

H2Teesside Project

Planning Inspectorate Reference: EN070009

Land within the boroughs of Redcar and Cleveland and Stockton-on-Tees, Teesside and within the borough of Hartlepool, County Durham

The H2Teesside Order

Document Reference: 9.10: Statement of Common Ground between H2 Teesside Limited and Stockton-on-Tees Borough Council

The Planning Act 2008



Applicant: H2 Teesside Ltd

Date: September 2024

The Planning Act 2008

**The Infrastructure Planning
(Applications: Prescribed Forms and
Procedure) Regulations 2009**

The H2Teesside Order 202[]

Statement of Common Ground between H2 Teesside Limited and Stockton-on-Tees Borough Council

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STATEMENT OF COMMON GROUND

**This Statement of Common Ground has been prepared and agreed by (1) H2 Teesside Ltd.
and (2) Stockton-on-Tees Borough Council**

Signed.....

[Name]

[Position]

on behalf of H2 Teesside Ltd

Date:

Signed.....

[Name]

[Position]

on behalf of Stockton-on-Tees Borough Council

Date:

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1.0 INTRODUCTION AND PURPOSE

1.1 Introduction

- 1.1.1 This Statement of Common Ground ('SoCG') relates to an application (the 'Application') made by H2 Teesside Limited (the 'Applicant'), to the Secretary of State for Energy Security and Net Zero for a Development Consent Order ('DCO') under Section 37 of the Planning Act 2008 (the 'PA 2008') for the H2Teesside Project.
- 1.1.2 The Application has been accepted for examination. The Examination commenced on 29 August 2024.
- 1.1.3 The Examining Authority's ('ExA') Rule 8 letter (Annex B) dated 30 August 2024 confirms that the Applicant should prepare a SoCG with Stockton-on-Tees Borough Council ('STBC') in respect of the Proposed Development.

1.2 Parties to the SoCG

The Applicant

- 1.2.1 The Applicant is a private limited company aiming to develop and operate the H2Teesside Project, which is an approximately 1.2-Gigawatt Thermal ('GWth') Carbon Capture and Storage ('CCS') enabled Hydrogen Production Facility and associated connections (together the 'Proposed Development') on land in Redcar and Cleveland, Stockton-on-Tees, and Hartlepool (hereafter referred to as the 'Proposed Development Site'). The Proposed Development will support the decarbonisation of UK-produced natural gas in Teesside for use in industrial applications, thus helping to achieve national targets in relation to net zero. It will also be a key contributor to restoring manufacturing jobs in the Tees Valley.
- 1.2.2 The Proposed Development Site covers an area of approximately 508 hectares (ha) and is located primarily within the administrative boundaries of Redcar and Cleveland Borough Council ('RCBC') and Stockton-on-Tees Borough Council ('STBC'). The Hydrogen Pipeline Corridor (refer to Figure 4-4 in ES Volume II) [APP-087] extends further north-west to also include land within the administrative boundary of Hartlepool Borough Council ('HBC').
- 1.2.3 The Hydrogen Production Facility will be located at the Main Site within the Teesworks development site, as shown in Figure 4-1: Proposed Development Site Boundary (including location of the Main Site) (ES Volume II) [APP-084].

The Role of STBC

- 1.2.4 STBC is a relevant local authority for the purposes of Section 42(1)(b) of the PA 2008. Much of the Hydrogen Pipeline Corridor, including its associated Above Ground Installations ('AGIs'), which form part of the Proposed Development, lies within STBC's administrative boundary on the northern side of the River Tees. STBC is also the statutory planning authority for this area.

1.2.5 In addition to being a relevant local authority for the purposes of Section 42(1)(b) of the PA 2008, STBC is a Category 1 person under Section 44 of the PA 2008 as result of having a freehold interest in land that lies within the Proposed Development Site.

1.2.6 The Applicant and STBC are collectively referred to in this SoCG as ‘the parties’. The parties have been, and continue to be, in direct communication in respect of the Proposed Development.

1.3 The Purpose and Structure of this SoCG

1.3.1 The purpose and possible content of SoCGs is set out in paragraphs 58 to 65 of the Ministry of Housing, Communities and Local Government guidance entitled ‘Planning Act 2008: examination of applications for development consent’ (April 2024). Paragraph 58 of that guidance explains the basic function of SoCGs as follows:

“A statement of common ground is a written statement prepared jointly by the applicant and another party or parties, setting out any matters on which they agree. As well as identifying matters which are not in real dispute, it is also useful if a statement identifies those areas where agreement has not been reached. The statement should include references to show where those matters are dealt with in the written representations or other documentary evidence.”

1.3.2 SoCGs are therefore a useful and established means of ensuring that the evidence at the DCO examination phase focuses on the material differences between the main parties, and so aim to help facilitate a more efficient examination process.

1.3.3 The purpose of this SoCG is therefore to summarise the agreements reached between the parties on matters relevant to the Examination of the Application and to assist the ExA. It also explains the matters which remain unresolved at the time of writing, but which both parties are working positively toward resolving. As such, it is expected that further iterations of the SoCG will be submitted to the ExA throughout the Examination and prior to the making of any DCO for the Proposed Development.

1.3.4 The SoCG has been prepared with regard to the above guidance and is structured as follows:

- Section 2 – sets out the engagement and related discussions held between the parties.
- Section 3 – sets out the matters discussed and agreed to date.
- Section 4 – sets out the matters that are under discussion and to be agreed and the proposed way forward, where relevant.

2.0 ENGAGEMENT WITH STBC

2.1 Summary of Engagement

2.1.1 A summary of the key engagement that has taken place between the Applicant and STBC is detailed in **Table 2.1** below.

Table 2.1: Engagement between the Applicant and STBC

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
21 April 2023	Briefing meeting	n/a	The Applicant met with STBC to provide an overview of the Proposed Development and the proposals for consultation.
24 April to 5 May 2023	Non-statutory consultation on the Statement of Community Consultation ('SoCC')	Consultation Report [APP-030]	<p>The Applicant undertook non-statutory consultation with the relevant local authorities on a draft SoCC. This included STBC.</p> <p>A response was received from STBC on 25 April 2023 confirming that the Council had no comments and that the approach set out in the draft SoCC was acceptable.</p>
17 May to 15 June 2023	Statutory consultation on the SoCC	Consultation Report [APP-030]	<p>The Applicant undertook statutory consultation with STBC on a draft of the SoCC.</p> <p>A response was received from STBC on 6 June 2023 to the statutory consultation, which confirmed the authority had no comments.</p>
14 September to 26	First Consultation (statutory consultation) in accordance with Section 42 of the PA 2008.	Consultation Report [APP-030]	The Applicant issued a Section 42 letter to STBC on 14 September 2023

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
October 2023			consulting the Council on the Proposed Development.
13 December 2023 to 23 January 2024	Second Consultation (statutory and non-statutory) in accordance with Section 42 of the PA 2008.	Consultation Report [APP-030]	The Applicant issued a Section 42 letter to STBC on 13 December 2023 consulting the Council on a number of changes to the Proposed Development as a result of further design development and technical work undertaken and also responses received to the First Consultation.
19 January 2024	Meeting with STBC to discuss options for replacement open space land within the vicinity of Cowpen Bewley Woodland Park.	n/a	<p>At the meeting a number of potential options were presented to STBC and the Applicant explained that the intention would be to carry out a targeted consultation in respect of the preferred option.</p> <p>Following the meeting, on 2 February, the Applicant contacted STBC to advise of its decision with regard to the options presented and confirming that it would consult on the preferred option.</p> <p>An email was received from STBC on 7 February 2024 confirming that the Council had assessed the options and agreed that the Applicant's preferred option would be the best choice. STBC's response did however suggest two alternative sites elsewhere</p>

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
			<p>within the Borough that it considered may be appropriate and asked if these could be considered.</p> <p>The Applicant thanked STBC for the information provided on 7 February, and confirmed that having considered those alternatives, the Applicant was of the view that the land suggested by STBC was not a suitable replacement. A key reason for this related to the fact that the land preferred by the Applicant is better related to the existing Cowpen Bewley Woodland Park, and would provide suitable equally advantageous provision for the local community in that area. The Applicant advised that this is an important aspect of the statutory tests and related guidance that applies to replacement open space land. The response confirmed that the Applicant was keen to work with STBC to agree how the replacement open space land would be planted and laid out to ensure that it was of at least the same standard as the land required for the Proposed Development.</p>

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
8 February to 10 March 2024	Targeted consultation (statutory) in accordance with Section 42 relating to land at Cowpen Bewley, including replacement open space land.	n/a	The Applicant consulted a number of landowners (including STBC) within the vicinity of Cowpen Bewley village via a Section 42 letter on changes to the Hydrogen Pipeline Corridor in this location and proposals to provide replacement open space land at Cowpen Bewley Woodland Park.
1 July 2024	Relevant Representation ('RR') submitted by STBC.	RR-032	RR confirming that STBC will provide detailed comments within its Local Impact Report ('LIR') and may submit a Written Representation ('WR') during the Examination. The LIR will set out the views of the STBC following a detailed appraisal of the DCO Application. The Council reserves the right to amend its position or comments following detailed analysis. STBC will continue to engage with the NSIP process and seek to work proactively with the ExA and the Applicant.
4 September to 7 October 2024	Consultation on proposed changes to the DCO Application.	n/a	A letter was issued to STBC on 4 September 2024 consulting the Council on a number of proposed changes to the DCO Application.
6 September 2024	Further meeting with STBC to discuss the replacement open	n/a	The meeting focused on the mechanism for securing the replacement open space

DATE	FORM OF ENGAGEMENT	DOCUMENT REF. (IF ANY)	DETAILS
	space land at Cowpen Bewley Woodland Park.		land; the anticipated requirements/specification for laying out the land; and commercial discussions relating to the land and its future maintenance and management.

3.0 MATTERS AGREED

3.1 Overview

3.1.1 This section sets out the matters agreed between the parties.

Table 3.1: Matters Agreed between the Applicant and STBC

NO.	MATTER AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY
1.	Adequacy of consultation		It is agreed that the Applicant undertook an appropriate level of consultation on the Proposed Development in advance of the DCO Application being submitted. In its adequacy of consultation response, STBC confirmed that the Applicant’s consultation had complied with the relevant legislative requirements.
2.	The need for and principle of the development at this location.	Need Statement [APP-033] Planning Statement [APP-031]	It is agreed that there is an urgent need for the Proposed Development – as set out in the Need Statement [APP-033] and the Planning Statement [APP-031] – in order to provide low carbon hydrogen and a means to decarbonise existing and proposed industrial emitters on Teesside and that this is consistent with the Government’s legally binding commitment to achieve net zero in terms of greenhouse gas emissions by 2050. It is also agreed that the principle of the Proposed Development at this location is acceptable. The Proposed Development involves significant areas of previously developed land and the Hydrogen Pipeline Corridor involves areas identified within the local development plan for industrial and employment development.
3.	National Policy Statements for Energy		It is agreed that the policy framework for examining and determining applications for development consent is provided by the National Policy Statements (‘NPSs’) for energy and that the following NPSs are of particular relevance to the Proposed Development:

NO.	MATTER AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY
			<ul style="list-style-type: none"> • the Overarching NPS for Energy (EN-1); • the NPS for Natural Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4); and • the NPS for Electricity Networks Infrastructure (EN-5). <p>It is agreed that the above NPSs provide the primary basis for decision-making by the Secretary of State in respect of the DCO Application.</p> <p>It is agreed that the DCO Application should be determined in accordance with Section 104 of the PA 2008.</p>
4.	Energy and climate change policy		<p>It is agreed that Section 104 of the PA 2008 states that in determining applications for development consent, the Secretary of State must have regard to any other matters that are “important and relevant” to the decision.</p> <p>It is agreed that the following statements of Government energy and climate change policy, in particular, are important and relevant:</p> <ul style="list-style-type: none"> • The Ten Point Plan for a Green Industrial Revolution (November 2020). • The Energy White Paper – Powering our Net Zero Future (December 2020). • Industrial Decarbonisation Strategy (March 2021). • North Sea Transition Deal (March 2021). • UK Hydrogen Strategy (August 2021 and updates).

NO.	MATTER AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY
			<ul style="list-style-type: none"> • Net Zero Strategy: Build Back Greener (October 2021). • British Energy Security Strategy (April 2022). • Powering Up Britain (March 2023). • Carbon Capture, Usage and Storage: a vision to establish a competitive market (December 2023).
5.	National planning policy		<p>It is agreed that the following national planning policy documents may be important and relevant to the determination of the Application:</p> <ul style="list-style-type: none"> • National Planning Policy Framework (December 2023). • Planning Practice Guidance.
6.	Local development plan documents		<p>It is agreed that within the context of Section 104 of the PA 2008 local development plan documents may also be important and relevant. It is agreed that the following local development plan documents that apply to Stockton-on-Tees are of most relevance to the Proposed Development:</p> <ul style="list-style-type: none"> • The Stockton-on-Tees Borough Council Local Plan (adopted January 2019). • The Tees Valley Joint Minerals and Waste DPDs (adopted September 2011).
7.	Local planning designations and policies	Planning Statement [APP-031]	<p>It is agreed that Section 3.3 of the Planning Statement [APP-031] provides an accurate description of the local planning designations and policies that apply to the Proposed Development Site within the administrative boundary of Stockton-on-Tees. The key planning allocations/designations and related policies that apply to the Site are:</p>

NO.	MATTER AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY
			<ul style="list-style-type: none"> • Presumption in favour of Sustainable Development – Policy SD1. • Development Limits – Policies SD2, SD3, SD4 and SD5. • General Employment Allocation/Locations – Policies SD4 and EG1. • Employment Areas/Specialist Use Locations – Policies SD4 and EG4. • Reserve Housing Land – Policies H1 and H2. • Durham Tees Valley Airport Safeguarding Area – Policy EG5. • Internationally Designated Sites (SPAs and Ramsar sites) – Policies SD5 and ENV5. • Nationally Designated Sites (SSSIs) – Policies SD5 and ENV5. • Locally Designated Sites (Local Nature Reserves) – Policies SD5 and ENV5. • Locally Designated Sites (Local Wildlife Sites) – Policies SD5 and ENV5. • Open Space – Policies SD5 and ENV5. • Flood Risk – Policy ENV4.
8.	Planning history and current proposals	Planning Statement [APP-031]	It is agreed that Section 3.2 of the Planning Statement [APP-031] provides an accurate description of the planning history and current proposals of most relevance to the Proposed Development.
9.	Routing of the Hydrogen Pipeline Connection Corridor		It is agreed that the routing of the Hydrogen Pipeline Corridor is appropriate in terms of land use and planning designations.
10.	Cowpen Bewley replacement open space land		The principle of providing replacement open space land on the replacement land proposed in the DCO Application is agreed. Mindful of paragraph 5.11.32 of the NPS EN-1, it is agreed that whilst the existing area of Cowpen Bewley Woodland Park is not ‘surplus to requirements’ as open space within the Borough, the benefits of the Proposed Development

NO.	MATTER AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY
			(including need), outweigh the potential loss of such facilities, taking into account the positive proposals made by the Applicant to provide compensatory land, which means that there is no overall net loss of open space to the Borough.

4.0 MATTERS TO BE AGREED

4.1 Overview

4.1.1 This section sets out matters that are under discussion between the parties and are to be agreed.

Table 4.1: Matters to be Agreed between the Applicant and STBC

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
1.	EIA assessment methodology – The assessment methodology set out at Chapter 2 ‘Assessment Methodology’ of the Environmental Statement (‘ES’) [APP-054] is appropriate and proportionate.	ES Chapter 2 [APP-054]		
2.	Alternatives – The approach that has been taken to the assessment of alternatives set out at Chapter 6 ‘Alternatives and design Evolution’ [APP-058] is appropriate and proportionate.	ES Chapter 6 [APP-058]		

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
3.	Design Parameters – The adoption of the ‘Rochdale Envelope’ approach and the use of maximum design parameters set out at Table 4-1 of Chapter 4 ‘Proposed Development’ of the ES [APP-056] for assessing the likely significant effects of the Proposed Development is appropriate and proportionate.	Table 4-1 of ES Chapter 4 [APP-056]		
4.	Cumulative and Combined Effects – The approach taken to identifying developments for the assessment of cumulative and combined effects at Chapter 23 ‘Cumulative and Combined Effects’ of the ES [APP-076] is appropriate.	ES Chapter 23 [APP-076]		

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
5.	DCO Requirements – The drafting of the DCO requirements at Schedule 2 of the draft DCO [APP-027] is appropriate.	Draft DCO [APP-027]		
6.	Schedule 13 of the draft DCO – The procedure [APP-027] for the discharge of the DCO requirements is appropriate.	Draft DCO [APP-027]		
7.	Design – That the design of the Proposed Development is appropriate and represents ‘Good Design’.			
8.	Construction effects – The assessment of construction effects.			
9.	Air Quality – The assessment of effects on air quality.			

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
10.	Noise and Vibration – The assessment of effects in terms of noise and vibration.			
11.	Ecology and Nature Conservation – The assessment of effects on ecology and nature conservation interests and the approach to biodiversity enhancement and biodiversity net gain.			
12.	Ornithology – The assessment of effects on ornithology.			
13.	Marine ecology – The assessment of effects on marine ecology.			
14.	Climate Change – The assessment of effects on climate change.			
15.	Landscape and Visual – The assessment of effects on			

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
	landscape and visual amenity.			
16.	Geology, Hydrogeology and Contaminated Land – The assessment of effects on geology, hydrogeology and contaminated land.			
17.	Historic Environment – The assessment of effects on the historic environment.			
18.	Major Accidents and Hazards – The assessment of effects in respect of major accidents and hazards.			
19.	Socio-economics and land use – The assessment of effects in terms of socio-economic and land use.			
20.	Traffic and Transport – The assessment of traffic and transport effects.			

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
21.	Public Rights of Way ('PRoW') – The assessment of effects on and management of PRoW.			
22.	Surface water, flood risk and water resources – The assessment of effects on the water environment.			
23.	Materials and waste management – The assessment of effects on waste.			
24.	Local Development Plan Policies – That the Proposed Development complies with relevant policies.			
25.	Cowpen Bewley replacement open space land – A scheme for the replacement open space land.	Draft DCO [APP-027]		The Applicant met with STBC on 6 September 2024 to explain and discuss the mechanism for securing the replacement open space land at Cowpen Bewley Woodland Park as set out in Article 29 of the draft DCO [APP-027], in

NO.	MATTER TO BE AGREED	DOCUMENT REF (IF RELEVANT)	COMMENTARY	
			STBC POSITION	APPLICANT POSITION
				<p>addition to the anticipated requirements/specification for laying out the land. STBC has undertaken to provide outline proposals to the Applicant by 20 September 2024 . STBC has also undertaken to provide a proposal to the Applicant with regard to the future management and maintenance of the land.</p> <p>This information will then be discussed with STBC to seek to agree an approach. Once agreed, this will allow the Applicant to then consider if relevant amendments should then be made to the DCO application documentation.</p>
26.	Land Agreements			<p>The Applicant is in commercial discussions with STBC with a view to the parties entering into a voluntary agreement with regard to their land within the Order Limits, including the Cowpen Bewley Woodland Park land.</p>

4.1.2 The parties are committed to taking forward discussions on the above matters as necessary, so whilst they are not yet agreed, both parties hope to reach agreement in the near future.