
NORTH AYRSHIRE COUNCIL

19 June 2019

Planning Committee

Title: Hunterston Master Plan

Purpose: To advise the Planning Committee on the preparation of a Master Plan for Hunterston PARC by site owners, Peel Ports Group, and to seek approval for comments on the draft Master Plan.

Recommendation: It is recommended that the Planning Committee:

- 1) Approves the response to Peel Ports Group on the Master Plan for Hunterston PARC (see Appendix 1).

1. Executive Summary

- 1.1 Peel Ports Group is consulting on a Master Plan for Hunterston Port and Resource Centre (PARC). The Master Plan outlines a number of indicative uses for Hunterston, many of which align with the Local Development Plan. The Master Plan would raise awareness of the opportunities for development of the site.
- 1.2 A response to Peel Ports Group setting out comments on the Master Plan has been prepared by Officers. The comments reiterate that (a) North Ayrshire Council supports the re-development of Hunterston PARC, which is recognised as having the enabling capability to bring international levels of investment to Scotland and Ayrshire, via the Proposed Local Development Plan and Ayrshire Growth Deal; (b) recommends that the Master Plan could be more concise, more engaging in its presentation and clearer in its message of the overarching strategy and opportunities for Hunterston PARC; and (c) outlines concerns with the socio-economic study, which should be a more positive and aspirational about the potential that Hunterston possesses to transform the regional economy.
- 1.3 In line with the emphasis the Council places on community engagement, it is considered that robust community engagement must be at the heart of the successful regeneration of Hunterston, working in partnership with local people and organisations to deliver shared outcomes. The importance of this approach is underlined in the response to the Master Plan. Further discussion is proposed with Peel Ports Group to explore the support the Council can give to the Master Plan following the consultation.

2. Background

- 2.1 Peel Ports Group has published a Master Plan for Hunterston Port and Resource Centre (PARC) and is seeking comments on the proposals for the 120-hectare site during a six-week public consultation. Public events were held at both Fairlie and Millport.
- 2.2 The site was initially developed as an iron-ore terminal to service the iron and steel industry in the 1970s. Until recently Hunterston's primary trade was the import of coal. However, a policy shift in favour of zero-carbon technologies and the closure of Scotland's coal-fired power stations saw coal imports diminish to zero, leaving Hunterston's role for coal import and storage obsolete. Peel Ports Group has since set out to repurpose Hunterston, which is currently being remediated. The removal of obsolete equipment is predicted to be completed next year.
- 2.3 Hunterston's deep water port; available land and transport links – including the ability to make use of rail freight – present a unique set of opportunities which Peel Ports Group is looking to maximise. The ambition is for Hunterston PARC to support industrial growth in Scotland with investment that enables: efficient logistics; smart management of assets and energy production to drive new industry on site. It envisages that Hunterston PARC will become a multi-modal centre for exporting, importing, processing, recycling and distributing resources.
- 2.4 The indicative uses for Hunterston identified by Peel Ports Group within the Master Plan are as follows:
 - a) Liquid Natural Gas (LNG) Terminal
 - b) Combined Cycle Gas Turbine (CCGT) Power Station
 - c) Train manufacturing plant
 - d) Modular Manufacturing
 - e) Concrete Batching
 - f) Marine Construction and Decommissioning
 - g) Land-based Aquaculture
 - h) Plastics recycling and storage
- 2.5 Analysis undertaken for the Master Plan, including a comparison with similar developments elsewhere in the UK, indicates that the redevelopment of Hunterston could support over 1,700 jobs and add over £140 million in economic value to Scotland.
- 2.6 The emerging North Ayrshire Local Development Plan (LDP2), currently at examination, identifies Hunterston as a Strategic Development Area and supports a wide range of future uses for both the port and marine yard and the nuclear estate. While many of the indicative uses set out in the Master Plan are compliant with the direction and general strategic approach of LDP2 (and the existing LDP), further detail to consider the merits of all of the indicative uses, in particular power generation, decommissioning of vessels and land-based aquaculture, would be required.
- 2.7 The Master Plan incorporates a lengthy Socio-Economic Study. It is considered that the tone of this section and discussion of population decline and unemployment in North Ayrshire is overly negative and fails to address more recent interventions such as Ayrshire Growth Deal or wider travel to work patterns. It is not considered relevant to provide this information in this way. The information presented should be relevant to the proposals that the promoter is seeking to achieve. Therefore the ability of the site to attract, for example, an available and skilled workforce from within a travel to work

area, access university educated workforce relevant to the sector, the supply chain, goods to market, and facts and figures that demonstrate the ability of the site to be a competitive and successful location is most relevant. It would be preferable if the Master Plan concentrated on the opportunities that exist, with a more positive and aspirational outlook.

2.8 An overview of the potential impacts of development in relation to the environment is provided within the Master Plan. It is important that the Master Plan does recognise the sensitivities of the site, however, this section does not fulfil environmental assessments that may be statutorily required for development proposals, or, indeed a formalised Master Plan. In this regard, the status of the Master Plan is non-statutory. Local Development Plan 2 makes it clear that only limited weight will be attached to such plans that have not been approved by Council as Planning Authority. Planning Services will work with Peel Ports Group to explore how a revised Master Plan may be considered for support by the Council in the future.

3. Proposals

3.1 It is recommended that the Planning Committee approves the proposed response to Peel Ports Group on their master plan for Hunterston PARC (see background paper).

4. Implications/Socio-economic Duty

Financial:	None
Human Resources:	None

Legal:	None
Equality/Socio-economic Duty:	To be addressed by Peel Ports Group
Children and Young People:	To be addressed by Peel Ports Group
Environmental & Sustainability:	The Master Plan identifies a range of environmental issues that could form the basis of a formal Environmental Impact Assessment or Strategic Environmental Assessment, however no formal assessment of the proposals has been undertaken at this time.
Key Priorities:	The Master Plan envisages significant job creation and economic value which would support key priorities relating the employment and the economy set out in the Council Plan.
Community Benefits:	The proposed response advocates a 'community wealth building' approach to enhance the local economy. Community wealth building is an approach to delivering an inclusive economy through focusing on the role of anchor institutions and other large employers in supporting and developing the local economy in which they are located through their role as purchasers, employers, owners of assets, and enablers of wider economic activity.

5. Consultation

- 5.1 In compiling this report, Planning Services have liaised with Economic Growth Services and Economic Policy.



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For further information please contact **Alistair Gemmell, Planning Officer**, on **01294 324021**.

Background Papers

None

Hunterston Master Plan – May 2019
North Ayrshire Council Response

1. We welcome the opportunity to comment on the Hunterston Master Plan and Peel Ports Group's commitment, expressed as an overarching principle, to active liaison and discussion with all stakeholders. Community engagement and public participation is a pre-requisite of successful masterplanning and we look forward to working with you throughout this process and beyond.
2. North Ayrshire Council's mission is to work together to improve well-being, prosperity and equity in North Ayrshire. We are hugely ambitious for our people, our places and our economy and seek to be bold, innovative and pioneering so we can attract investment, create employment and build a North Ayrshire that makes us proud. In this context, we recognise the strategic national importance of Hunterston and the potential that bringing the site back into productive, economic use can have to this area.
3. This position is reflected in the recently agreed Ayrshire Growth Deal and our Proposed Local Development Plan. Published in April 2018 and currently at examination, Local Development Plan (LDP) 2 identifies Hunterston as a Strategic Development Area and supports a wide range of future uses for both the port and marine yard and the nuclear estate. Our comments on the draft Master Plan reflect this planning framework.

General comments

4. The Master Plan, in its current guise, would benefit from significant refinement if it is to provide a clear and effective framework for Hunterston moving forward. The document does a good job in describing Hunterston's key assets, however we feel it could be improved by becoming more focused; removing areas of repetition and stating key messages and proposals more concisely and effectively. Our detailed comments below indicate how this could be achieved.

Section 1.0 Introduction

5. It is noted that you have followed 'Guidance on the Preparation of Port Master Plans', published in 2008 by the Department of Transport but that there is no requirement for a port to produce a master plan and that the status of this master plan is non-statutory.
6. Para 1.12 indicates the Master Plan is not an application for planning permission, but provides a framework for setting out the port's medium and long-term aspirations. LDP2 recognises that for Strategic Development Areas, masterplans may be either prepared by the planning authority or by another party. LDP2 makes it clear that only limited weight will be attached to proposals that have not been approved by Council

as planning authority. We are happy to work with Peel Ports Group to explore how a revised Master Plan may be considered for support by the Council.

Section 2.0 A Context

7. This section provides a concise summary of the historical context to the Hunterston Parc site and how future development could contribute to several Scottish Government policies and strategies.
8. Alongside the historical context, a description of the physical context for the site and its surroundings should be provided, which, for example, could refer to the nuclear power stations; the historic Hunterston estate and nearby settlements. This context would give the document a more 'place-based' focus. The unique opportunities that exist at Hunterston which underpin its future prospects (i.e. its deep water, extensive land and transport links) could usefully be reiterated here, as they could in the 'Opportunity' section of the Executive Summary.

Section 3.0 Business Vision

9. This section sets out Peel Ports Group's ambition for Hunterston PARC to support industrial growth in Scotland with investment that enables: efficient logistics; smart management of assets and energy production to drive new industry on site. It envisages Hunterston PARC will become a multi-modal centre for exporting, importing, processing, recycling and distributing resources.
10. Six principles have been established to guide the pursuit of these goals: focusing on commodities and technologies of the future; supporting the circular economy; diversification; creating employment; utilising Hunterston PARC's special capabilities; and addressing the big challenges by prioritising activity that is valuable to all. We would support these principles. Of the benefits the development of Hunterston PARC may provide, our key interest is in the creation of a variety of jobs, including those in skilled and emerging sectors. We would like to see Peel Ports Group embrace a 'community wealth building' approach to enhance the local economy. Community wealth building is an approach to delivering an inclusive economy through focusing on the role of anchor institutions and other large employers in supporting and developing the local economy in which they are located through their role as purchasers, employers, owners of assets, and enablers of wider economic activity. We feel this approach aligns with many elements of the Master Plan.
11. A long-list of potential development and operational activities are introduced at paragraph 3.10, including: bulk handling facilities for importing, processing and distributing dry and bulk liquid cargoes, including liquified natural gas (LNG); offshore wind energy; construction for marine and offsite manufacturing; decommissioning vessels and oil and gas structures; materials management; heat and power generation, from LNG and renewable sources. The key concern for the Council as

planning authority is whether these proposals conform with the Development Plan. While many of these uses are compliant with the direction and general strategic approach of LDP2 (and the existing LDP), we would require further detail to consider the merits of others, namely power generation, LNG storage, the decommissioning of vessels and, noted elsewhere within the Master Plan, land-based aquaculture. In this regard, the Master Plan is a legitimate means of Peel promoting overarching strategic proposals and a means of discussing the future development of Hunterston, including with the Council; it should be noted, however, the Master Plan is not Council endorsed, at least in its current form.

12. Simply in terms of presentation, we feel there is scope to go beyond using just text to illustrate the overarching framework for future development at Hunterston PARC within the masterplan and potential interrelationships. In addition, more prominence could be given to the potential of Hunterston as an 'energy hub' in relation to Scotland's wider aspirations for a low carbon economy, as set out in the National Planning Framework and Local Development Plan and the identification of Hunterston as a centre for research into low carbon energy within the Ayrshire Growth Deal.

Section 4.0 Socio-Economic Study

13. Our main concerns with the Master Plan surround the Socio-Economic Study. We feel that that the tone of this section and discussion of population decline and employment – introduced in the Executive Summary under the title 'the local challenge' – and elsewhere in the document – is overstated and overly negative. It would be preferable if the Master Plan concentrated on the opportunities that exist: the site's unique attributes; the Ayrshire Growth Deal and North Ayrshire Council's plans; and the wider economy and policy framework in general. This approach would give the Master Plan a more positive and aspirational outlook.
14. The area of focus for the study is largely North Ayrshire. We understand why this is the case but we would expect Hunterston as an asset will pull talent from – and have an economic impact beyond – North Ayrshire's boundaries. A more comprehensive look at the travel to work area would perhaps be more appropriate and contextualise the master plan more effectively.
15. Considering the above, and the caveats that must accompany the use of data in such an exercise, our view remains that the study need not form part of the Master Plan, or at least should be significantly reduced in length to provide a brief summary, potentially within Section 2.0. At 39 pages, the structure of this section and level of detail presented detracts from what should be the focus of the Master Plan and is arguably unnecessary for a site where future development is supported and the potential well understood.

16. The socio-economic study section also includes a section on the impact of potential development (in terms of economic output and job creation), where an illustrative land use plan for Hunterston Parc is presented alongside a more detailed list of indicative uses. In terms of the layout of the document, it may be better if this was a separate section highlighting the key development proposals/opportunities for Hunterston PARC. We would like to understand better the rationale behind the job numbers and how these have been identified – for example, the train manufacturing plant accounts for 58% of jobs in the masterplan but the recent Talgo enquiry was unsuccessful. We would like to understand more about the viability of the different areas of activity and how these have been defined and identified.

Section 5.0 Planning, Transport and Marine Policy

17. The main point of note is that the discussion of the planning context confuses the English and Scottish planning systems (e.g. the second part of para. 5.12, which refers to the Planning and Compulsory Purchase Act, and para. 5.13 on the Localism Act). This section could also touch on relevant energy and economic policies at a national, regional and local scale.

18. With regard to transport, Transport Scotland is progressing work on the National Transport Strategy (NTS) review and the second Strategic Transport Projects Review (STPR2). This work will set the vision, policies and projects for Scotland's Strategic Transport network for the coming 20 years. As part of this work Transport Scotland is establishing regional Transport Working Groups, and will take forward discussions with the Ayrshire partners on appropriate working arrangements. Transport Scotland and the recently appointed STPR consultant team will work with the regional group to develop the evidence base around problems and opportunities, define transport planning objectives and undertake regional transport appraisal work. This work will inform the review of emerging NTS policies and the work on STPR2 and ensure that appropriate consideration is given to Ayrshire's transport infrastructure and the Growth Deal projects when setting the regional and national policy and intervention priorities.

Section 6.0 Environmental Considerations

19. This section is presented as a narrative, outlining an overview of the potential impacts of development in relation to: biodiversity; heritage; air quality; odour; climate change; flooding; waste management; contaminated land; dredging; energy efficiency; noise; visual impact and water quality. It should be made outwardly clear that this section is not intended to fulfil environmental assessments that may be statutorily required for development proposals, or, indeed a formalised masterplan, should the intention be for the Council to approve and adopt the masterplan. It is important that the masterplan does recognise the sensitivities of the site, however, you may want to consider whether the level of detail is required for this document.

20. Further to simply protecting the environment, we would also welcome consideration of how the development of Hunterston Parc could enhance the local environment, including for local residents, and detail on any ongoing or proposed monitoring of environmental impacts (alluded to later on in the document at para 9.9).

Section 7.0 Transport

21. In the context of the current review of national and regional transport strategy and of strategic transport projects (see para. 18 above), it may be useful for the Master Plan to outline more detail on the required improvements to the local network, for example the A78 where the traffic infrastructure is described in the Master Plan as 'poor'. This point is particularly important if there are to be increased freight movements by road.

Section 8.0 Stakeholder Engagement

22. We note the details set out in the chapter on your proposals for stakeholder engagement and commitment to pre-application discussions with relevant stakeholders. We would support the establishment of a Master Plan Stakeholder Group to enable early and constructive dialogue regarding the development of the site.

Section 9.0 Implementation & Review

23. As noted above, we are happy to work with Peel Ports Group to explore how a revised Master Plan could be supported by the Council, taking account of Local Development Plan 2, which we expect to adopt towards the end of 2019.

Conclusion

24. North Ayrshire Council supports the re-development of Hunterston PARC, which is recognised as having the enabling capability to bring international levels of investment to Scotland and Ayrshire, notably by the Proposed Local Development Plan and Ayrshire Growth Deal.

25. The draft Master Plan does a good job in highlighting that Hunterston PARC represents a unique asset and outlining the relevant environmental considerations but would benefit from some refinement to form a document that is more concise, more engaging in its presentation and clearer in its message of the overarching strategy and opportunities for Hunterston Parc. Our main concerns with the Master Plan relate to the socio-economic study, which we consider should seek to present a more positive and aspirational picture of the potential that Hunterston processes to transform the local economy.

26. In line with the emphasis the Council places on community engagement, we consider that robust community engagement must be at the heart of the successful

regeneration of Hunterston, working in partnership with local people and organisations to deliver shared outcomes and we support Peel Ports' intentions in this regard. Further discussion and deliberation regarding the status of the Master Plan is welcomed, as this will influence the level of support the Council can give to the process and its status in relation to the development plan.