tilbury Power Station with a new state of the art, carbon capture plant ‘could act as a catalyst to the development of other green energy functions’.
- 4.2 Whilst the original proposals focused mainly on Tilbury, and economic conditions have changed significantly in the period since 2008, the location advantages which first gave rise to this proposal remain current. There is also clear evidence of the ongoing high demand for energy generation facilities – particularly within the South East of England. The potential to focus these activities on the redundant site of the former Coryton Refinery provides a greater opportunity to secure significant benefits as the available site is much larger and Thames Oilport’s own operations will generate synergies which were simply not anticipated in 2008.
- 4.3 The Environmental Technologies and Energy Sector is also highlighted as a priority growth sector in South East Local Enterprise Partnerships (SELEP) emerging Strategic Economic Plan. This plan will act as the route to secure investment through the Single Local Growth Fund (potentially £2billion per year) introduced by the Government in response to the Heseltine report. Through this fund investment could be secured to assist with land remediation, the provision of related infrastructure and the introduction of training and skills initiatives.
- 4.4 Recognising the recent loss of employment on this site, there is clear potential to create significant numbers of jobs within related industries. At the time of closure the Coryton refinery employed in excess of 800 people. It is anticipated that the TEP could ultimately play host to more than 2,000 workers (depending on the number and mix of activities). This will not only draw upon

local experience and skills but will enable these to be developed through application into new related energy activities. The focus on energy is likely to provide significant training and apprenticeship opportunities in a range of disciplines (craft, management and professional) including potentially centres of excellence in certain areas.

- 4.5 It should also be noted that the Council is able to retain 100% of the Business Rates paid by businesses engaged in the renewable energy sector. Clearly there is the potential for this additional income to be reinvested in economic development activities which secure further growth.

## **5. THAMES ENTERPRISE PARK – VISION FOR THE FUTURE**

- 5.1 Representatives from the Thames Oilport Consortium will be present at the meeting to give an overview of their vision for the site including its core use as an oil storage and blending facility and the proposals for an environmental technologies and energy cluster.
- 5.2 The vision for the TEP Enterprise Zone is to build upon the historic uses of the site, the new Thames Oilport terminal proposals and the site's locational and logistical strengths to secure the creation of a genuine cluster of environmental technology and energy related industries with energy production, generation, storage and supply operations co-located with their supply chains and supported by a strong research and development offer. The successful implementation of the proposals will create up to 2000 direct private sector jobs, potentially more than replacing the 700 lost through the closure of the Petroplus refinery.
- 5.3 Securing a large and diverse range of activities on a single site will increase the potential for firms to support and benefit each other through mutually advantageous interactions/transactions, synergies and shared services.
- 5.4 This vision builds on Thurrock's economic strengths and recognises the site's significant benefits for energy use including the proximity of energy related infrastructure including high pressure gas, high voltage power and the new fuel import terminal, together with Thames waterfront and jetties, existing fuel storage and redundant refinery units. These all provide significant potential competitive advantages to new businesses that, together with other initiatives, will attract them to locate at Thames Oilport.
- 5.5 In support of this vision the Council worked with Thames Oilport to submit an outline application to SELEP for the site to be a locally determined Enterprise Zone. Designation as an Enterprise Zone would allow the negotiation of an incentives package which could include tax incentives and business rate relief to encourage businesses to locate on the site. SELEP has placed these applications on hold while it prepares its strategic economic plan and negotiates a growth deal with Government.

## **6 REASONS FOR RECOMMENDATION:**

- 6.1 The Thames Oilport Consortium are keen to develop their vision for the former Coryton Oil Refinery site through the preparation of a site Master Plan and would welcome the Committee's input to inform the plan.

## **7 CONSULTATION (including Overview and Scrutiny, if applicable)**

- 7.1 The presentation of proposals to this Committee is the first stage in the consultation process. Further consultation will be undertaken in due course and it should be noted that statutory consultation would be necessary as part of the planning process.

## **8. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 8.1 The proposals for Thames Enterprise Park directly support the strategic priority of 'Encourage and promote job creation and economic prosperity' and offer the opportunity, through skills and training initiatives in this innovative sector, to support the creation of a great place for learning and opportunity.
- 8.2 The proposals are also very much in line with the aspirations of the LDF Core Strategy, the Thurrock's Economic Development Strategy and the SELEP Strategic Economic Plan, the latter of which identify environmental technologies and energy as growth sectors.

## **7. IMPLICATIONS**

### **7.1 Financial**

Implications verified by: **Astra Olinski**  
Telephone and email: **01375 652449**  
**[aolinski@thurrock.gov.uk](mailto:aolinski@thurrock.gov.uk)**

There are currently no financial implications for the Council. It should however be noted that under the business rate retention scheme there is scope for the Council to retain 100% of business rates paid by businesses in the Environmental Technology and Energy Sector. This could potentially provide resources to support other priority initiatives.

### **7.2 Legal**

Implications verified by: **Mike Kelly**  
Telephone and email: **01375 652822**  
**[Mkelly@thurrock.gov.uk](mailto:Mkelly@thurrock.gov.uk)**

The creation of an Enterprise Park will aid inward investment should lead to incentives provide a clear location for new business development and coupled

with a Master plan guide new development into the area. The land has been largely in an industrial use with only part of the site previously undeveloped but used ancillary to the main industrial site. At this stage there are no direct legal implications. The master plan is being developed in full consultation with the Council's planning officers and any development will be subject to the planning process in due course.

**7.3 Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
Telephone and email: **01375652472**  
**Sdealyn@thurrock.gov.uk**

There are no implications at this stage.

**7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- None

**APPENDICES TO THIS REPORT:**

- None

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