

Agenda Item	7.
Report No	CPB 15/17

**Update on Liberty British Aluminium**

Update for Community Planning Board on the development and impact of the Fort William smelter development on the locality.

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**BACKGROUND**

Liberty British Aluminium operates the only remaining aluminium smelter in the UK at Fort William having acquired the assets from Rio Tinto Alcan in November 2016. The smelting facilities are powered by two neighbouring hydro-electric stations and a complex of on-site bio-diesel units, owned and managed by Liberty’s sister company SIMEC. This combination of renewable energy sources makes the site one of the greenest metal production plants in the country. Liberty British Aluminium and SIMEC are part of the Gupta Family Group, (GFG)

In addition to serving the international market with semi-finished aluminium, Liberty is investing £120m to upgrade the smelter and add value through the development of downstream manufacturing based on the liquid aluminium produced on site. The Group is already working on the creation of an adjacent plant to manufacture alloy wheels and a range of other components for the UK and European automotive industry.

**Current Project Update**

Immediately post the acquisition of the RTA business in late 2016, GFG were clear in their aspirations to develop an added value operation at Fort William with initial plans to develop an aluminium wheels factory with the capacity to deliver up to 2 million wheels p.a., 25% of the UK capacity. GFG are planning to formally lodge planning applications for the new facility in the coming weeks, and have commenced a public consultation commencing with a public event at the Ben Nevis Hotel on 28 September. GFG anticipate this will create up to 400 jobs.

Engagement with GFG is being maintained at multiple levels looking at key areas of building and planning, skills, support services etc. More detail is provided later in this paper

**Governance**

Community Planning partners, including Highland Council, HIE and Skills Development Scotland have been heavily engaged with the Liberty Group, and its parent business GFG, for the past 18 months. There is strong Scottish Government support for this development which can be transformational for the economy of Lochaber. In order to ensure appropriate and joined up public sector support for this development, two project monitoring programmes have been developed.

At a strategic level, the **Lochaber Delivery Group** meets quarterly, with the next meeting planned for 23 October 2017, and is chaired by Fergus Ewing MSP, Cabinet Secretary for the Rural Economy and Connectivity. Representatives from Scottish Government, Highland Council, HIE and Liberty meet to discuss progress on the development

At an operational level, the newly formed **Lochaber Project Board** meets on a monthly basis to take a more hands on approach to progressing the development. This Group is co chaired by Stuart Black, Highland Council, and Charlotte Wright, HIE. It has been set up to replace the various regular group meetings with Liberty previously held.

#### **LOCHABER PROJECT BOARD**

The remit of the Lochaber Project board is to:

- Be a first port of call on public sector support for Liberty British Aluminium in driving delivery of the Lochaber project
- Be a regional focal point for the workstreams supporting the Lochaber Delivery Group
- Provide regular senior oversight of Delivery Group actions by agreeing work ownership, coordinating local activity, reviewing progress and maintaining momentum between Delivery Group meetings
- Provide regular updates to SG Ministers and representing the Project Board at the Lochaber Delivery Group.

The Liberty proposal is a once in a generational opportunity for the economic development of the West Highlands, and has such has potential implications on many areas in which CPB partners have an interest, e.g. Housing, transport, educational provision, skills requirements, support services etc. In order to ensure coordination the Project Board have established a number of workstreams which will consider implications and develop solutions for the challenges and opportunities provided by this development

The workstreams identified are:-

- Planning/Master Planning
- Skills and Talent Attraction
- Housing
- Energy
- Transport
- Community

#### **Workstream Updates**

##### **Planning/Master Planning**

Workstream Lead – Malcolm Macleod (THC)

Liberty are currently establishing building layouts and equipment requirements, with a view to progressing to tendering as the next stage. The latest pre-app meeting was held at the end of August with Highland Council, with formal planning submission expected by the end of

October 2017. Timescale for planning consent is expected to be by end of first quarter 2018/19.

Chief Planner's team are expected to become involved in this project.

Update on impacts for CPB

- High profile development with significant input required from Highland Council Planning team as development progresses through planning system

### **Skills and Talent Attraction**

Workstream Lead – Stuart Macpherson (HIE)

The development of an additional 400 jobs in Fort William over the next 5 years will have implications on skills requirements and labour market in the area. Liberty have shared some detail on job roles, which will enable further planning to be developed.

Key focus for the workstream going forward will be:-

- Talent attraction strategy
- Skills requirements for Liberty
- Opportunities in Supply Chain
- Potential implications for wider business base in Lochaber

Update on impacts for CPB

- Impact on schools and college in terms of support for young people
- STEM Centre proposal for West Highland College
- Opportunities for Developing Young Workforce

### **Housing**

Workstream Lead – Alan Maguire (THC)

A development of this scale will require additional housing to support the anticipated increase in workforce, both at liberty and in the wider supply chain.

Two major development have been identified, Upper Achintore and Blar Mhor

Upper Achintore: Acquisition of land now complete, providing space for c200 properties.

Blar Mhor: Currently working with SSE regarding work required for cable diversions. Purchase should be completed December 2017, providing land for a minimum of 150 properties.

Masterplan will state site will be for mixed use, including new hospital and STEM Centre.

Other sites: Lochyside School site tenders are due. The site will provide space for 60 units.

Possible High Street office conversions are currently being costed. Discussions are being held with Robertsons, who are keen to develop their working relationship with the Council in Fort William

Liberty are also investigating opportunities to develop accommodation on their own land

Update on impacts for CPB

- Transport, - additional housing (c600), will place further strain on transport infrastructure, particularly in peak tourism season
- Construction – There is a view that there is currently insufficient skilled labour in the area to support major developments, which can result in high tender prices and/or poor response to tenders
- Ground conditions- HC are holding discussion with SG to identify ways of de-risking sites to make them more attractive to developers

### **Energy**

Workstream Lead – Fraser Lawson (SG), Audrey MacIver (HIE)

The focus of this workstream is predominantly on 2 key areas both related to energy supply for Liberty and the wider area. Firstly there is the opportunity provided by further renewable energy, and the potential for community involvement . However the main requirement for Liberty is the supply of gas for the site. Discussions have already commenced between Scottish Government and Scotia Gas Networks re this opportunity for the site and wider area. SGN are considering opportunities for an LNG storage facility supplying a local gas network

Update on impacts for CPB

- Potential exclusion area around any proposed storage facility
- Implications on local development plan
- Alleviation of fuel poverty if gas supply for wider area
- Potential impact on new hospital proposal
- Safety concerns re storage facility
- Community benefit opportunities re renewables

### **Transport**

Workstream Lead – Malcolm Macleod (THC), Transport Scotland

With the anticipated increase in traffic volumes from the growth of Liberty, and the increase in population there are likely to be implications on all forms of commercial and domestic transport, rail, road and sea.

Transport Scotland will be undertaking traffic surveys, and Liberty are also undertaking their own traffic assessments which be passed to Transport Scotland to inform decision making. Road transport is already an issue at peak tourism season in and around Fort William with a particular pinch point being the Glen Nevis roundabout  
HITRANS/Highland Council/HIE are preparing a Scottish Transport Appraisal Guidance (STAG) Pre Appraisal Brief with a view to a piece of work being commissioned which will consider the evidence of transport problems and opportunities in and around Fort William, develop transport planning objectives, and identify a long-list of options around which further appraisal effort could be structured.

Update on impacts for CPB

- Transport expected to be a key concern locally
- Short term improvements/mitigations will need careful planning particularly with regards to emergency services
- STAG Pre Appraisal evidence gathering

**Community**

Workstream Lead – Stuart Macpherson & Sandra Holmes (HIE)

Focus to date has been on the community aspirations of the East Lochaber and Laggan Community Trust. Engagement with Liberty's agent, Dimitri Harrison is being maintained which includes an Estates Review. Community aspirations are likely to be revised following the report but are expected to focus around ownership, projects and engagement. Liberty are progressing initial scoping work on some projects including Tailrace and Helipad

Update on impacts for CPB

- Aim is to identify sustainable community projects going forward

David Oxley – Director of Business and Sector Development – HIE