

31 July 2015

Our Ref: CG / GMC / P14-086

Management  
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CORPORATE RESOURCES	
FILE:	15/00364/PPP
RECEIVED	- 3 AUG 2015
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Dear Joyce

**Application for planning permission in principle for a mixed use development comprising; film and tv studio including backlot complex; mixed employment uses (retail/office/commercial); hotel; gas and heat power plant/energy centre; film school and student accommodation; studio tour building; earth station antenna and associated infrastructure including car parking; SUDS features and landscaping (Application Ref: 15/00364/PPP**

Keppie Planning through our client PSL Land Ltd acknowledge your correspondence of 16 July 2015, in which Midlothian Council have made a request for further information in accordance with Regulation 23 of the Environmental Information (Scotland) Regulations 2011.

This response will respond to each of these requests in turn, and where relevant, propose the submission of further information to address these comments.

1) A701 Relief Road

PSL Land Ltd note the comments made with regards to the Council's currently preferred road line for the realignment of the A701 relief road which is contained within the Proposed Midlothian Council Local Development Plan. In addition to the enclosed submission (on behalf of PSL Land Ltd and Deloitte) which clearly outlines the impact of the preferred route put forward by Midlothian Council; Keppie Planning would wish to highlight the following issues.

**Acoustics and Air Quality**

Acoustics are considered to be a primal consideration to the Studio. The resultant increase therefore in vehicle noise levels from the proposed A701 Relief Road will be restrictive and will likely sterilise the designated "Backlot A" as shown on the proposed land use plan submitted with the planning application.

The increase in the resultant acoustic treatment of the proposed stages will add substantial construction costs and maintenance to these stages. In addition, the increased acoustic performance requirement and subsequent construction solutions will add to the overall energy consumption of the Studio (both during construction and operation).

These increased costs would be reflected in the charge out rates that the Studio will have to apply; thus reducing its market competitiveness when compared to the alternative offers at Warner Studio at Leavesden and Pinewood Studios.

Furthermore, with regards to air quality, the potential for traffic fumes will likely have a significant impact upon the film clarity during production. **Therefore the potential increase in traffic volume and the environmental impact thereof in such close proximity to the site, could lead to the proposal being aborted if the currently proposed A701 Relief Road remains in its proposed location.**

### **Visuals**

The eye line for filming with the Pentland Hills as a backdrop will be extinguished by the potential for passing traffic to be captured on screen. The benefits of a countryside environment within 10 miles of the city centre of Edinburgh will be therefore negated by the routing of the road in close proximity to the studios. Furthermore, by necessity the environs of the studio require to be secure in order to avoid the risk of "leakage" of the product. The proximity of the proposed Relief Road would increase the risk of such an event if it remains in its proposed location.

### **Utility Design and Strategy**

The design of the energy centre, with its below ground servicing solutions has been devised to optimise the efficiency of short connection runs from the source to the consumer. Similarly the low but "on campus" data centre is located to enjoy similar benefits.

### **Connectivity**

Perhaps the most important element of this planning application is the connectivity between the masterplan elements of the proposed development; namely the film studio, the energy generation plan, the data centre and the film academy. The benefits of a single campus, albeit separated for security purposes into various elements would be lost by the proposed route of the A701 Relief Road which currently proposes to bisect the site into two distinct components.

The result of such a development has the potential to result in a reduction of the funding capability for both the film studio plot and the integral developments noted above which connect the site both physically and electronically.

### **Cameron Wood**

The proposed realignment of the A701 is also considered to have further significant environmental impact on the surrounding land; thus negating the environmental protection proposals that PSL Land Ltd will seek to implement on the site.

As noted within the planning submission, PSL Land Ltd are committed to protecting Cameron Wood and its environment through the creation of a Woodland Preservation trust in conjunction with the Woodland Trust body. The overall site development will detail the protections to be put in place during further planning applications.

### **Economic Impact**

The issues outlined above will have a severe impact on the studio development through:

- The considerable potential for cost escalation in achieving the required building performance as to make the viability of the whole scheme questionable;
- Increased constructions costs which will increase the required return on capital invested; thus leading to a reduction in the proposed Studio's competitive edge, and potentially removing the viability of the Studio development.
- The masterplanning of the development will be less fluid with less connectivity reducing the attraction of both the Studio as a venue and of the integral commercial elements which rely on the connectivity for success.

- There considerable potential for the increase in costs in achieving the required building performance which makes the overall viability of the scheme questionable.

Furthermore the requirement for a contribution towards the road is noted and, in principle, PSL Land Ltd would be agreeable to making a proportionate contribution to this as per the guidance contained within Planning Circular 1 / 2010: Planning Agreements, subject to the payment being made post the formal grant of consent to our application and such payment being phased over a reasonable period of time.

## 2) Surface Water Details

Keppie Planning have significant experience of the consideration of drainage matters as part of applications for Planning Permission in Principle (PPP), in which it is considered that such matters can be subject to conditions on the proviso that exact details of each of the proposed buildings have yet to be determined. Whilst it is acknowledged that detailed levels of information have been provided with regards to the film studio; this is due to the design information being available for this element of the development.

As above, it is therefore proposed (with agreement from SEPA and Midlothian Council) that the hydrology design for the remainder of the site will be dealt with on a “building by building” arrangement, taking cognisance of the overall masterplan as part of future detailed planning applications.

Keppie Planning therefore consider that this issue can be dealt with by condition as is common practice for applications for Planning Permission in Principle.

## 3) Proposed Recycling Area

The area identified as the “recycling area” on the proposed plans is simply a storage space to allow all wasted produced within the site suitable for recycling to be stored prior to uplift and subsequent removal from site. PSL Land Ltd would wish to confirm that the area is not a recycling plant; nor will it store waste material from out with the site.

## 4) Gas / Heat / Power Energy Centre

Vital Energi are currently the preferred operator of the proposed Energy Centre and as noted in the enclosed report, Vital Energi have provided technical input with regards to the proposed activities and the extent of the supply proposed.

The primary energy source will be based on a combined heat and power solution to meet the electrical base demands of the development and secured secondary consumers, waste heat from the generation process will then be supplied through a district heating and cooling network across the development to utilise the low carbon benefits of the electrical generation process.

It is proposed that during the detailed design phase, a fuel source study will be undertaken in order to determine the optimum fuel source for the energy centre; however at present it is envisaged that the primary fuel source will be Bio Mass of either chip or pellet procured locally from the Lothian region and supported by Natural Gas (please see enclosed for more information).

The Energy Centre will be a purpose built facility operated and maintained by a local workforce to ensure security of supply and to provide a sustainable employment for many years to follow. Whilst no detailed designs have been undertaken to date, the Centre is proposed to consist of the following:

- Energy Centre building and offices;
- Combined Heat and Power Plant;
- Heat Generation Plant;
- Cooling Plant;
- HV/LV Distribution;
- Network Pump Station; and

- Possible on site fuel management / distribution.

Further details of the Energy Centre can be found in the enclosed technical report.

5) Potential Impacts of Ground Water and Ground Contamination

Keppie Planning on behalf of PSL Land Ltd propose that this matter is dealt with once a response has been received from the Environmental Health Officers at Midlothian Council.

6) Submission of additional viewpoints

It is acknowledged that two further viewpoints require to be produced in support of the planning application. Furthermore it is anticipated that the appointed Landscape Architects Harrison Stevens will agree on these chosen locations in advance of the submission.

7) Non Vehicular Traffic

It is proposed by PSL Land Ltd that full site permeability studies will be provided, taking into account of local rights of way whilst reflecting the security requirements of the operational Film Studio. It is proposed to submit an Outdoor Access Plan along along with further detailed planning applications which will take account of both the construction phase and the operational phase of development.

8) Proposals for the provision of green corridors for Badgers

Keppie Planning on behalf of PSL Land Ltd consider the provision of further information to be a detailed matter which could be considered in more detail during the submission of an application for Approval of Matters Specified in Conditions (detailed planning permission) were the current application be recommended for approval. It is therefore submitted that a condition (with Midlothian Council's agreement) for the submission of this information could be included if the application was to obtain planning consent.

9/10 Provision of Additional Survey Work

Keppie Planning on behalf of PSL Land Ltd recognise the requirement to undertake additional surveys as was identified within the accompanying Environmental Statement which supported the planning application. It is considered however, that this information should be submitted (as was proposed within the Environmental Statement) along with a future application.

A decision on the detailed design of the development has yet to be made and once this has been established it is considered that this would be the most appropriate time for the undertaking of such assessments. Furthermore, given that these assessments can only be relied upon for a short period of time (and given the time of year with regards to the survey season), it is considered that it would premature for the undertaking of such assessments.

11) Employment Land

As was indicated within correspondence with Midlothian Council on 07 May 2015, Keppie Planning on behalf of PSL Land Ltd have followed the description as is contained within the Proposed Local Development Plan for the land described as "employment land" to the north of Old Pentland Road. As has been described within the Supporting Planning Statement and associated documents, the final land uses have not yet been determined. Therefore it is considered that the details of any proposed land uses would be subject to any future planning applications. However, Keppie Planning can confirm that at this moment in time, no retail provision is envisaged on the site. We note that should this position change, a Retail Impact Assessment would be required to support any development proposals.

keppie

Yours faithfully,

[Redacted signature]

[Redacted]  
Director

Enc: Planning Issues Report (Deloitte)  
Energy Centre Technical Report (Vital Energi)

Cc: Jim O'Donnell (PSL Land Ltd)  
[Redacted] (PSL Land Ltd)



**Deloitte.**

Pentland Studios Land Limited

Planning Issues Report

CORPORATE RESOURCE  
FILE:  
RECEIVED - 3 AUG 2015

29 July 2015

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# 1. Introduction

## 1.1 Project background

Pentland Studios Land Limited (PSL Land Ltd) has concluded missives to acquire some 90.5 acres of land in the South of Edinburgh. The land is situated 9 km (5.6 miles) to the south of Edinburgh City Centre and adjacent to the Edinburgh City Bypass and Straiton Retail Park. It lies within the Midlothian Council Local Authority and Damhead Community Council boundaries, north-west of Loanhead and south west of the Straiton Junction on the A 720 City Bypass. The land extends to two distinct plots on either side of Damhead Road. The main development site extends to some 58.34 acres, including 29.52 acres designated to the proposed film studio, while the smaller site extends to some 32.19 acres of which 11.93 acres has potential development capability as "employment land". Purchase Missives although concluded, are conditional upon securing the Planning Permission in Principle (PPP) and the current owner providing vacant possession.

The application for Planning Permission in Principle was lodged on 2 May 2015 and a response to the application was issued by Midlothian Council on 16 July to Keppie Design requesting further information on a number of planning matters. We attempt to address these matters within this report from a property development and investment stand point.

## 1.2 The Development Proposed

The development proposed comprises a number of essential components:

- Approximately 280,000 sq ft of bespoke international standard, film studios incorporating six sound stages together with supporting workshops and back office space;
- 28.8 acres of 'back lot' land;
- A data centre with a building shell capacity of up to 70,000 sq ft;
- An energy centre with the potential capacity for the provision of 100 MW;
- An Hotel;
- A Film Academy with associated student accommodation in conjunction with local Higher Education providers and
- Circa 12 further acres of potential employment land, subject to appropriate ground investigation/reclamation.

The proposed construction of the Film & TV studio is understood to be the first of its kind in Scotland and the first entirely new-build studio in Britain. Over the past ten years, film production has become an increasingly global industry and with the development of an International facility, in the Midlothian area, there is an opportunity for Scotland to take a share of this growing industry.

The masterplan and other relevant drawings can be found in Appendix 1.

## 1.3 Deloitte Real Estate (DRE) Engagement

In June 2015, Deloitte Real Estate (DRE) was instructed to provide commercial property advice to PSL Land Ltd in relation to this proposed mixed use development. The scope of the advice is divided into specific elements:



- **Data Centre:** To market the Data Centre opportunity and provide letting and/ or sales advice in respect of securing one or more operators for the facility on either a leasehold or heritable basis. Where the subjects are to be let, to provide advice in respect of the appropriate rent and lease terms. Thereafter, to advise in respect of the potential sale of the property investment created. Where the subjects are to be sold to an appropriate operator, to advise on the terms of such sale.
- **Energy centre:** To advise on the commercial property aspects of a disposal of part of the site to an energy supplier, and to provide input into any land transaction relating to such a transaction.
- **Film School Site:** To advise on the commercial property aspects of a disposal of part of the site to a Further/ Higher Education provider for the establishment of a Film School facility.
- **Student Housing:** To advise on the commercial property aspects of a disposal of part of the site to a student housing operator in conjunction with the educational commitment to the Film School, on either a leasehold or heritable basis.
- **Hotel Site:** To advise on the commercial property aspects of a disposal of part of the site to a hotel operating company on either leasehold or heritable basis.
- **Film Studio Plot:** To advise on the commercial property aspects of securing an operator for the Film Studio and on the basis of the terms of the operational lease,
- **Employment Land:** To advise on the commercial property aspects of part of the lesser site for appropriate commercial development, to provide employment opportunities, both related to the film studio in addition to other commercial activities not related directly with the studios..

DRE are actively engaged in each of these areas and are assimilating the appropriate information to inform the commercial property decision making process in terms of capital cost, income and return, and property investment value.

As an integral part of this exercise DRE have been asked to contribute to the "planning discussion" to reflect the requirements of a successful overall development.

## 2. Main Issues

The e mail response to the application for PPP raises a number of issues which we intend to address using the numbering in the Joyce Learmonth e mail of 16 July:-

### 2.1 A701 Relief Road Route Safeguarding

It is acknowledged by Midlothian Council that the preliminary option drawings prepared for MLC by Wardel Armstrong, for the A701 Relief Road form part of the Local Development Plan (LDP) proposals for the Damhead area. The LDP illustrates a number of option routes for the said Relief Road all of which bisect the PSL development site.

The planning application drawings submitted by Pentland Studios Ltd does not show the relief road and MLC are seeking to establish the reason for this omission. We set out below the principle reasons behind the omission of a relief road bisecting our client's site.

Dealing initially with the potential restrictions for the user, the following matters will be of concern, should a road be constructed which dissects the site:-

#### Acoustics and air quality

Acoustics are a primal consideration to the Studio operations. The obvious increase of vehicle noise as a result of the proposed proximity of the said relief road to the Studio complex will be restrictive and very likely sterilise the designated "back lot A".

The increase in acoustic treatment of the Stages will add substantial construction cost and maintenance of these stages. In addition, the increased acoustic performance requirement and subsequent construction solutions will add to the energy consumption of the Studio both during construction and in subsequent use.

These increased costs will reflect in the charge out rates that the Studio will have to apply reducing its market competitiveness when compared to the alternative offers at Warner Studio at Leavesden and Pinewood Studios.

The potential for traffic fumes has the capability of severely affecting film clarity.

**The potential increase in traffic volume and the environmental impact thereof in such close proximity to the Studio, could lead to the proposal being aborted if the Relief Road is directed through the site.**

#### Visuals

The eye line for filming with the Pentland Hills as a backdrop will be extinguished by the potential for passing traffic to be captured on screen. The benefits of a countryside environment within 10 miles of a Capital City will be negated by the routing of the road in close proximity to the studios.

#### Security

By necessity, the environs of the studio require to be secure to avoid "leakage" of the product. The proximity of the proposed road route would provide a greater risk to production leakage.

#### Utility Design and Strategy

The design of the energy centre, with its below ground servicing solutions has been devised to optimise the efficiency of short connection runs from the source to the consumer. Similarly the low lying but "on campus", data centre is located to enjoy similar benefits.

## Connectivity

Perhaps the most important element of this planning application is the connectivity between the master plan elements of the film studio, the energy generation plant, the data centre and the film academy. The benefits of a single campus, albeit separated for security purposes into various elements would be lost by the potential of the Relief Road bisecting the site into two distinct components.

**This could result in a diminution of funding capability for both the film studio plot and the commercial spin off sites connected both physically and electronically together. Such potential diminution puts the financial viability of the development severely at risk.**

We consider the proposed road alignment will also have significant environmental impact on the surrounding land negating the environmental protection proposals our clients development will seek to implement.

## Cameron Wood

Our client's proposal is to protect the wood and its environment through the creation of a Woodland Preservation Trust in conjunction with The Woodland Trust body. The overall site development Environmental Statement and Plan will detail the protections to be put in place.

## Economic Impact

The issues outlined above will have a severe economic impact on the studio development through:-

- The considerable potential for cost escalation in achieving required building performance as to make the viability of the whole scheme questionable.
- Increased construction costs will increase the required return on capital invested, leading to a diminution in the Studios competitive edge, and potentially removing the viability of the Studio Development.
- The master planning of the development will be less fluid with less connectivity reducing the attraction of both the Studio as a venue and this will impact on the demand for the commercial elements of the development which rely on the connectivity for success.
- The Studio development has a fundamental impact on the interest of the Higher Education establishments and consequently the viability of the commercial elements of the site.

## 2.2 Surface Water

While we acknowledge that surface water treatment details have been submitted for the Film Studio only, this element is a stand-alone situation due to the onsite water attenuation which forms an integral part of the Studio plan. The Hydrology design for the remainder of the site will be dealt with on a "building by building" arrangement, taking cognisance of the overall masterplan, as part of future detailed applications.

## 2.3 Recycling Area

Only onsite recycling will be dealt with through detailed applications to include the siting of compactors and plant to minimise the impact on sound and vision.

Please note the land fill site is not included in our client's ownership.

## 2.4 Energy Centre Development

Discussions are ongoing with a number of Energy providers. Detail design will be forthcoming as part of any Detailed Planning Application; however, we anticipate it will be in line with the initial design objectives described below.

The primary energy source is most likely to be based on a combined heat and power solution to meet the electrical base demands of the development. Any waste heat from the generation process will be supplied through a district heating and cooling network across the development to utilise and maximise the low carbon benefits of the electrical generation process.

The optimum source of fuel will be determined by a detailed fuel source study during the detailed design process. To arrive at an optimum solution, a number of factors will be taken into consideration:

- Availability of fuel,
- Efficiency of fuel,
- Sustainability of fuel and
- Carbon content.

It is envisaged for the primary source to be natural gas supported by a Bio Mass fuel of either chip or pellet produced locally from the Lothian region. This will allow for delivery of best possible solution from the environmental and economic standpoint.

In addition, it is expected that the centre will support 30 to 40 local jobs through the construction and 15 to 20 through the operation, maintenance and management. Further 30-40 construction jobs and 5-10 operating jobs would be secured via District Energy Network.

## **2.5 Ground Water Treatment**

Detail design will be forthcoming as part of the application for Detailed Consent.

## **2.6 Pedestrian Linkages**

Full site permeability studies will be provided, taking account of local rights of way but reflecting the required security of the Film Studio.

An Outdoor Access Plan will be submitted with the appropriate detailed Consent application, which will take account of both the construction phase and the operation phase.

## **2.7 Wild Life Provisions**

Cognisance will be taken of the potential presence of Badgers Bats and Barn Owls in the environs of the site and detailed surveys will be submitted with the Detail Planning Applications.

## **2.8 Employment Land**

We understood our proposed wording of our clients PPP in relation to the Employment land reflected the discussions with the Council Officials and reflected the requirements of the Local Development Plan.

It is not our client's intention at this time to seek consent for retail development on the employment land but we note that should this change a detailed Retail Impact Assessment will be required.

# 3. Other Development Elements

## 3.1 Data Centres

### Overview

Every sector of the economy, whether it be public sector, financial services, utilities, retail, telecommunications, technology or corporates relies on data centres either directly or indirectly. Indeed the majority of population from a personal perspective are now also highly reliant on data centres.

Data centres are purpose-built facilities which house computers and associated equipment, related to telecommunications and data storage systems. In the 1980s the traditional model changed to a client server model with a timesharing operating system shared by multiple users.

Data centres form a property class of their own and are usually provided in the form of a large office or industrial building. Due to the various high level specification requirements incorporated into each of the facilities to ensure performance and resilience, data centre buildings are expensive to develop.

The potential location of a data centre is usually ruled by a number of factors including

- Stable ground conditions
- Avoidance railway tracks in the immediate vicinity
- Avoidance of flood plain location
- Avoidance of manufacturing/ factory facilities which may work with or contain potential explosive materials.

A data centre building needs to meet certain physical structure requirements including high floor loading capabilities, redundant power, cooling and environmental control together with good connectivity and security.

### Demand and supply

Growing connectivity is driving the amount of data that is generated and therefore, the storage required. As the sector is evolving quickly, businesses face a number of considerations when considering best data storage capability for their needs. These factors include cost, flexibility, connectivity and location.

The green light has been given for the first phase of a £100m data centre development in Glenrothes, Fife. The facility will draw power from the neighbouring RWE Innogy biomass plant which is the largest plant built to date in the UK, producing up to 65 megawatts of electricity. Phase 1 of the data centre project is expected to provide some 90,000 sq ft of building space and it is anticipated it will be operational by the end of 2016.

It is important that Midlothian can compete with this proposed development in terms of time scale and facility provision to achieve success.

### Operators

Deloitte Real Estate have made a number of enquiries within the data centre operators' industry. The market in Scotland is not as mature as the market in the South East of England which has a well-established track record in delivering the full range of data centres, shared services centres and network operations centres. DRE are in contact with a number of these providers and can report a good level of initial interest in this opportunity. These early stage enquiries are being followed through.

## 3.2 Energy Centre

### Overview

The anticipated internal market within the PSL masterplan area is driving interest from the energy supply market. The available supply of sustainable raw materials from south east Scotland is a known driver in this market place, and the ready-made market of the Film Studio, Data Centre and potential Education Facility add to the initial attraction of the site.

### Demand and Supply

Our clients have identified a number of off- site consumers for the potential energy generated in addition to the onsite market. Details of supply and demand will form part of the Detailed Planning Application required to support this element of the development.

### Operators

Detailed discussions are planned during August 2015 with a number of suppliers with the capability to own design and operate an Energy Centre designed to meet an output in excess of 60MW with the potential for up to 100MW.

## 3.3 Education Facility

### Overview

Discussions have been scheduled with Edinburgh College of Art/ University of Edinburgh (ECA/ UoE) in connection with establishing a dedicated International Film School which will take advantage of the onsite capacity provided.

### Demand and Supply

As a spin off from the Film Studio, it is anticipated that Edinburgh College of Art/ University of Edinburgh will relocate their existing Film Faculty and establish a new Faculty on this "campus" in conjunction with Napier University with direct linkage to the Studio Development

As part of this establishment, the site will provide student accommodation associated with the University and the proposed Hotel.

### Operators

As indicated above, discussions have been scheduled with the local higher education institutions ECA and Edinburgh Napier. Discussions are also ongoing with potential overseas investors in the media and telecommunications industry that are aware of the international potential of the studios and the potential spin off for education and student learning in the UK.

## 3.4 Hotel

### Overview

As part of the Studio establishment a need has been recognised for mid-range hotel accommodation to serve the Studio facility providing both accommodation and catering facilities.

### Demand and supply

There is a distinct lack of modern hotel beds to the south of Edinburgh. The City Centre and the west side of the city have benefitted from increased airport traffic and the increase in interest of Edinburgh as a tourist destination. South Edinburgh has not seen the same level of construction but the Film Studio is regarded as the catalyst for this regeneration in the locale.

### Operators

Our client has been approached by a number of operators looking to gain an early advantage to establish themselves in this part of Edinburgh's environs.

### 3.5 Office/Studio Tour Site

#### Overview

Office development in Edinburgh is at an all-time low with increasing demand in the prime locations filtering into secondary locations. Little office development has taken place to the south of the city with the exception of Bilston Glen where, albeit the site is an established industrial estate, there has been an increase in demand for mixed commercial uses. Bilston Glen is within a mile of the site.

#### Demand and Supply

The Film Studio will have particular spin off demand for general office space particularly associated with the potential tourist attraction of the Studio complex. In addition, the availability of Grade B office accommodation with appropriate parking and motorway access will be an attractive offer.

#### Operators

Based on DRE's knowledge of the commercial market in Edinburgh, it is considered that this element of the development will be influenced by the completion of the Film Studio Development and the Education facility. The spin off from these elements will increase local demand for commercial space "on campus". The space provided will also prove attractive to local indigenous businesses seeking expansion and relocation from the surrounding commercial properties.

# 4. General Development Overview

## 4.1 Economic Impact

There is no doubt that the various elements which comprise the PSL proposals will have a significant economic impact on the Midlothian Council area. The various elements are particularly labour intensive in their creation, construction and operation. The project will create employment during construction and subsequent operation, and with the education element increase the area's Higher Education contribution, together with the future ancillary craft job apprenticeship capabilities associated with the Studio facility.

Our initial appraisal of the potential development costs and spend together with our initial interpretation of the potential Gross Development Value of the whole development is illustrated in the table below. These numbers are however subject to further detailed investigation and analysis as the design of the several elements is developed and costed, and are at this time not to be relied upon. These costs and values are indicative only based on industry standards.

Element	Estimated Building Cost (incl. fees)	Estimated GDV
Data Centre	£83,000,000	£86,000,000
Energy Centre	£50,000,000	£50,000,000+
Film School and Accommodation	£26,000,000	£43,000,000
Stages A-F, reception, workshops and studio tour	£104,000,000	£162,000,000
Hotel	£6,000,000	£14,000,000
Employment land (office space)	£90,000,000	£100,000,000
<b>Total</b>	<b>£359,000,000</b>	<b>£455,000,000</b>

You will note; however, that even excluding the potential build cost of the Energy Centre the potential investment in Midlothian exceeds £300,000,000, and the GDV created is anticipated to exceed £400,000,000.

## 4.2 Job Creation

At this stage we cannot estimate the number of jobs likely to be created by the project, but consider the impact of such investment will be considerable based on the Value Add of the investment sums. Such jobs will be created in the construction industry initially and will be followed into administration and maintenance jobs as the development matures.

## 4.3 Time Frame

The opportunity exists in a short time horizon to create a successful film studio development with ancillary spin off of energy and data production and distribution. We anticipate that these elements will be the initial development phase.

The education and leisure spin offs in terms of the Film School and Studio tours together with administration will follow on then completion and commissioning of the initial phases.



It is anticipated that a start to construction, dependant on the grant of detailed planning consent will be in Q4 2016 but the economic impact of the project will be felt in advance of this date.

## 5. Conclusion

The proposed development of an international film studio in the Edinburgh area will have a significant impact on the region's economy with substantial spin off in the immediate surrounding area in terms of employment and economic growth.

The various elements of the proposed PSL development are interconnected and rely on each other as customers and providers, and the attraction of a single "campus" development which promotes this connectivity, and the success of the development will be a result of the development of the whole, not the constituent parts.

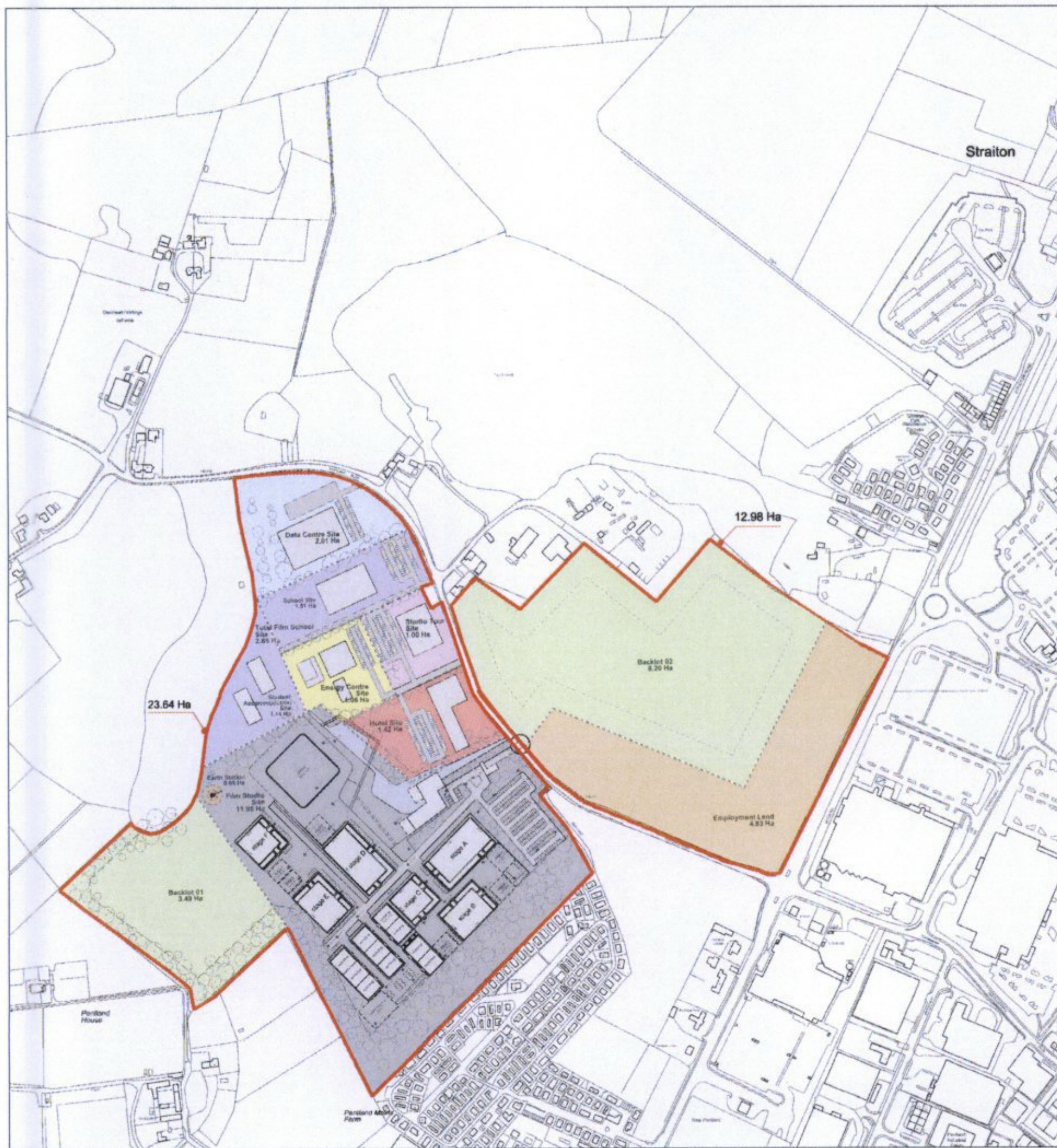
The construction of a Relief Road through the proposed campus will prejudice the sites connectivity and "campus" aspirations and put in jeopardy the whole concept proposed.

We consider the current Relief Road proposals require further detailed consideration in terms of route and cost/ benefit analysis for the area. We understand that the time frame for achieving consent for such a Relief Road is considerable, bearing in mind that the Local Development Plan in which it is referenced, has only recently been issued for public consultation and that the reservation of a route which bisects our client's site at this time is premature and prejudicial to our client's aspirations.

There is a very strong drive to achieve success of this development in the immediate future and the benefits to Midlothian of such success require to be considered carefully, taking particular cognisance of the alternative routing opportunities, including the widening of the existing A 701.

We consider it essential to the success of the proposed PSL development that the Council reconsider the need for and route of the A701 Relief Road and take cognisance of the effects on the local economy, and the economy of Scotland as a whole, resulting from our clients proposals and grant Planning Permission in Principle to our clients for this development, and reappraise the route and need for the Relief Road avoiding our clients development land.

# 6. Appendix 1



Site	Building	Gross Internal (sq.m.)	Gross Internal (sq.ft.)
Film Studio Site (11.95 Ha   29.52 Ac)	Stage A	2,790 sq.m.	30,000 sq.ft.
	Stage B	1,858 sq.m.	20,000 sq.ft.
	Stage C	1,395 sq.m.	15,000 sq.ft.
	Stage D	2,790 sq.m.	30,000 sq.ft.
	Stage E	1,858 sq.m.	20,000 sq.ft.
	Stage F	1,395 sq.m.	15,000 sq.ft.
	Workshops	5,109 sq.m.	55,000 sq.ft.
	Paddock	4,180 sq.m.	45,000 sq.ft.
	Reception Building	4,645 sq.m.	50,000 sq.ft.
Backlot 01 Site (3.49 Ha   8.62 Ac)		34,899 sq.m.	375,660 sq.ft.
Backlot 02 Site (8.20 Ha   20.26 Ac)		82,000 sq.m.	882,640 sq.ft.
Studio Tour Site (1.00 Ha   2.47 Ac)	Main Building	2,140 sq.m.	23,034 sq.ft.
Energy Centre Site (1.06 Ha   2.62 Ac)	Energy Centre	1,171 sq.m.	12,604 sq.ft.
	Primary Substation	1,188 sq.m.	12,787 sq.ft.
	Office Area	400 sq.m.	4,305 sq.ft.
Hotel Site (1.42 Ha   3.50 Ac)	Main Building	6,190 sq.m.	66,629 sq.ft.
Film School Site (2.65 Ha   6.54 Ac)	Teaching Pavilion	2,600 sq.m.	27,986 sq.ft.
	Student Accom.	3,100 sq.m.	33,368 sq.ft.
Data Centre Site (2.01 Ha   4.96 Ac)	Main Building	7,000 sq.m.	75,348 sq.ft.
Employment Land (4.83 Ha   11.93 Ac)		48,300 sq.m.	519,896 sq.ft.
Earth Station Site (0.05 Ha   0.12 Ac)		500 sq.m.	5,382 sq.ft.
<b>Total: 36.62 Ha   90.48 Ac</b>			

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 Figures shown are only to be taken from this drawing. All dimensions are to be checked on site before any work is put in hand.  
 CDM: Keppie Design Ltd & Keppie Design Ltd have undertaken and accepted their obligations. In accordance with the requirements of 'The Construction (Design and Management) Regulations 2007' and the 'Industry Guidance for Designers'.

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— Solid red line indicates extent of proposed application boundary  
 Note: areas quoted are approximate gross figures

C	gross area revised	DT	SM	26.03.15
B	gross area revised	DT	AS	11.10.14
A	red line boundary adjusted	AK	AS	9.8.14

— red line boundary adjusted  
 — blue line boundary adjusted to indicate adjacent ownership  
 — location of proposed route for A701, A702  
 — residential uses omitted  
 — area of backlot excluded  
 — location of CHP plant changed  
 — area of employment land indicated

keppie

Client  
**Pentland Studios Ltd**

Project  
**Scottish Film Studio**

Drawing  
**Proposed Land Use Diagram**

Project No.  
**213030**

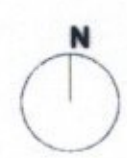
Drawing No.  
**L(00)003**

Scale  
**Information**

Created  
 DT 26.03.15

Checked  
 SM 11.10.14

Scale  
 1:2500 @ A1



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**Pentland Film Studios Energy Centre**

CORPORATE RESOURCES	
FILE:	
RECEIVED	- 3 AUG 2015

High level objective

To create a joint venture of mutual benefit to both PSL & VE in terms of early engagement to assist with business case compilation, planning submissions and design to ensure our ESCO can self-generate reliable low carbon electricity, heat and cooling for consumption within the Pentland Film Studios development and beyond.

We believe there is synergy in our approach to new technology, drive and forward thinking which have been visible components of the PSL team through our involvement over the last few months

About Vital Energi

As a leading innovator in efficient energy provision for the UK, we provide a variety of efficient energy solutions for the public and private sectors. Our designs are specifically tailored to the needs of our clients and we have a strong track record of delivering successful projects that deliver on their guaranteed performance targets.

We provide a total solution, from initial proposal through to energy and asset management and have the expertise to offer advice on metering, billing and financing services

We provide sustainable and viable energy solutions for our clients which not only meet their current energy requirements, but also anticipate their future energy demand. Our solutions are future proofed and flexible, allowing us to generate and distribute energy and then provide the management solutions to monitor, measure and reduce energy consumption and ensure those systems operate at optimum performance and clients receive the most benefits.

By using this approach we have been able to continuously reduce our clients carbon emissions with anticipated levels of 20 to 30% lower than traditional grid connected developments, the development will also benefit from reduced CRC costs(Carbon Reduction Commitment) as well as utilizing the RHI(Renewable Heat Incentive)

Our proposed energy centre will also support the connected buildings within the development by eliminating their individual emissions thus supporting the drive for sustainable buildings capable of achieving excellent BREEAM ratings

Vital Energi have a proven team located in central Scotland based at Strathclyde Business Park and we are currently delivering major energy centres and energy management to the following clients

- University of Edinburgh
- St Andrews University
- NHS Tayside
- NHS Grampian

## Our offering to the JV Partnership

We believe VE to be the perfect fit to PSL in order to produce the optimum energy and business solution for the PSL Development and our proposed JV ESCO, our proven track record in early collaboration has benefited many of our clients, as part of the VE offering we will provide the following (but not limited to) support and management

- Source consumer synergies through existing relationships with UOE
- Source consumer synergies with local business public and private
- Create a sustainable future proofed energy network
- Technical & Commercial Model Analysis
- Full/Part Funded Solution Assessment
- Shareholder Structure Development
- Commercial & Legal Structure Proposal
- Demand Assessment
- Policy & Compliance
- Concept Designs
- Business Planning

## Anticipated investment levels

Investment in our proposed sustainable solution in lieu of a typical grid connection provides not only carbon savings, but additionally is more economical for the connected users, our knowledge and experience in the sector has provided data that supports an approximate saving of 15 to 20% against traditional grid electricity and conventional heating & cooling costs

In line with the initial load calculations of 60MWe and subject to finalizing the selection plant and equipment we would anticipate the capex value of the project to be between £40 and £50m. (Excluding utility connections and land cost) The annual operation, maintenance and management of the facility and district network will run at approximately £1.5 to £2.5m per year subject to plant, equipment and fuel selection

## **The project**

### Primary energy source

The primary energy source will be based on a combined heat and power solution to meet the electrical base demands of the development and secured secondary consumers, waste heat from the generation process will then be supplied through a district heating and cooling network across the development to utilise the low carbon benefits of the electrical generation process.

### Fuel Sources

During the detailed design stage and on securing our base load consumer network a fuel source study will determine the optimum fuel source for the energy centre, this will be selected with the following points taken into consideration;

- Availability of fuel
- Efficiency of fuel
- Sustainability of fuel
- Cost of fuel
- Carbon content

It is envisaged at our conceptual stage that the primary fuel source will be Bio Mass of either chip or pellet procured locally from the Lothian region supported by Natural gas, due to the expected base load of approximately 60MWe we expect the initial 60% of the load to be generated by Bio Mass with the balance by Natural Gas, this solution will also allow the fuel source to be alternated in line with consumer demand and fuel prices/availability (i.e. subject to load profile the Natural Gas maybe the primary fuel source)

### The Energy Centre

The energy centre will be a purpose built facility operated and maintained by a local workforce to ensure security of supply and to provide a sustainable employment for many years to follow, the energy centre consists of the following;

- Energy centre building and offices
- Combined Heat and Power plant
- Heat generation plant
- Cooling plant
- HV/LV Distribution
- Network pump station



- Possible on site fuel management/distribution

It would be our expectation that the energy centre will support 30 to 40 local jobs through the construction of the energy centre and 15 to 20 through the operation, maintenance and management of the above for the lifespan of the energy centre.

### The District Energy Network

The infrastructure required to distribute the electricity, heating and cooling across the development will generally run below ground and the installation of the district energy network will consist of the following;

- HV Private network/ring
- Strategically located sub stations
- Pre-insulated heating pipework
- Pre-insulated cooling pipework
- Ducted Communications network
- Mains cold water distribution

It would be our expectation that the district energy network will support 20 to 30 local jobs through the installation period and 5 to 10 through the operation, maintenance and management of the above for the lifespan of the network.

### Future proofing

The Energy centre will be constructed in a modular fashion to optimise the development as it grows over the years, by initiating this method it will allow plant and equipment to be installed in a sequenced plan to move with the growth of the development and will cater for outside neighbouring parties to connect to our network, the network itself will be designed and installed at full load to allow the these potential future consumers to connect with minimal disruption to the operation of the scheme.

Future (Possible) consumers/connections;

- University of Edinburgh
- Roslyn institute
- IKEA/Sainsbury's
- Possible residential developments
- Glencorse barracks
- Straiton Retail Park

PSL have established that there is an available grid connection at the Kaimes Sub Station, just inside the Straiton junction on the A720, this will obviously supplement our energy centre in times of high demand and maintenance requirements, but it will also provide an opportunity to export our generated electricity to the grid.