14 SOCIO-ECONOMICS

Introduction

14.1.1 The chapter was written by BiGGAR Economics and considers the socio-economic effects associated with the construction and operation of the Project, a HVDC factory in Hunterston.

14.1.2 The remainder of this chapter is structured as follows:

- introduction, including scope of assessment and methodology;
- an overview of the socio-economic and tourism baseline environment;
- mitigation measures;
- assessment of construction effects;
- assessment of operational effects, including socio-economics and tourism;
- assessment of cumulative effects, as well as inter-relationships with other chapters;
- summary effects;
- references.

Assessment Methodology

Relevant Guidance

Socio-Economics

14.1.3 The assessment is in line with the following guidance documents:

- Scottish Enterprise's Economic Impact Assessment for Appraisal, Monitoring and Evaluation – A Guidance Overview (Scottish Enterprise, 2014); and
- The Scottish Government's Draft Advice on Net Economic Benefit and Planning (Scottish Government, 2016b).

14.1.4 The economic benefits considered in this chapter are net economic benefits, which are defined as the difference in economic impact between the scenario where the Project takes place and the case where it does not go ahead.

14.1.5 In assessing the net economic benefits, it is necessary to consider:

- deadweight: those impacts that would occur even if the Project did not go ahead;
- displacement: activity elsewhere in the economy that would be offset by the Project;
- leakage: the proportion of impact that benefits economies outwith the ones where the Project occurs; and
- multipliers: the effects across the supply chain (indirect impacts) and through the spending of employees (induced impacts).

14.1.6 These aspects are considered in the analysis of economic impacts in this chapter.

Tourism

14.1.7 There is no relevant guidance on assessing tourism effects related to developments similar to the Project.

Study Area

14.1.8 The assessment of economic impacts has been considered for the following study areas:

- North Ayrshire the area covered by North Ayrshire local authority, which is where the Project is situated;
- Scotland; and
- the UK.

14.1.9 The study area for the assessment of tourism effects is within 15 km of the Project, though some destinations such as the Isle of Arran have also been considered.

Baseline Methodology

14.1.10 The following key data sources have been included in the baseline assessment:

- National Records of Scotland (2020), Population Estimates (National Records of Scotland, 2020a);
- National Records of Scotland (2020), Population Projections for Scottish Areas (2018-based) (National Records of Scotland, 2020b);
- ONS (2021), Annual Population Survey, Jan 2020 – Dec 2020 (ONS, 2021);
- ONS (2020), Annual Surveys of Hour and Earnings 2020 (ONS, 2020a);
- ONS (2020), Business Register and Employment Survey 2019 (ONS, 2020b);
- ONS (2019), International Passenger Survey 2018 (ONS, 2019);
- Kantar TNS (2019), The GB Day Visitor 2018 Annual Report (Kantar TNS, 2019a);
- Kantar TNS (2019), The GB Tourist 2018 Annual Report (Kantar TNS, 2019b); and
- Scottish Government (2020), Scottish Growth Sector Database 2018 (Scottish Government, 2020b).

Consultation

14.1.11 No consultations were undertaken as part of the socio-economic assessment. No issues related to Socio-economics were raised in the Scoping Responses and the BiGGAR Economics team has good knowledge of the socio-economic conditions in the study areas.

Assessment Methodology

Socio-Economics

Measures of Economic Impact

14.1.12 As standard practice for similar assessments, the economic benefits associated with the project will be measured with respects to the following measures:

- Gross Value Added (GVA): a measure of economic output, it is generally estimated as the difference between an organisation's turnover and its non-staff operating costs;
- Years of Employment: a measure of the short-term employment supported by a project. A year of employment is equivalent to the work inputs from a worker involved full-time in the project for a year. For instance, a job lasting for 18 months, would be reported as 1.5 years of employment; and

- Employment: this measure is used when considering impacts on employment over longer time periods, it focuses on the annual employment supported by a project.

Impacts Considered

14.1.13 The economic impact of the Hunterston HDVC manufacturing facility has been assessed using a bespoke economic model. It has been split into two phases and the following impacts have been considered:

- construction: the economic activity associated with the construction of the Project;
- operation: the economic activity associated with the operation of the Project, which includes:
  - direct: the impact of operating the Project and the employment required for its operation;
  - supply spending: the impact associated with supply chain expenditure; and
  - staff spending: impact from employees' spending their salaries and wages with the economy.

Assessing Economic Impacts

14.1.14 To estimate the economic impacts associated with construction and operation, it was first necessary to know the expenditure or employment associated with each impact (e.g., construction spending). This has been provided by the Applicant, with adjustments made where appropriate.

14.1.15 It was then necessary to make assumptions about the share of activity that would occur in each study area. This was based on an assessment of the industrial capacity of each area, informed by the socio-economic baseline, and the proportion of expenditure associated with established technologies.

14.1.16 On this basis, the expenditure in relevant sectors was assessed and direct GVA and employment was estimated using the UK Annual Business Survey (ONS, 2020c), which provides information about turnover, GVA and employment for each sector in the economy.

14.1.17 It was then necessary to account for indirect impacts, those associated with spending across the supply chain, and induced impacts, those linked to employees spending their salaries and wages in the economy. To achieve this, the GVA and employment Type 1 (indirect only) and Type 2 (indirect and induced) multipliers from the Scottish Input-Output Tables (Scottish Government, 2020a) or the UK Input-Output Tables (ONS, 2017) were applied.

14.1.18 Indirect GVA and employment impacts were estimated by multiplying direct impacts by the Type 1 GVA and employment multipliers. Induced GVA and employment impacts were estimated by multiplying direct GVA and employment by the difference between Type 2 and Type 1 GVA and employment multipliers. Since the Scottish multipliers refer to aggregate impacts in the Scottish economy an adjustment was made to reflect the impacts in North Ayrshire, where it was assumed that 33% of indirect impacts and 70% of induced impacts would take place.

Tourism

14.1.19 In order to assess the effects on tourism destinations, key features were first identified (for example local attractions), and then an assessment was made about whether these key features would be affected by the Project.

Assessment Criteria and Assignment of Significance

Sensitivity

14.1.20 The initial consideration of the sensitivity of an area's economy or a tourism asset to effects is assessed based on the criteria outlined in Table 14.1.

Table 14-1: Socio-economics and Tourism Sensitivity Criteria

Sensitivity	Typical Descriptors
Very High	The asset/economy has little or no capacity to absorb change without fundamentally altering its present character and/or is of very high tourism, recreational or socio-economic value, or of national importance. For example, it is a destination in its own right (for destinations), with a substantial proportion of visitors on a national level.
High	The asset/economy has low capacity to absorb change without fundamentally altering its present character and/or is of high tourism, recreational or socio-economic value, or of importance to Scotland.
Medium	The asset/economy has moderate capacity to absorb change without substantially altering its present character, has some tourism, recreational or socio- economic value and/or is of regional importance (e.g., North Ayrshire). For example, it is a popular destination among current visitors, with a significant contribution to the regional economy.
Low	The asset/economy is tolerant to change without alteration to its character, has low tourism, recreational and/or socio-economic value, or is of local importance. For example, it is an incidental destination for current visitors.
Negligible	The asset/economy is resistant to change and/or is of little tourism, recreational or socio-economic value. For example, an incidental destination with low numbers of current visitors.

Magnitude of Impact

14.1.21 The magnitude of the potential effect is assessed based on the criteria provided in Table 14.2.

Table 14-2: Socio-economics and Tourism Magnitude Criteria

Magnitude	Typical Descriptors
High	Major loss/improvement to key elements/features of the baselines conditions such that post development character/composition of baseline condition will be fundamentally changed. For example, a major long-term alteration of socio-economic conditions, a major reduction/improvement of recreational assets, or a substantial change to tourism spend.
Medium	Loss/improvement to one or more key elements/features of the baseline conditions such that post development character/composition of the baseline condition will be noticeably changed. For example, a moderate alteration of socio-economic conditions, a moderate reduction/improvement in the recreational asset, or a moderate change to tourism spend.
Low	Changes arising from the alteration will be detectable but not material; the underlying composition of the baseline condition will be similar to the pre-development situation. For example, a small alteration of the socio-economic conditions, a small reduction/improvement in the recreational asset, or a small change in tourism spend.
Negligible	Very little change from baseline conditions. Change is barely distinguishable, approximating to a “no change” situation.

Significance of Effects

14.1.22 The sensitivity of an asset and the magnitude of the predicted effects will be used as a guide, in addition to professional judgement to predict the significance of the likely effects. Moderate and major effects are assessed as significant in EIA terms. The significance criteria are outlined in Table 14.3.

Table 14-3: Assessment Matrix

Sensitivity	Magnitude of Impact			
	Negligible	**Low**	**Medium**	**High**
Negligible	Negligible	Negligible or minor	Negligible or minor	Minor
Low	Negligible or minor	Negligible or minor	Minor	Minor or moderate
Medium	Negligible or minor	Minor	Moderate	Moderate or major
High	Minor	Minor or moderate	Moderate or major	Major
Very High	Minor	Moderate	Major	Major

Limitations of the Assessment

14.1.23 The assessment has been undertaken based on the existing information, which may not reflect the current state of the economy, or may not reflect it going forward.

14.1.24 For example, uncertainty remains as to the state and composition of the tourism industry in the future when the construction and operations and maintenance of the proposed development will take place. The same limitations apply to baseline economic indicators, in particular unemployment and economic activity rates.

Baseline Environment

Strategic Context

National Performance Framework

14.1.25 Scotland's National Performance Framework (Scottish Government, 2018) explicitly includes 'increased well-being' as part of its purpose and combines measurement of how well Scotland is doing in economic terms with a broader range of well-being measures. The NPF is designed to give a more rounded view of economic performance and progress towards achieving sustainable and inclusive economic growth and well-being across Scotland and aims to:

- create a more successful country;
- give opportunities to all people living in Scotland;
- increase the well-being of people living in Scotland;
- create sustainable and inclusive growth; and
- reduce inequalities and give equal importance to economic, environmental and social progress.

14.1.26 The NPF sets out 11 outcomes, underpinned by 81 indicators, that combine to give a better picture of how the country is progressing towards these goals. As well as GDP and employment measures, the NPF's outcomes reflect the desired fabric of communities and culture, education, the environment, health and well-being and measures to help tackle poverty. It is these indicators on which the Scottish Government focuses its activities and spending to help meet the national outcomes.

14.1.27 The Project would contribute to sustainable and inclusive growth, creating employment in the green economy in an area of high deprivation, and limited opportunities.

Manufacturing Action Plan 2016

14.1.28 In its Manufacturing Action Plan (Scottish Government, 2016a), the Scottish Government recognises the key role that manufacturing can play in driving regional growth, creating highly skilled jobs and growing the economy. In order to successfully meets these goals, four themes have been identified:

- inclusive growth;
- investment;
- innovation; and
- internationalisation.

14.1.29 The action plan sets out a number of initiatives to increase productivity in the sector, focusing on skills, employee engagement and energy efficiency among other thing, and hopes to stimulate innovation and investment in Scottish manufacturing.

14.1.30 The Project will drive growth in Hunterston, a deprived area, contributing to inclusive growth. It also represents a major investment in Scotland and the UK's offshore wind supply chain, which may lead to increased exports and reduced imports. The Project will also involve a research and development component, driving innovation in the offshore wind supply chain.

Offshore Wind Sector Deal 2019

14.1.31 The Offshore Wind Sector Deal (Department of Business, Energy and Industrial Strategy, 2019) looks to build on the UK's position is a global leader in offshore wind, maximising opportunities for UK industry as the world shifts to clean energy.

14.1.32 Globally, there is expected to be a substantial increase in installed capacity from 22GW in 2019 to 154GW in 2030. In the UK, the generating capacity could increase to 30GW in 2030, requiring investment of over £40 billion over a decade. The Government has set a target of increasing the UK's share in the supply chain to 60%, and increasing UK exports fivefold to £2.6 billion by 2030.

14.1.33 Central to achieving this goal will be an increase in research and development to make the supply chain more efficient, making the sector more competitive and reducing prices for consumers. This can create growth and economic benefits in areas, particularly deprived coastal areas, that are adapting to economic change.

14.1.34 By creating UK capacity for the manufacturing of HVDC cables, which the UK currently imports, the Project will contribute to the UK's offshore wind supply chain. Currently the supply and installation of the export cable accounts for between 7 and 10% of total Capital Expenditure and therefore supplying this from within the UK would significantly increase the UK content share of offshore wind projects. It will also contribute to research and development at Hunterston PARC, increasing the efficiency of the UK supply chain, and driving down costs. The Project is also in a deprived, coastal area, creating new opportunities and economic growth.

The Ayrshire Growth Deal

14.1.35 The Ayrshire Growth Deal (UK Government, Scottish Government, 2020) is an agreement between the councils of North Ayrshire, South Ayrshire and East Ayrshire and the Scottish and UK Governments, which devolves funding to meet Ayrshire's strategic objectives.

14.1.36 Up to £103 million will be provided by both the Scottish Government and the UK Government, as well as £45.5 million from Ayrshire Councils over the 10 to 15-year timeline of the Growth Deal. This is seen as a unique opportunity to drive inclusive growth, improving the well-being of Ayrshire communities, as well as aiding in the region's recovery from COVID-19.

14.1.37 This is important, because though the region has many strengths it also has a number of challenges. These include weak productivity, a declining population, skills shortages and deprivation. The region also has a high level of unemployment compared to Scotland.

14.1.38 In order to address these challenges and drive economic growth, the strategic objectives of Growth Deal projects are:

- Attract and develop more innovative and internationally focused companies and are more likely to have higher levels of productivity through developing key infrastructure and targeted businesses support programmes;
- Position Ayrshire as the 'go-to' region for smart manufacturing and digital skills;
- Improve key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually); and
- Work with communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community and employability programmes.

14.1.39 Key themes identified in the strategy include supporting manufacturing and the transition to net zero, and a number of the funded projects focused on these themes. This includes the £18 million Centre for Research into Low Carbon Energy and Circular Economy at Hunterston, which aims to capitalise on Hunterston's rail and grid connections.

14.1.40 The Project will boost North Ayrshire's manufacturing sector, create high quality jobs and serve the UK's offshore wind sector. It will help to address high unemployment and low productivity in the area and increase well-being.

Hunterston PARC Strategic Development Framework

14.1.41 Hunterston PARC is owned and operated by Peel Ports, who have published a Development Framework (Peel Ports, 2021) for how the site will be developed in future, based around the three pillars of Port, Industry and Marine.

14.1.42 The overall vision is to develop a Nationally Significant Energy and Marine Campus, bringing together industry, government and university operators. Part of this will include the development of a research and innovation campus, reusing existing on-site facilities, and it will be supported by the Growth Deal funding of £18 million for the Centre for Research into Low Carbon Energy and Circular Economy.

14.1.43 The Port has a number of significant assets. It is strategically located the deepest sea entrance on the west coast of the UK, it can accommodate the largest capacity sea vessels and handle most types of bulk cargoes, 320 acres of brownfield land, high quality rail, sea and road links and, due to the area's history of energy generation, a grid connection. It is recognised as one of 10 nationally and internationally important investment sites within the Scottish Government's Green Investment Portfolio.

14.1.44 The Project will support the objectives of the Development Framework. It will utilise part of the brownfield site, as well as the marine yard and port, will contribute to the green economy by increasing the offshore wind supply chain, and will locate research and development operations on site, contributing to the campus.

History of the Site

14.1.45 Hunterston Port is located in the Clyde Estuary opposite the island of Great Cumbrae. The terminal was established in mid-1970s by the British Steel Corporation to import iron ore and coke for the steel industry, and then later with the decline of the steel industry in Scotland, the port was used to import coal for power stations (The Gazetteer for Scotland, 2021).

14.1.46 At its peak in 2005 the port handled more than 10 million tonnes of coal which was used in the Longannet Power Station in Fife, and the Drax Power Station in North Yorkshire. The closure of Longannet Power Station and the increasing use of biomass fuel at Drax Power Station led to the site's closure in 2016 with the loss of 120 jobs (BBC News, 2019).

Strategic Context Summary

14.1.47 The Project is expected to create high quality employment in North Ayrshire, meeting the strategic objectives of supporting places with low productivity and high deprivation, while increasing employment in manufacturing and supporting research and development. It will also expand the UK's offshore wind supply chain, increasing the benefits associated with the transition to renewable energy in the UK.

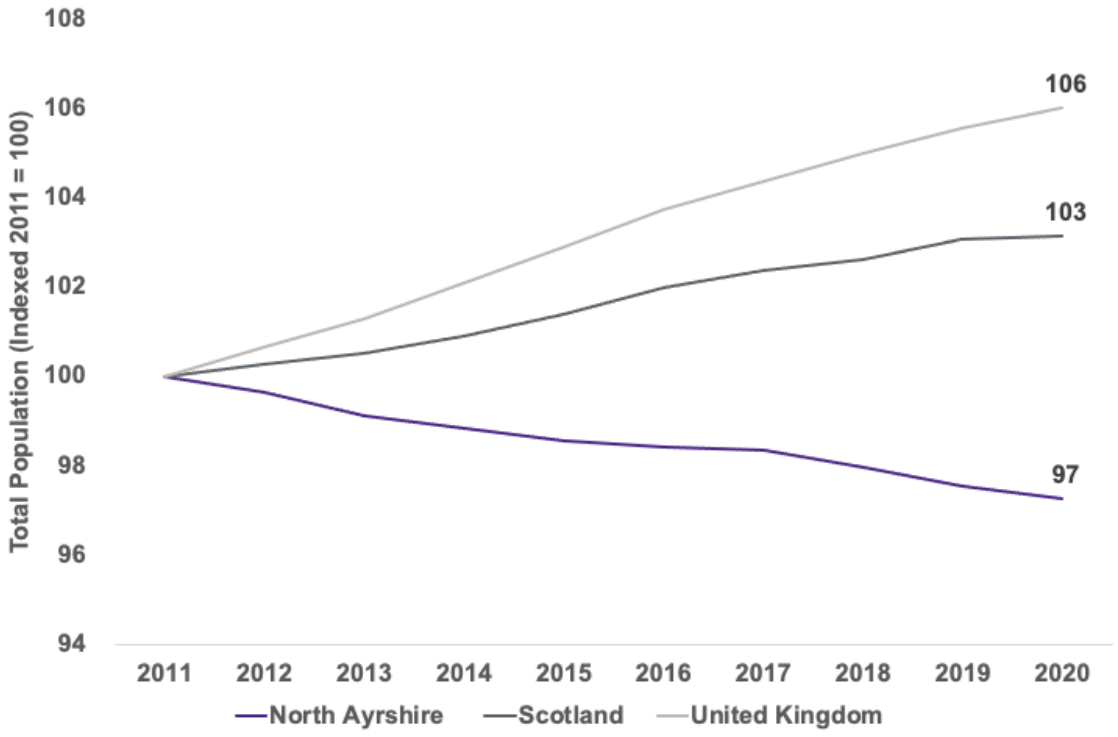
14.1.48 The Project will support the ambitions of Peel Ports to make Hunterston Port a contribute to the green economy and to attract research and development activity. This is particularly important in the context of the site, which has previously been involved in the import of coal to support more polluting forms of energy generation, but can benefit from the energy transition.

Socio-Economic Context

Population

14.1.49 Between 2010 and 2020, the population of North Ayrshire has decreased from 138,100 to 134,300, a decline of 2.8%. In the same time period, the population of Scotland increased by 3.1% and the population of the UK increased by 6.0% (National Records of Scotland, 2020a).

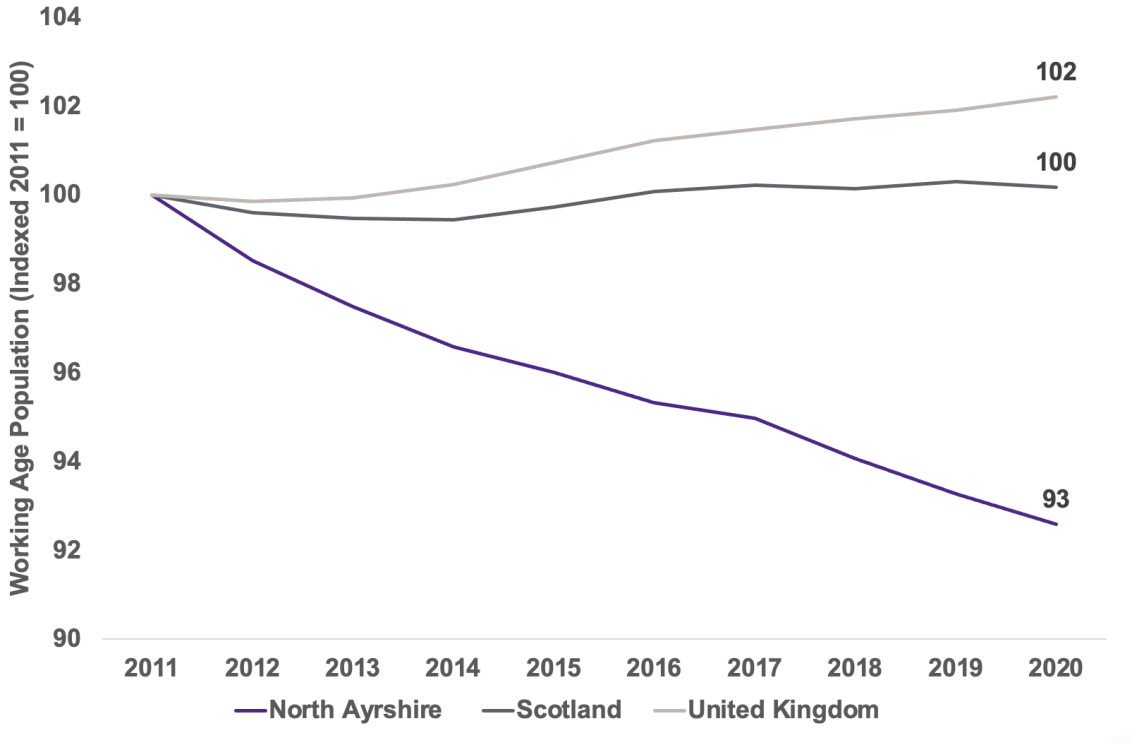
Figure 14.1: Total Population Estimates, 2011-2020



Source: National Records of Scotland, (2020). Population Estimates 2011-20.

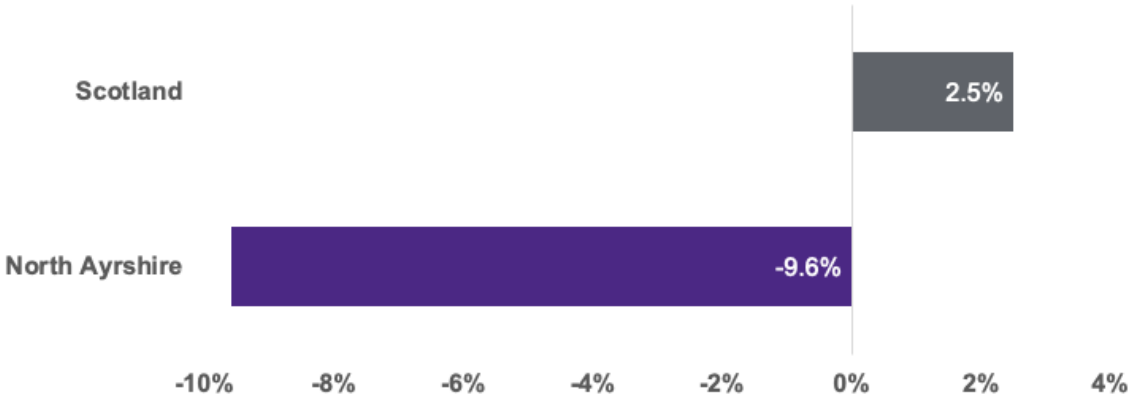
14.1.50 The working age population of North Ayrshire has consistently fallen over the past 10 years. From 2011 to 2020 the working age population (aged 16-64 has) fallen by 7.4%, whereas in Scotland it has increased by 0.2%, and by 2.2% in the UK.

Figure 14.2: Working Age Population Over Time



14.1.51 National Records of Scotland also publishes population projections for each local authority (National Records of Scotland, 2020b). The population of North Ayrshire is projected to decline over time from 2018 to 2043 by 12,900 people, the largest absolute decline out of all local authorities in terms of persons, and the fourth largest percentage decline (9.6%). In contrast, the total population of Scotland is expected to grow by 2.5%.

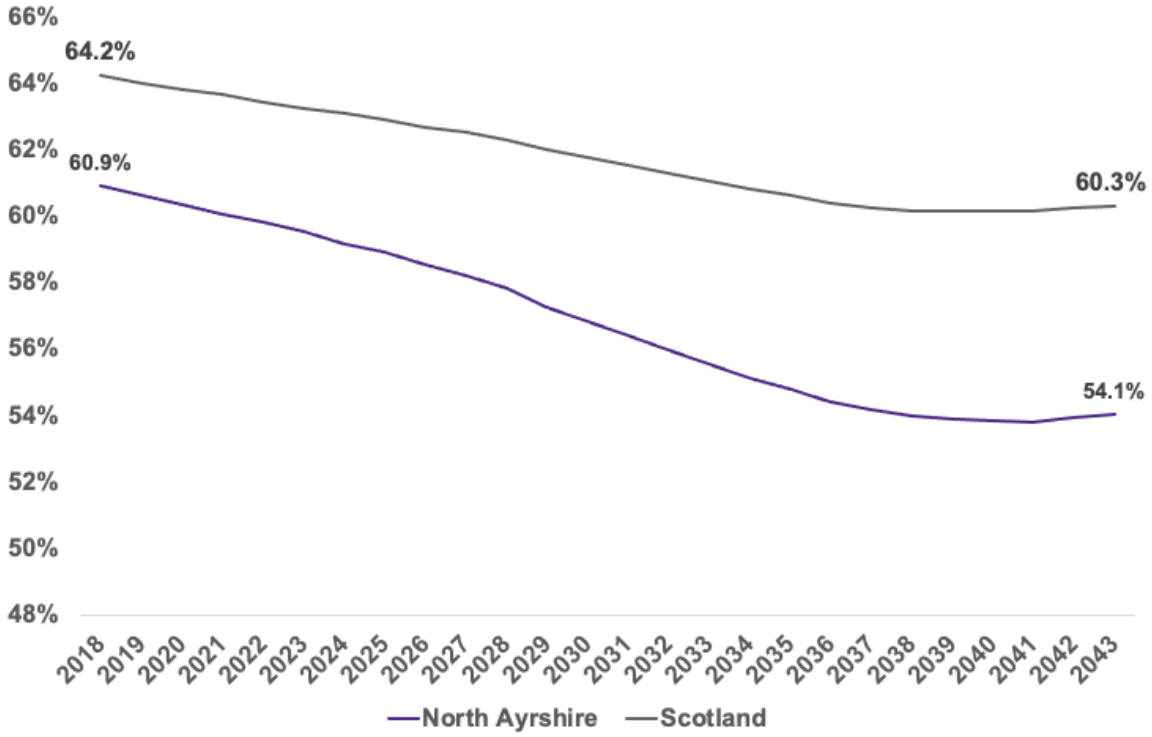
Figure 14.3: Projected Population Percentage Change, 2018-2043



Source: National Records of Scotland, (2020). Population Projections for Scottish Areas (2018-based).

14.1.52 The working age population (aged 16 to 64) for North Ayrshire is expected to decrease from 60.9% of the total population in 2018 to 54.1% in 2043, a decrease of 6.8% points. In contrast, the equivalent for Scotland is expected to decrease from 64.2% to 60.3%, a decrease 3.9% points.

Figure 14.4: Population Aged 16-64 as Proportion of Total Population, 2018-2043



Source: National Records of Scotland, (2020). Population Projections for Scottish Areas (2018-based).

Industrial Structure

14.1.53 The main sectors of employment in North Ayrshire and the other study areas are provided by the Business Register and Employment Survey, as shown in Table 14.4. North Ayrshire had around 42,000 jobs in 2019 (ONS, 2020b).

14.1.54 In contrast to Scotland and the UK, North Ayrshire has a relatively high share of employment in manufacturing (10.7%, compared to 6.5% in Scotland and 7.8% in the UK). This suggests that it would be well placed to benefit from a new manufacturing facility. North Ayrshire also has a higher share of employment in construction (8.3%, compared to 5.5% and 5.0%) and therefore has the potential to secure construction-related contracts.

14.1.55 North Ayrshire also has a higher proportion of employment in the accommodation and food services sector (9.5%), compared to Scotland (8.2%) and the UK (7.6%), reflecting the relative importance of the tourism sector.

Table 14-4: Industries of Employment (%), 2019

	North Ayrshire	Scotland	UK
Health	14.3	15.4	12.8
Retail	11.9	9.0	9.2
Manufacturing	10.7	6.5	7.8
Accommodation & food services	9.5	8.2	7.6
Construction	8.3	5.5	5.0
Education	8.3	7.9	8.4
Public administration & defence	6.0	6.0	4.2
Business administration & support services	6.0	7.8	8.7
Arts, entertainment, recreation & other services	4.8	4.4	4.5
Professional, scientific & technical	4.2	7.1	8.8
Transport & storage	3.6	4.1	4.8
Wholesale	3.0	2.4	3.8
Mining, quarrying & utilities	3.0	2.5	1.3
Agriculture, forestry & fishing	2.4	3.3	1.6
Motor trades	1.9	1.9	1.9
Property	1.4	1.5	1.9
Financial & insurance	1.0	3.2	3.4
Information & communication	1.0	3.3	4.2
Total %	100.0	100.0	100.0
Total Jobs	**42,000**	**2,600,000**	**31,100,000**

Source: ONS (2020), Business Register and Employment Survey.

Economic Activity and Unemployment

14.1.56 The economic activity rate (which represents participation in the labour force) in the population aged 16 to 64 is considerably lower in North Ayrshire (71.3%) than that of the rest of Scotland (76.8%) and the UK (78.8%). Similarly, the unemployment is higher at 5.1%, compared to 4.4% in Scotland and 4.7% in the UK (ONS, 2021).

Table 14-5: Economic Activity and Unemployment Rate, 2020

	North Ayrshire	Scotland	UK
Economic Activity Rate, 16-64	71.3%	76.8%	78.8%
Unemployment Rate, 16-64	5.1%	4.4%	4.7%

Source: ONS (2021), Annual Population Survey 2020.

Education and Skills

14.1.57 The proportion of the population of North Ayrshire who hold NVQ4+ level qualifications or above (41.0%) is significantly lower than the Scottish average of 49.0%, and also lower than the UK average of 43.0%. The proportion of those in North Ayrshire who hold no qualifications (8.8%) is also higher than Scotland (8.1%), but higher than the UK average (6.6%) (ONS, 2021).

Table 14-6: Qualifications Levels, 2020

	North Ayrshire	Scotland	UK
NVQ4+	41.0%	49.0%	43.0%
NVQ3+	57.0%	63.7%	61.2%
NVQ2+	76.0%	79.2%	79.0%
NVQ1+	86.2%	86.2%	87.6%
Other Qualifications	5.0%	5.7%	5.8%
No Qualifications	8.8%	8.1%	6.6%

Source: ONS (2021), Annual Population Survey 2020.

Income

14.1.58 The gross annual pay in North Ayrshire is lower than in both Scotland and the UK. In 2020, the average gross annual pay for all workers based in North Ayrshire was £25,600. This is 16.4% lower than the equivalent value for Scotland (£29,800) and 25.8% lower than the value for the UK (£31,600) (ONS, 2020a).

Table 14-7: Gross Annual Pay - Workplace Analysis, 2020

	Gross Annual Pay – Full-time Workers
North Ayrshire	£25,600
Scotland	£29,800
UK	£31,600

Source: ONS (2020), Annual Survey of Hours and Earnings.

Socio-Economic Context Summary

14.1.59 In comparison to Scotland and the UK, North Ayrshire has a declining population, which is expected to have a significantly lower proportion of working age. The economic activity rate is relatively low and the unemployment rate is relatively high, while wages are substantially lower than in Scotland and the UK. This suggests that the economy of North Ayrshire lacks high-quality employment opportunities, is less productive than other parts of the country and does not attract people to the area.

14.1.60 The Project is expected to create high quality employment opportunities in a relatively high value sector, which may attract people of working age to the area.

Tourism Context

Tourism Economy

14.1.61 The employment and GVA in the sustainable tourism sector in North Ayrshire and Scotland is given in Table 14.8. This shows that the sector supported 4,500 jobs and £80 million GVA in North Ayrshire in 2018. Across Scotland, the sector supported 218,000 jobs in 2018 and over £4.1 billion GVA (Scottish Government, 2020b). This suggests that North Ayrshire has a higher share of employment in sustainable tourism than for Scotland as a whole.

Table 14-8: Sustainable Tourism GVA and Employment, 2018

	North Ayrshire	Scotland
Employment (Jobs)	4,500	218,000
GVA	£80m	£4,127m

Source: Scottish Government (2020), Growth Sector Database.

14.1.62 The number of visitors to North Ayrshire is shown by type in Table 14.9 below.

14.1.63 Data on the number of overseas visitors to North Ayrshire is not provided in the International Passenger Survey. North Ayrshire is included as part of the Ayrshire and Arran geography and data is provided at that level. This shows that in 2018, there were 103,000 international visitors to Ayrshire and Arran who spent an estimated £73 million in the area (ONS, 2019). North Ayrshire accounted for 37% of domestic overnight visitors in Ayrshire and Arran and therefore this proportion was applied to the number of international visitors and spend to estimate the international visitor market in North Ayrshire.

14.1.64 In total, there were approximately 3.5 million visitor trips to North Ayrshire and 154 million visitor trips to Scotland (Kantar TNS, 2019a) (Kantar TNS, 2019b).

Table 14-9: Visitors by Type

	North Ayrshire	Scotland
Day Visitor Trips	3,250,000	138,910,000
GB Overnight Trips	246,000	11,660,000
Overseas Trips	40,000	3,538,000
Total Trips	**3,536,000**	**154,108,000**

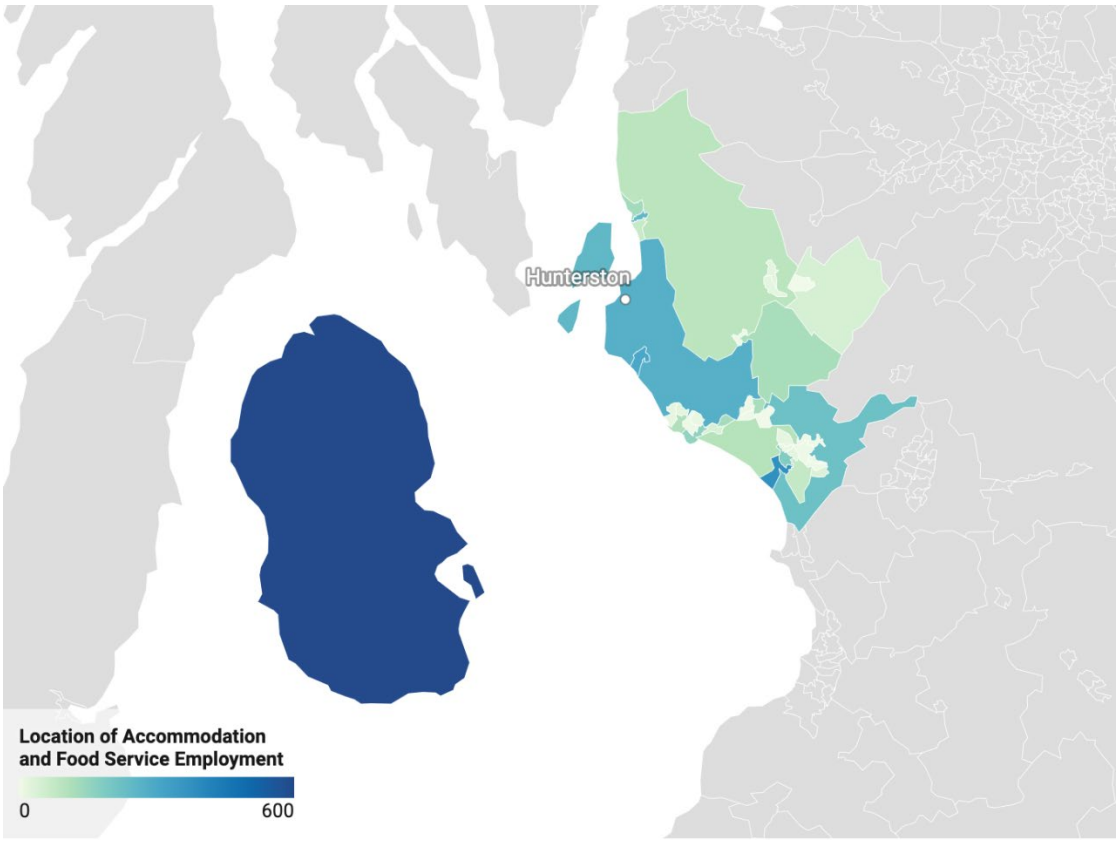
14.1.65 The expenditure of visitors to North Ayrshire and Scotland (Clyde Muirshiel Regional Park, 2018) by type of visitor is shown in Table 14.10. The visitors to North Ayrshire spent a total of £187 million during 2018. The majority of this expenditure, is associated with day visitors who spent £105 million. Domestic overnight visitors spent £55 million and overseas visitors spent £27 million. The share of international expenditure in the North Ayrshire tourism sector is lower than the rate across Scotland. Across Scotland, visitors spent over £10 billion in the tourism economy.

Table 14-10: Visitor Spend by Type (£m)

	North Ayrshire	Scotland	North Ayrshire as share of Scotland
Day Visitor Spend	105	5,474	1.9%
GB Overnight Visitor Spend	55	2,888	1.9%
Overseas Visitor Spend	27	2,206	1.2%
Total Visitor Spend	187	10,568	1.8%

14.1.66 The level of tourism activity is not evenly distributed across North Ayrshire. As shown in Figure 14.5: below, the largest concentration of tourism activity is on the island of Arran. The proposed Hunterston HVDC development is located in the Fairlie and Rural area of North Ayrshire. Approximately 280 people are employed in accommodation and food services in this area.

Figure 14.5: Accommodation and Food Service Employment Distribution within North Ayrshire



Source: ONS(2021) Business Register and Employment Survey

Tourism Destinations

14.1.67 There are several tourism destinations on the West Coast of Scotland that are within the scoping area.

14.1.68 The Isle of Arran is a holiday destination with dramatic mountain ranges and coastlines and festivals supplied by local produce. The main village is Brodick, which has attractions such as Brodick Castle and Country Park and Brodick Bay, which gives views to the islands highest peak, Goatfell. Visitors to Arran also enjoy visiting the Arran Distillery for tours and whiskey tasting. In 2018, around 400,000 people visited the island (The Arran Banner, 2018).

14.1.69 Bute is one of the most accessible Scottish Islands and can be accessed via ferry from Wemyss Bay to Rothesay or from Colintraive to Rhubodach. Visitors are attracted to the island's varied landscapes, including beaches, moorlands and hills, as well as the main town of Rothesay which known for its promenade and palm trees and the medieval Rothesay Castle, which attracted 10,902 visitors in 2019 (Association of Scottish Visitor Associations, 2020). Other attractions include the Victorian country house Mount Stuart, which attracted 42,809 visitors in 2019.

14.1.70 Greater Cumbrae is a small, easily accessible island off the Ayrshire coast. The only settlement is the seaside town of Millport on its southern coast. The town is home to a number of attractions such as its seafront promenade, Britain's smallest cathedral the 'Cathedral of the Isles', Garrison House which is home to the Museum of the Cumbraes, and the Robertson Museum and Aquarium. Outdoor activities include cycling along the island's coast in a 10-mile loop, playing golf and water sports.

14.1.71 Clyde Muirshiel Regional Park is Scotland's largest regional park (280km^2) and stretches across North Ayrshire, Renfrewshire and Inverclyde. It has a small number of visitor centres including at Greenock Cut on the banks of Loch Thom, and Castle Semple Visitor Centre and Muirshiel Visitor Centre near Lochwinnoch. From each of these centres, a range of activities are possible such as walking, cycling and sailing. Each year, the park has 700,000 visitors (Clyde Muirshiel Regional Park, 2021).

14.1.72 Largs is a traditional seaside resort which features a Victorian promenade with views out towards the Firth of Clyde and a large selection of ice cream parlours and shops. Lying close to the Isle of Cumbrae, Largs hosts a regular ferry service to Millport during the summer months. The Largs Yacht Haven is the largest marina in Scotland, the annual Largs Viking Festival celebrates the town's Viking history and the 1263 Battle of Largs.

14.1.73 Ardrossan is a historic port town which offers views over the Firth of Clyde and sandy beaches, such as the South beach and the North Shore. The town has the Clyde Marina offers 250 fully serviced berths for yachts, as well as a regular ferry service to Brodick on the Isle of Arran.

14.1.74 Fairlie is a small village on the North Ayrshire coast near Largs, known as being Scotland's first Fairtrade Village, hosting a variety of restaurants and craft and farm shops. Kelburn Castle, Country Park and Estate is found near Fairlie and has distinctive artwork, and a number of activities on offer, such as the woodland glen, which is popular with children, walking and pony trekking.

14.1.75 As part of Chapter 7: Seascape, Landscape and Visual Resources the following tourism and recreation receptors were identified as having the significant effects and these have been taken forward in the tourism and recreation assessment:

- Ayrshire Coastal Path;
- Marine based receptors; and
- Black Hill Circular Walk, Clyde Muirshiel Regional Park.

Tourism Context Summary

14.1.76 Tourism is relatively important to the economy of North Ayrshire, with a higher share of employment in tourism than for Scotland as a whole. The main tourism destinations in the vicinity of the Project include the Isle of Arran, the Isle of Bute and Largs. Key features include the coastal location and the landscape.

Future Baseline Conditions

Socio-Economics

Hunterston B Power Station

14.1.77 Hunterston B Power Station is a nuclear power station located 6 miles south of Largs and has been in operation since 1976. The plant began to be decommissioned in January 2022. Prior to its closure, there were 500 people directly employed, with a further 250 employed as contractors. About 125 jobs were expected to be lost when power generation ceased. There is no certainty about employment beyond 2025. (Largs and Millport News, 2020).

Mitigation Measures Adopted as Part of the Project

Construction Phase

14.1.78 In order to maximise the impacts associated with the construction of the Project, the Applicant will engage proactively with local suppliers and representative bodies (such as Chambers of Commerce) to make sure that the local supply chain is aware of opportunities. This may include Meet the Buyer events, where the Applicant meets with local suppliers and discusses the commercial requirements of constructing the Project.

14.1.79 It is acknowledged that the time period between the application and the start of the construction period is quite short and as a result it is unlikely that there shall be the opportunity to develop supply chain in this time to meet the more specialist needs of the construction.

14.1.80 However, the Applicant will encourage Tier 1 contractors and more specialist contractors to procure goods and services locally when these are available. It shall do this by,

- working with local suppliers and representative bodies to compile a supplier database of companies that could be in a position to support the construction process;
- share this supplier database with Tier 1 and specialist contractors;
- provide a single website, or page, that will list all the current tendering opportunities linked to the construction of the project; and
- require Tier 1 and specialist contractors to report on the level of expenditure within North Ayrshire and Scotland as part of their obligations.

Operational Phase

14.1.81 There are significant employment opportunities that will be created during the operation of the Project. To maximise the benefits that these employment opportunities will bring to North Ayrshire the Applicant shall:

- engage with North Ayrshire Council and other economic stakeholders from an early stage;
- map out the skills requirement for the positions that are likely to be created;
- engage with Ayrshire College and other education providers to highlight the skills requirements and support the development of suitable content; and
- advertise potential positions in advance of major changes in employment at the Hunterston B Power Station.

Assessment of Construction Effects

Socio-Economics

14.1.82 The total cost of building and fitting out the Project is expected to be £250 million, of which £150 million would be equipment and £100 million would be construction, with expenditure taking place over a construction phase that will start in Q2 2022 and end in Q1 2024.

14.1.83 It is anticipated that much of the equipment required will be specialist and will be imported from Europe, though a small share (10%) is expected to come from within the UK, with a value of £15 million.

14.1.84 The construction contracts will require a mixture of specialist construction activities and more general civil engineering activities. It is assumed that the civil engineering work could be completed by Scottish, including North Ayrshire, based contractors and the specialist construction contractors will likely be procured from outside of Scotland. North Ayrshire accounts for 1% of a Civil Engineering employment in Scotland and therefore it is assumed that the primary contractor is likely to come from elsewhere. However, contractors in North Ayrshire will be able to provide more general site services in support of the construction element. Therefore, it has been assumed that 10% of construction contracts could be secured in North Ayrshire (£10 million), 50% in Scotland (£50 million) and 75% in the UK (£75 million).

Table 14-11:Capital Expenditure by Study Area (£m)

	North Ayrshire	Scotland	UK	Total
Equipment	- (0%)	- (0%)	15 (10%)	150
Construction	10 (10%)	50 (50%)	75 (75%)	100
Total	**10 (4%)**	**50 (20%)**	**90 (36%)**	**250**

14.1.85 Based on the sectors of expenditure across the study areas, economic ratios were used to estimate the direct jobs and GVA supported. Indirect and induced impacts associated with construction activity were then estimated by applying the relevant Type 1 and Type 2 employment and GVA multipliers.

14.1.86 Therefore, it was estimated that the economic impact associated with the construction and fit out of the Project would be £6 million GVA and 70 job years in North Ayrshire, £38 million GVA and 490 job years in Scotland, and £89 million and 1,330 job years in the UK (as shown in Table 14.12 and Table 14.13).

Table 14-12: Construction Impacts, GVA (£m)

	North Ayrshire	Scotland	UK
Direct	4	19	33
Indirect	1	13	33
Induced	1	7	23
Total	**6**	**38**	**89**

Table 14-13: Construction Impacts, Employment (job years)

	North Ayrshire	Scotland	UK
Direct	50	270	470
Indirect	10	160	520
Induced	<10	70	340
Total	**70**	**490**	**1,330**

14.1.87 During the period of peak construction activity, it is estimated that the capital investment will support:

- 40 jobs in North Ayrshire;
- 280 jobs in Scotland; and
- 760 jobs in the UK.

14.1.88 In 2019, there were around 3,500 people employed in the North Ayrshire construction in the North Ayrshire economy has been assessed as medium sensitivity. On the basis of the level of employment supported, the magnitude of socio-economic impacts related to construction have been assessed as low.

14.1.89 The sensitivity of the economy in North Ayrshire has been assessed as medium, therefore, the effect in North Ayrshire has been assessed as minor.

14.1.90 The Scottish economy has been assessed as negligible sensitivity. The magnitude of socio-economic impacts related to construction have been assessed as negligible.

14.1.91 The sensitivity of the economy in Scotland has been assessed as low, therefore, the effect in Scotland has been assessed as negligible.

14.1.92 The UK economy has been assessed as negligible sensitivity and the effect has been assessed as negligible. The magnitude of socio-economic impacts related to construction have been assessed as negligible.

14.1.93 The sensitivity of the economy in the UK has been assessed as negligible, therefore, the effect has been assessed as negligible.

Assessment of Operational Effects

Socio-Economics

Direct

14.1.94 The Project will have an impact through its operation. The Applicant has indicated that in order to run the facility 900 employees will be required. Of these, over two thirds are expected to be involved in engineering and production, with the remainder made up by supply chain, planning and maintenance staff, admin staff, and quality assurance, health and safety, and environmental health staff.

14.1.95 In order to estimate the GVA impact associated with this employment, the average GVA per employee for the manufacture of electrical equipment sector was applied. This was equivalent to around £60,000 per employee and on this basis, the GVA was estimated to be £54 million.

Table 14-14: Direct Impact

	North Ayrshire	Scotland	UK
GVA (£m)	54	54	54
Employment	900	900	900

Supplier

14.1.96 The facility will have an economic through spending in its supply chain.

14.1.97 It is anticipated that supplier spending will be £300 million annually. The primary cost will be the raw materials which are required to produce the cable. Based on information provided by the Applicant (including tonnes of materials needed) and analysis of international prices for metal, the following breakdown of supplier expenditure has been assumed. On this basis, the main area of expenditure would be lead sheeting (£120 million approximately), followed by steel wire and XLPE (£60 million each approximately).

Table 14-15: Supplier Expenditure

	Tonnes	Cost (£m)	Percentage
Steel Wire	70,000	60	20%
Aluminium	20,000	45	15%
Lead for sheathing	60,000	120	40%
XLPE for insulation	20,000*	60	20%
Other	-	15	5%
Total	**-**	**300**	**100%**

Source: Price data from Trading Economics Commodities Index* Based on bitumen prices

14.1.98 For each category of expenditure, an assumption was made about the share of expenditure that could be secured in each study area, as well as the sector. A substantial proportion of this expenditure will take place in capital-intensive sectors such as the manufacture of metals and will therefore occur outside of North Ayrshire and Scotland. On this basis, the share of supplier expenditure in North Ayrshire would be around 1% (£4 million), the share in Scotland would be 6% (£19 million) and the share in the UK would be 65% (£195 million), which would support the country's metal manufacturing sector.

Table 14-16: Supplier Expenditure by Study Area (£m)

	North Ayrshire	Scotland	UK	Total
Steel Wire	- (0%)	- (0%)	60 (100%)	60
Aluminium	- (0%)	- (0%)	23 (50%)	45
Lead for sheathing	- (0%)	- (0%)	60 (50%)	120
XLPE for insulation	- (0%)	30 (50%)	60 (100%)	60
Other	4 (25%)	11 (75%)	15 (100%)	15
Total	**4 (1%)**	**41 (14%)**	**218 (73%)**	**300**

Source: BiGGAR Economics Assumption

14.1.99 The direct economic impact was estimated by applying turnover/GVA and turnover per employee ratios for the appropriate economic sectors. Indirect and induces GVA and employment multipliers were then applied. Adding these impacts together, it was estimated that the total economic impact in North Ayrshire would be £3 million GVA and 50 jobs in North Ayrshire, £28 million GVA and 480 jobs in Scotland, and £111 million GVA and 2,300 jobs in the UK.

Table 14-17: Supplier Impact

	North Ayrshire	Scotland	UK
GVA (£m)	3	28	111
Employment	50	480	2,300

Staff Spending

14.1.100 Staff will have an economic impact through spending their wages in the local economy.

14.1.101 The first step in assessing this impact was to consider the level of staff wages, which was based on staff wages in the manufacture of electrical equipment sector of £34,700. This suggests that the facility's 900 employees would be paid around £31 million annually.

14.1.102 It was assumed that 50% of staff would live in North Ayrshire and 100% would live in Scotland. This could be an underestimate as a significant proportion of the employment will be shift work, which is likely to attract a more local worker. An adjustment was made to account for where people spend their money. For example, those living in North Ayrshire would be expected to spend 50% of their wages in North Ayrshire, 75% in Scotland and 95% in the UK. An adjustment was also made to account for VAT (which is not included in the Annual Business Survey), which typically accounts for 8% of spending (European Commission, 2013).

14.1.103 On this basis, it was estimated that staff would spend £8 million in North Ayrshire, £21 million in Scotland, and £27 million in the UK. Appropriate economic ratios and multipliers were then applied, and it was estimated that staff spending supports £3 million GVA and 70 jobs in North Ayrshire, £10 million GVA and 230 jobs in Scotland, and £18 million GVA and 410 jobs in the UK.

Table 14-18: Staff Spending Impact

	North Ayrshire	Scotland	UK
GVA (£m)	3	10	18
Employment	70	230	410

Total Operational Impact

14.1.104 Adding together the direct, supplier spending and staff spending impacts together it was estimated that total economic impact would be £60 million GVA and 1,010 jobs in North Ayrshire, £78 million GVA and 1,380 jobs in Scotland, £165 million GVA and 3,390 jobs in the UK.

Table 14-19: Operational Impact, GVA (£m)

	North Ayrshire	Scotland	UK
Direct	54	54	54
Supplier	3	28	111
Staff Spending	3	10	18
Total	**60**	**92**	**183**

Table 14-20: Operational Impact, Employment (jobs)

	North Ayrshire	Scotland	UK
Direct	900	900	900
Supplier	50	480	2,300
Staff Spending	70	230	410
Total	**1,010**	**1,600**	**3,610**

Significance assessment

14.1.105 As part of the assessment, it was necessary to consider the net contribution of the Project to take account of factors such as deadweight (what would have happened anyway) and displacement (would the Project displace other activity). Leakage has been considered as part of the economic impact so far.

14.1.106 Without the Project, no export cable manufacturing facilities would be built in the UK and therefore deadweight has been assessed as zero.

14.1.107 Similarly, as there are no competitors in the UK, there would be no displacement of existing activity. Theoretically, there may be labour displacement if the Project attracts employment from other North Ayrshire employers. However, given the low economic activity rate and high unemployment rate in North Ayrshire, as well as the potential for people to commute to the facility, it is considered unlikely that labour displacement would be a significant factor. Additionally, though there are ongoing discussions with other potential users of the site at Hunterston, it is considered unlikely that this will lead to any other commercial arrangements not going ahead and therefore there is likely to be no land displacement.

14.1.108 The North Ayrshire economy has a total of 42,000 jobs and has been assessed as medium sensitivity. Of these around 4,500 are employed in manufacturing, and therefore the magnitude of impact (an increase in manufacturing employment of 20%) has been assessed as high. Therefore, the effect has been assessed as major, and significant.

14.1.109 Based on employment of 2.6 million, the Scottish economy has been assessed as low sensitivity. Of these, around 169,000 are employed in manufacturing, and therefore the magnitude of impact related to operation (an increase in manufacturing employment of around 0.5%) has been assessed as low. Therefore, the effect has been assessed as negligible.

14.1.110 Based on employment of 31.1 million, the UK economy has been assessed as negligible sensitivity. Of these, around 2.4 million are employed in manufacturing, and therefore the magnitude of impact has been assessed as negligible. Therefore, the effect has been assessed as negligible.

Non-Domestic Rates

14.1.111 The Project would be liable for non-domestic rates, the payment of which would contribute directly to public sector finances.

14.1.112 In order to assess the non-domestic rates paid, it is necessary to assess the rateable value and apply the poundage rate. The rateable value would be determined by the Assessor, but an assumption has been made based on similar developments (the Aluminium Smelter in Lochaber and the Dalzell Steel Works in Motherwell), which suggests that the rateable value as a percentage of turnover would be in a range of 1.3% to 2.3%. This suggests the rateable value of the Project would be between £5 million and £8 million (Scottish Assessors Association, 2021).

14.1.113 Applying a poundage rate of £0.516 (Scottish Government, 2021) to the lower value in this range, the non-domestic rates paid by the Project annually would be at least £2.4 million.

14.1.114 The payment of non-domestic rates, by providing an additional revenue stream, would support the delivery of local government services. The impact from the payment of rates on the North Ayrshire economy has been assessed as low, and therefore the effect has been assessed as minor.

Tourism

14.1.115 This section assesses whether the Project would be expected to result in a change in visitor behaviour, leading to a reduction in tourism spending.

14.1.116 The Isle of Arran is a holiday destination that attracts people to Scotland with more than 400,000 visitors annually. The main features that attract people to the island are its dramatic landscapes, such as Goatfell and Brodick Country Park, and heritage, including the Arran Distillery and Lochranza Castle. The tower will be visible from key tourism locations on Arran, such as Brodick and Goatfell. However, it is not anticipated that this will results in a noticeable change to the visitor experience for these locations as a result of the distance and the visibility of other industrial infrastructure that would also be visible. Therefore, the magnitude has been assessed as negligible.

14.1.117 The sensitivity of the tourism sector on the Isle of Arran has been assessed as medium. Therefore, the effect has been assessed as negligible.

14.1.118 The Isle of Bute attracts people to Argyll and Bute, and has therefore been assessed as medium sensitivity. The main features are its varied landscapes and heritage, such as Rothesay Castle and Mount Stuart and the town of Rothesay. These attractions would not experience any visual, noise or other effects as a result of the Project and therefore the magnitude of the impact has been assessed as negligible. Therefore, the effect has been assessed as negligible.

14.1.119 Great Cumbrae attracts people to the Ayrshire coast and has therefore been assessed as low sensitivity. The main features include its accessibility, heritage, coastline, and various outdoor activities. The Project will be visible from Great Cumbrae, including parts of Millport, but this is unlikely to affect the key features, and therefore the impact has been assessed as negligible. Therefore, the effect has been assessed as negligible.

14.1.120 Clyde Muirshiel Regional Park is a regional attraction and has therefore been assessed as medium sensitivity. The main features of the park are the activities that can be done there, such as sailing and walking with all of the visitor centres located to the east or north, and the views. These features would not be expected to be affected, and therefore magnitude has been assessed as negligible. On this basis, the effect would be negligible.

14.1.121 Largs is a regional coastal attraction, and therefore the sensitivity has been assessed as medium. The main features that attract people include the Victorian promenade, views out towards the Firth of Clyde, the coastal location and the area's heritage. These features would be unaffected by the Project and therefore the magnitude has been assessed as negligible. Therefore, the effect has been assessed as negligible.

14.1.122 Ardrossan is an incidental attraction, and therefore its sensitivity has been assessed as negligible. Given its distance from the Project, it is unlikely that there would be any impact (negligible magnitude). Therefore, the effect has been assessed as negligible.

14.1.123 Fairlie is a small village, which is likely to be mainly a local attraction, with low sensitivity. The main attraction is the nearby Kelburn Castle, Country Park and Estate, which has distinctive artwork, as well as an estate which offers activities such as walking and pony trekking. These features would be unaffected by the Project, and therefore the impact has been assessed as negligible. Therefore, the effect has been assessed as negligible.

14.1.124 The following receptors have also been considered in the tourism assessment because they have been assessed as having a significant effect in Chapter 7,

- Ayrshire Coastal Path
- Marine based receptors; and
- Black Hill Circular Walk, Clyde Muirshiel Regional Park.

14.1.125 There will be significant visual impacts from both the development and construction of the Project on sections of the Ayrshire Coastal Path. These will be particularly prominent on Power Station Road which passes the Site. This section of the Coastal Path also contains Hunterston Nuclear Power Station and the assessment in Chapter 7 states that the view would be uncharacteristic in part, but not on the whole of Power Station Road. The elements of the route which are closets to the Site are predominately alongside the A78 and the view of the Site and the sea is blocked by trees. It is not anticipated that the extension of the industrial landscape on Power Station Road will change visitor behaviour as visitors to the area are not likely to be sensitive to the visual amenity of this section of the Ayrshire Coastal Path. Therefore, the effect has been assessed as minor and not significant.

14.1.126 The Black Hill Circular Walk, within Clyde Muirshiel Regional Park is identified as having major adverse and significant effects in the SLVIA at night time. Night time walking is not likely to be a driver of tourism in the area and therefore the effect on the tourism economy has been assessed as negligible and not significant.

14.1.127 Marine based receptors, such as those on yachts or other vessels, are identified as having a potentially significant effect. Marine activities, such as yachting, is a driver of the tourism economy in the area and therefore the sensitivity of this receptor is high. The magnitude of the effect has been assessed as low because the significant visual amenity impacts will only effect a proportion of marine users and the existence of previous similar energy infrastructure on the site, namely the National Offshore Test Turbine Facility, did not result in any noticeable changes to marine tourism activity. Therefore, the overall effect on the tourism economy has been assessed as minor and not significant.

14.1.128 Overall, no significant effects on the tourism economy of North Ayrshire or the surrounding area were identified.

Assessment of Cumulative Effects

14.1.129 The assessment of cumulative effects considers the impacts associated with the Project together with other proposed developments. The Hunterston PARC Development Framework sets out parameters for future development at Hunterston and will lie adjacent to or in close proximity to the Project. The range of developments, infrastructure and environmental mitigation associated with these proposals is not currently known and therefore is not included in the assessment of cumulative effects.

14.2 The significance of cumulative effects on the existing landscape and seascape character and visual resources of the Project with other proposed developments that are consented, in planning, in scoping or allocated cumulative developments within a 5 km radius of the proposed development has been assessed. The list of projects included in the cumulative assessment is set out in Table 14-21

14.3 All projects have been scoped out of the cumulative assessment with the exception of the demolition and closure of Hunterston B Nuclear Power Station.

Table 14-21 Cumulative sites considered in assessment of Socio-economic effects

Ref and Status	Cumulative development	Distance from the site	Potential effects	Scope out of assessment
21/01135/PPM Pending Consideration	Installation of synchronous compensator and cable route with associated infrastructure	390m	Minimal potential for significant effects on economic receptors.	Yes
20/00942/PP Approved subject to Conditions	Installation of a synchronous compensator and ancillary infrastructure	460m	Small scale energy infrastructure on disused land at Hunterston. Minimal potential for significant effects on economic receptors.	Yes
21/01044/EIA Scoping Agreed	EIA screening request for proposed synchronous compensator plan		Small scale energy infrastructure on disused land at Hunterston. Minimal potential for significant effects on economic receptors.	Yes
21/00480/EIA Scoping Agreed	EIA screening request for proposed synchronous compensator	400m	Small scale energy infrastructure on disused land at Hunterston. Minimal potential for significant effects on economic receptors.	Yes
20/00652/EIA Scoping Agreed	Request for a screening opinion for installation of a synchronous compensator and ancillary infrastructure	510m	Small scale energy infrastructure on disused land at Hunterston Minimal potential for significant effects on economic receptors.	Yes
21/00107/EIA Pending Consideration	Request for EIA screening opinion for the renewal of planning permission 18/00132/PP for the erection of Caisson gates and removal of existing bund	750m	Engineering works at disused industrial site. Minimal potential for significant effects on economic receptors.	Yes
20/00485/LUP Certificate issued	Demolition of existing structures and minor earth works at Hunterston B Nuclear Power Station	1.65km	Removal of energy infrastructure on northern edge of power station site. Likely to be significant effects on economic receptors.	No
21/00159/PP Approved	Erection of 132kV substation, including detailed siting, design, external appearance, landscaping and means of access	1.8km	Additional energy infrastructure within power station site. Minimal potential for significant effects on economic receptors.	Yes
17/00740/PP Approved subject to conditions	Proposed replacement weather envelope cladding to reactor buildings and associated works (revised design to cladding approved under planning permission ref. N/01/00286/PP)	2.2km	Cladding of power station infrastructure. M Minimal potential for significant effects on economic receptors.	Yes
19/00506/PP Approved subject to conditions	Application to vary Planning Condition number 4 of 18/00659/PP, to provide temporary shared-use path adjacent to plots 38, 39 & 46, in lieu of the permanent path proposed adjacent to plots 35, 36 & 37. Amendment to planning permission 17/00584/PPM for substitution of house types, providing an additional 2 dwelling houses overall, including the introduction of 1 no new house type (Residential development	1.2km	Small scale scheme in settlement. Potentially not intervisible with Project. Minimal potential for significant effects on economic receptors.	Yes

Ref and Status	Cumulative development	Distance from the site	Potential effects	Scope out of assessment
	comprising 95 dwelling houses, formation of open space and associated infrastructure works)			
19/00852/ALO Approved	Removal of Section 75 obligation attached to planning permission 15/00098/PP for erection of 16 no flats including demolition of existing care home building	4km	Small scale scheme in settlement. Potentially not intervisible with Project. Minimal potential for significant effects on economic receptors.	Yes
21/00247/PP Approved subject to conditions	Erection of 30 dwelling flats with associated access and landscaping	3.9km	Small scale scheme in settlement. Potentially not intervisible with Project. Minimal potential for significant effects on economic receptors.	Yes
20/00222/PP Approved subject to conditions	Application to vary planning permission in principle 18/00393/PPPM to remove condition 7. Planning permission in principle for residential development	4.8km	Small scale scheme in settlement. Potentially not intervisible with Project. Minimal potential for significant effects on economic receptors.	Yes
21/00109/EIA Pending Consideration	Request for EIA Screening Opinion in relation to the replacement and enlargement of existing jetty at Hunterston Marine Yard.	630m	Potential for large scale redevelopment works at disused site. Minimal potential for significant effects on economic receptors.	Yes
20/00427/LUP Certificate issued	Erection of 18 dwelling houses and associated roads, landscaping and parking	2.9km	Small scale scheme in settlement. Potentially not intervisible with Project. Minimal potential for significant effects on economic receptors.	Yes
21/00622/EIA Scoping agreed	EIA Screening Request for a proposed 49.9MW cryogenic energy storage facility. Hunterston Construction Yard Fairlie Largs Ayrshire.	850m	Potential for large scale redevelopment works at disused site. Minimal potential for significant effects on economic receptors.	Yes
ECU00002104 Approved	Non-EIA grid services development for energy storage facility at Campbeltown Farm, Beech Avenue, Hunterston	1.78km	Potential for large scale energy infrastructure in rural location. Minimal potential for significant effects on economic receptors.	Yes

14.1.1 The economic effects of the Project are likely to be considered in conjunction with the demolition and closure of the Hunterston Nuclear Power Station. Hunterston Nuclear Power Station employed 250 people and its closure will have a significant negative effect on the local economy. These job losses, both direct and in the wider supply chain, have the potential to make the economy of North Ayrshire more sensitive to change. The reduction in employment opportunities would reduce the attractiveness of North Ayrshire compared to the rest of the Scottish economy. This could change the sensitivity of the receptor (North Ayrshire Economy) from Medium to High.

14.1.2 The magnitude of the economic effects of the Project would not change. The cumulative effect of the Project will therefore continue to be Major Beneficial and Significant.

14.1.3 There would be no other changes to either the sensitivity of magnitude of any effects as a result of the cumulative assessment.

14.1.4 There are not expected to be any cumulative socio-economic or tourism effects.

Inter-relationships

14.1.5 The tourism impacts discussed in this chapter are potentially related to other effects which are covered elsewhere in the EIA. In particular, other chapters may identify potentially significant effects that have the potential to influence the behaviour of visitors to the area. This will include:

- Chapter 7: Landscape, Seascape and Visual Effects;
- Chapter 10: Traffic and Transport; and
- Chapter 11: Noise and Vibration

14.1.6 The existence of significant effects identified in these chapters does not necessarily result in changes in visitor behaviour. However, significant effects will be considered when identifying potential tourism impacts.

14.1.7 There are not expected to be any inter-relationships between socio-economics impacts and other chapters considered.

Summary of Effects

14.1.8 The following effects have been assessed during the construction phase:

- an economic impact of £6 million GVA and 70 jobs years in North Ayrshire, which has been assessed as a minor, beneficial, short-term effect;
- an economic impact of £38 million GVA and 490 job years in Scotland, which has been assessed as a negligible, beneficial, short-term effect; and
- an economic impact of £89 million GVA and 1,330 job years in the UK, which has been assessed as a negligible, beneficial, short-term effect.

14.1.9 The following effects have been assessed during the operation phase:

- an economic impact of £60 million GVA and 1,010 jobs in North Ayrshire, which has been assessed as a major, beneficial, long-term effect;
- non-domestic rates payments of £2.4 million annually, which has been assessed as a minor, beneficial, long-term effect;
- an economic impact of £92 million GVA and 1,600 jobs in Scotland, which has been assessed as a negligible, beneficial, long-term effect;
- an economic impact of £183 million GVA and 3,610 jobs in the UK, which has been assessed as a negligible, beneficial, long-term effect; and
- no change in tourism behaviour at local tourism destinations, which has been assessed as negligible, long-term effect.

Table 14-22: Summary of Likely Environmental Effects on Socio-economics

Receptor	Sensitivity of receptor	Description of impact	Short / medium / long term	Magnitude of impact	Significance of effect	Significant / Not significant	Notes
Construction phase							
North Ayrshire economy	Medium	Economic impact of £6 million GVA and 70 job years	Medium term	Low	Minor beneficial	Not significant	
Scottish economy	Low	Economic impact of £38 million GVA and 490 job years	Medium term	Negligible	Negligible beneficial	Not significant	
UK economy	Negligible	Economic impact of £89 million GVA and 1,330 job years	Medium term	Negligible	Negligible beneficial	Not significant	
Ayrshire Coastal Path (Power Station Road, A78)	Low	Change in tourism behaviour	Medium term	Medium	Minor	Not significant	
Black Hill Circular Route	Low	Change in tourism behaviour	Medium term	Low	Negligible	Not significant	
Marine Receptors (yachts, kayaks, etc)	Low	Change in tourism behaviour	Medium term	Low	Negligible	Not significant	
Operational phase							
North Ayrshire economy	Medium	Economic impact of £60 million GVA and 1,010 jobs	Long term	High	Major beneficial	Significant	
North Ayrshire economy	Medium	Non-domestic rates of £2.4 million	Long term	Low	Minor beneficial	Not significant	
Scottish economy	Low	Economic impact of £92 million GVA and 1,600 jobs	Long term	Low	Negligible beneficial	Not significant	
UK economy	Negligible	Economic impact of £183 million GVA and 3,610 jobs	Long term	Negligible	Negligible beneficial	Not significant	

Receptor	Sensitivity of receptor	Description of impact	Short / medium / long term	Magnitude of impact	Significance of effect	Significant / Not significant	Notes
Local tourism destinations	Negligible/low/ medium/high	Change in tourism behaviour	Long term	Negligible	n/a	Not significant	
Ayrshire Coastal Path (Power Station Road, A78)	Low	Change in tourism behaviour	Long term	Medium	Minor	Not significant	
Black Hill Circular Route	Low	Change in tourism behaviour	Long term	Low	Negligible	Not significant	
Marine Receptors (yachts, kayaks, etc)	Low	Change in tourism behaviour	Long term	Low	Negligible	Not significant	

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