

## Chapter 13: Socio-Economics, Tourism and Recreation



# Chapter 13

## Socio-economics, Recreation and Tourism

### Introduction

**13.1** This Chapter of the Environmental Impact Assessment (EIA) Report assesses the likelihood of significant socio-economic, recreation and tourism effects of the proposed Loch Liath Wind Farm (hereafter referred to as “the Proposed Development”) on the surrounding area, focusing on the local economy, tourism, and recreation.

**13.2** The relevant policy context and methods used to assess the potential effects are described together with the baseline conditions that exist in the area in the absence of the Proposed Development. Potential effects of the Proposed Development are discussed, together with possible cumulative effects in combination with other developments.

**13.3** The socio-economic, recreation and tourism assessment was undertaken by MKA Economics Ltd.

**13.4** This chapter is supported by **Figure 13.1: Core Paths and Public Rights of Way within 15km<sup>1</sup>**.

**13.5** Planning policies of relevance are considered in **Chapter 5: Statutory and Policy Framework**.

**13.6** An assessment of the effects of the Proposed Development on recreational amenity during construction and operation relating to visibility is considered in **Chapter 6: Landscape and Visual Amenity**. Where relevant, this chapter makes reference to **Chapter 6** to describe the likely indirect effects of the Proposed Development on the visual amenity of users of recreational routes and also tourists.

### Scope of the Assessment

#### Effects Assessed in Full

**13.7** The following effects were identified at the Scoping stage for consideration in this assessment:

- The assessment calculates construction and operational effects on employment associated with the Proposed Development, and the economic effects this would have on the economy, at both a Scottish and Highlands local authority level;
- Recreational and tourism effects during construction and operation of the Proposed Development; and
- Cumulative effects during construction and operational on the economy, including the visitor economy.

#### Effects Scoped Out

**13.8** Whilst initially proposed for detailed assessment in the EIA Scoping Report, potential effects on land management practices, including shooting, which currently takes place on the site, has been scoped out of detailed assessment on the basis that these activities will be able to continue on the wider estate during construction and operation of the Proposed Development.

**13.9** As noted in **Chapter 2: Approach to the EIA**, an assessment of effects on decommissioning of the Proposed Development has not been undertaken.

### Assessment Methodology

#### Guidance

**13.10** There is no relevant legislation or guidance available on the methods that should be used to assess the socio-economic effects of a proposed onshore wind farm as part of an EIA.

**13.11** Similarly, there is no formal guidance on the methods that should be used to assess the effects that wind farm developments may have on tourism and recreation/leisure interests. The assessment is therefore based on best practice and draws on professional

experience of the team in assessing the socio-economic, tourism and recreation impacts of onshore wind developments across Scotland.

**13.12** The following paragraphs summarise relevant policy in relation to socio-economic and tourism effects.

#### Policy

##### National Planning Framework 4 (NPF4)

**13.13** In February 2023 the Scottish Government adopted new national planning guidance in the form of National Planning Framework 4 (NPF4)<sup>2</sup>. NPF4 supersedes NPF3 and Scottish Planning Policy (2014). NPF4 has an increased focus on supporting the development of new renewable energy technologies; the overarching energy policy states the following objective:

*“To encourage, promote and facilitate all forms of renewable energy development onshore and offshore. This includes energy generation, storage, new and replacement transmission and distribution infrastructure and emerging low-carbon and zero emissions technologies including hydrogen and carbon capture utilisation and storage (CCUS)”.*

**13.14** There is specific reference in relation to “net economic impact” for renewable energy proposals at Policy 11(C) of NPF4, which states:

*“Development proposals will only be supported where they maximise net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities.”*

**13.15** NPF4 has a regional focus including the 'North', and has three key themes which are 'sustainable places', 'liveable places' and 'productive places'. For the north these themes have the following priorities:

*“To deliver sustainable places, Regional Spatial Strategies and Local Development Plans in this area should protect environmental assets and stimulate investment in natural and engineered solutions to climate change and nature restoration, whilst decarbonising transport and building resilient connections.”*

*“To deliver liveable places, Regional Spatial Strategies and Local Development Plans in this area should maintain and help to grow the population by taking a positive approach to rural development that strengthens networks of communities.”*

*“To deliver productive places, Regional Spatial Strategies and Local Development Plans in this area should support local economic development by making sustainable use of the area's world-class environmental assets to innovate and lead greener growth.”*

**13.16** NPF4 is clear in its desire to rebalance the North of Scotland economy to enable it to make a strong contribution towards meeting the country's ambition for a net zero and nature positive country by demonstrating how natural assets can be managed and used to secure a more sustainable future. It seeks to protect environmental assets and stimulate investment in natural and engineered solutions to climate change and nature restoration, whilst decarbonising transport and building resilient connections. Importantly for North Scotland NPF4 seeks to maintain and help to grow the population by taking a positive approach to rural development that strengthens networks of communities. Importantly is also sets out the importance of supporting local economic development by making sustainable use of the areas' world class environmental assets to innovate and lead greener growth.

**13.17** NPF4 mirrors the aim of National Strategy for Economic Transformation (as detailed further below) to focus on green growth to foster economic wellbeing and prosperity and this assessment will directly focus on this aspect and present an independent assessment of the economic development role which the proposal will bring to the area.

<sup>1</sup> Scotways Data for routes are not shown to their full extents on the Figure

<sup>2</sup> Scottish Government (2023). National Planning Framework 4.

### National Performance Framework

**13.18** Scotland's National Performance Framework (NPerF), first published in 2018, sets out the ambitions of the Scottish Government to provide a vision for national wellbeing across a range of economic, social and environmental factors<sup>3</sup>. The framework 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.

**13.19** The NPerF 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. The aims for Scotland set out in the NPerF are 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.

**13.20** It sets out and reports against outcomes and indicators which illustrate the progress Scotland is making in achieving the aims of NPF3 (which has now been superseded by NPF4). The Proposed Development has potential to support the achievement of the national outcomes, making a contribution to advancing the development of a competitive, inclusive and sustainable economy in Scotland.

### Scotland's National Strategy for Economic Transformation 2022

**13.21** This is the Scottish Government's statement of ambition for economic recovery following the COVID-19 pandemic<sup>4</sup>.

**13.22** It sets the ambition of the next ten years as a time of huge change and; "...*extraordinary opportunity*..." and promotes Scotland as a nation with competitive advantages in the new industries generated by technological change, scientific advance and our response to the climate and nature crises.

**13.23** The strategy deliberately focuses is on five policy programmes with the greatest potential benefit, including to; "...*strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero*".

**13.24** The transition to net zero is seen not just an environmental imperative but an economic opportunity - one where Scotland will become world leading. The identified opportunities for this competitive advantage include the construction and development of on- and off-shore energy generating technologies.

### Action Plan for Economic Development in Highlands

**13.25** The Highland Economic Forum has created an Action Plan for Economic Development in Highland<sup>5</sup>. The main thrust of the Action Plan is to generate new employment in the private sector and social economy to compensate for employment and earnings reductions through national public sector cuts, whose impacts are particularly severe in Highland, which has a relatively high dependence on public sector employment and spending.

**13.26** The principal themes of the Action Plan are:

- To stimulate and support indigenous business growth (including new business formation, diversification, internationalisation and collaborations);
- To help maximise the impacts of the University of the Highlands and Islands (UHI) and attract national and international research funding into the area;
- To ensure that the workforce, sector by sector, has the skills to enable the region and its businesses to capitalise on opportunities;

- To address the growing problem, shared with other parts of the UK, of youth unemployment, and to attract back those with family connections with the region to help fill new job opportunities in renewables, tourism, life sciences and information technology;
- To focus on job creation that will help raise the region's relatively low average earnings in the private sector; and
- Whilst creating jobs in the short-term to compensate for public sector cuts and maintain the region's growth momentum, to take a long-term strategic approach to growing the business base and creating career opportunities.

**13.27** Specific initiatives being taken forward by the Forum's Working Groups include:

- Working with Highlands and Island Enterprise (HIE) and the private sector provider to maximise the provision of superfast broadband in the region and the economic benefits from broadband. Statkraft has completed a study into broadband to assess opportunities to enhance broadband coverage locally and following engagement with the local community and representatives, intends to bring forward a refreshed study in 2023;
- Ensuring that the region's workforce benefits to the maximum from renewable energy and related developments;
- Fostering the development of research institutes to attract national and international funding into the area, provide well paid employment, and generate commercial spin-offs;
- Improving the provision of tourism-related training, and promoting tourism and hospitality as a career;
- Encouraging business development, e.g., through collaborations, that will increase the spend of tourist visitors;
- Increasing the provision of outsourced services to regional and national organisations by Highland private sector businesses and social enterprises;
- Facilitating an increase in homeworking opportunities throughout the region;
- Exploring ways, within statutory guidelines, in which local benefit considerations can be introduced into public procurement contracts;
- Identifying and supporting small businesses with high growth potential and encouraging new business starts that will create significant new employment (including encouraging public sector staff to consider self-employment that builds on their expertise and experience);
- Best practice from other areas is being drawn upon in shaping new initiatives, and job creation targets are being developed for each new initiative. Employment measures are being promoted by Highland Works - a partnership between Highland Council, JobCentre Plus and Skills Development Scotland; and
- Whilst the focus is on the generation of new jobs through the private sector, pressure will be maintained on the Government to improve external road, rail and air links nationally and internationally. Highlands and Islands Enterprise (HIE) which covers The Highland Council (THC) Area, works to advance the development of sustainable and inclusive economic growth in the Highlands and Islands region.

### Highland and Islands 2019 – 2022 Strategy

**13.28** HIE Strategy<sup>6</sup> sets out a vision for Highland and Islands to be a successful, inclusive and prosperous region with a growing population.

**13.29** Particularly important to HIE is to:

- Attract major investments;
- Retain young people and prevent out-migration;
- Support local communities to meet their needs through a place-based approach; and
- Address the climate emergency through decarbonising the economy.

<sup>3</sup> Scottish Government (2018), National Performance Framework

<sup>4</sup> Scottish Government (2022), Scotland's National Strategy for Economic Transformation

<sup>5</sup> Highland Economic Forum (2012), Action Plan for Economic Development in Highlands

<sup>6</sup> Highlands and Islands Enterprise (2019), Highlands and Islands Strategy

**13.30** Energy has been identified as one of the main regional opportunities in the area, with opportunities in the onshore wind supply chain and significant expansion in the offshore wind sector.

#### Climate Change Plan Update - Economic Impact of COVID-19 Recovery

**13.31** The COVID-19 Pandemic has had a major detrimental impact on the local, regional and national economy. It will be some time until the longer-term consequences have become apparent, although it is already clear that the pandemic has resulted in structural economic changes.

**13.32** The need for policies to promote economic recovery will therefore need to take account of specific needs of areas where the economy has been affected, as well as local opportunities for recovery.

**13.33** In December 2020, the Scottish Government published an update to its 2018-2032 Climate Change Plan to set out its pathway to the new targets set in the Climate Change Act 2019<sup>7</sup>. The strategic document, which outlines plans for Scotland's green recovery from the Covid-19 pandemic, demonstrates the commitment to a recovery which develops the transition to a carbon neutral economy.

#### Renewable Energy and Economic Recovery

**13.34** Prior to the Covid-19 pandemic, the growth of the renewable energy sector was a priority for the Scottish Government in both the transition to a net zero economy and the growth of the Scottish economy. As the Government works to recover from the pandemic, the importance of the renewable energy sector as a driver of growth remains.

**13.35** In 2020, the Advisory Group on Economic Recovery (AGER) to the Scottish Government, published a report outlining recommendations on how Scotland could best recover following the Covid-19 pandemic (AGER, 2020). The report highlighted four significant areas of focus; business, education and skills, equalities and the environment, with recommendations including the prioritisation and delivery of green investment, enabling the creation of a more circular economy which would reduce negative impacts on the environment while leveraging Scotland's natural advantages, such as the availability of renewable energy from wind, wave and tidal power.

**13.36** In the response published by the Scottish Government, it outlines how it intends to apply the AGER's recommendations, supporting a recovery from the pandemic which supports Scotland's economy and develops the transition to an economy which meets environment objectives<sup>8</sup>.

**13.37** The actions the Scottish Government are taking is divided across six main themes to secure a jobs-focused and socially-just economic recovery, these being:

- Protecting jobs by supporting business recovery and sustainable, green growth;
- Creating jobs through business engagement and a partnership approach;
- Supporting access to good quality jobs through employment, skills and training;
- Boosting local job creation through resilient people, communities and places;
- Creating jobs and a just transition through investment-led sustainable growth; and
- Monitoring our progress and outcomes.

**13.38** It is noted in the plan that 'better planning and regulation' is required to support the economic recovery. The plan recognises that planning and regulatory systems will be crucial in supporting investment and growth as part of the economic recovery, while maintaining high standards. The Scottish Government is currently taking forward the changes introduced by the Planning (Scotland) Act 2019.

**13.39** This focus on implementation of the changes already introduced alongside improved practice, is seen as the most immediate way of improving the planning service and ensuring that it supports recovery effectively. In the case of the Proposed Development, planning policy is already supportive of the principal of development.

#### Just Transition

**13.40** On 07 September 2021 the Scottish Government provided an initial response to the final report of the Just Transition Commission. It sets out their long-term vision for just transition and provides details on their National Just Transition Planning Framework<sup>9</sup>. The Just Transition has been published alongside the economic strategy. The ministerial foreword states that a just transition means:

- Skills training and education that helps to secure good, high value jobs in green industries like low-carbon manufacturing, renewables, and tech;
- Job security for those in industries that will play the biggest part in the transition - at every level - from those working in petrol stations to those on oil platforms; and
- Homes that are energy efficient and help to reduce fuel poverty.

**13.41** The Scottish Government is currently consulting on a Draft Energy Strategy and Just Transition Plan. This sets out how the Scottish Government seeks to realise climate change ambitions, and the need to transform the way Scotland generates, transports and uses energy.

**13.42** The draft Energy Strategy and Just Transition Plan sets out the scale of that opportunity and provides clarity on how Scotland will prepare for a Just Energy Transition. The draft Energy Strategy and Just Transition Plan<sup>10</sup> sets a vision for Scotland's energy system to 2045 and a route map of ambitions and actions that, coupled with detailed sectoral plans and the forthcoming Climate Change Plan, will guide decision-making and policy support over the course of this decade.

**13.43** Specifically related to renewable energy, the vision for a fairer, greener 2045 includes all energy needs being met by renewable sources.

#### Fuel Poverty and the Cost of Living Crisis

**13.44** The 2019 Scottish House Condition Survey identified that in 2019, 24.6% of all households in Scotland were in fuel poverty which is defined as at least 10% of income is spent on heating. In the same year, 12.4% were in extreme fuel poverty. Between 2018 and 2019, fuel poverty increased in remote rural areas from 33% up to 43%. THC was one of seven local authority areas which had significantly higher fuel poverty rates than the national average at 32%.

**13.45** Since 2019 when the data was collected, there have been considerable surges in the costs associated with heating and power, which is expected to increase the proportion of the population in fuel poverty. Prices have been increasing rapidly since mid-2021 for a number of reasons including the Russian invasion of Ukraine which is contributing to a cost-of-living crisis.

**13.46** On April 1st 2022, the energy price cap rose by over 50%, and now many more households are struggling to heat their homes since the above data was collected. Furthermore, the State of Ageing Report<sup>11</sup> has concluded that pensioners are being hit hard by the big increases in energy prices. More than 200,000 pensioners are now living in relative poverty in the UK. In October 2022 it was announced that the energy price cap would be reviewed every three months instead of every six months meaning customers will experience changing market prices more quickly.

**13.47** On 08 September 2022, the government announced changes to how energy bills will be charged to help reduce the severity of the October price cap. The then Prime Minister, Liz Truss, said that average bills will be held at £2,500, under the Energy Price Guarantee (EPG), for the next two years. On 17 October 2022 the new Chancellor, Jeremy Hunt, reduced the length of the EPG scheme saying that it would run until April 2023 and not the originally proposed 'two years'. On 17 November 2022 the Chancellor said that the EPG would be extended from 01 April 2023 for a further 12 months but the level would be raised to an average of £3,000.

**13.48** There is a drive to take the UK off of fossil fuels and boost the sources of homegrown energy for better energy security in the long-term which is set out within the British Energy Security Strategy (2022).

**13.49** The Scottish Government is currently consulting on a Draft Energy Strategy and Just Transition Plan (Scottish Government, 2023). This sets out how the Scottish Government seeks to realise climate change ambitions, and the need to transform the way

<sup>7</sup> Scottish Government (2020), Climate Change Plan Update

<sup>8</sup> Scottish Government (2020), Advisory Group on Economic Recovery Report

<sup>9</sup> Just Transition Commission (2021): A National Mission for a Fairer, Greener Scotland

<sup>10</sup> Scottish Government (2023). Draft Energy Strategy and Just Transition Plan

<sup>11</sup> Centre of Ageing Better (2022). State of Ageing Report



Scotland generates, transports and uses energy. The Draft Energy and Just Transition Plan has an ambition to increase targets to 20 gigawatts (GW) of additional renewable electricity on- and offshore by 2030.

#### Tourism Policy

**13.50** In terms of relevant tourism policy, the Scottish Tourism Alliance developed The National Tourism Strategy 2030<sup>12</sup> which confirms the importance of tourism to Scotland's economy and emphasises the resilience of the tourism industry since the start of the Covid-19 pandemic in 2020.

**13.51** However, the strategy cautions that Scotland must remain competitive, by developing and changing its products and marketing in order to improve the quality of the customer experience and increase sales.

**13.52** The vision is *"Together we will grow the value and positively enhance the benefits of tourism across Scotland by delivering the very best for our visitors, our businesses, our people, our communities and our environment"*.

**13.53** As stated in VisitScotland's Position Statement on Wind Farms<sup>13</sup>, VisitScotland understands and supports the drive for renewable energy and recognises the economic potential of Scotland's vast resource, including the opportunities for wind farm development.

**13.54** VisitScotland's Position Statement of Wind Farms states that there is a mutually supportive relationship between renewable energy developments and sustainable tourism<sup>14</sup>.

**13.55** VisitScotland is aware that some groups are concerned by the potential impact of wind farm developments on tourism; however, their own position statement states that independent research; *"...suggests that wind farms have a limited impact on visitors' decisions to holiday in Scotland"*.

**13.56** The Scottish Parliament's Energy Committee<sup>15</sup> also found *"...no evidence that wind farms have a negative effect on the tourism industry"*.

#### Scotland Outlook 2030 Responsible Tourism for a Sustainable Future

**13.57** Scotland Outlook 2030<sup>16</sup> has been developed by Scottish Tourism Alliance, the Scottish Government, VisitScotland, Scottish Enterprise, Highlands and Islands Enterprise, and Skills Development Scotland. Over 2500 tourism leaders and stakeholders from the Scottish tourism industry have contributed to its development.

**13.58** The four key priorities of Scotland Outlook 2030 are:

- Our Passionate People - We will attract, develop and retain a skilled, committed, diverse and valued workforce;
- Our Thriving Places - We will create and develop a sustainable destination together;
- Our Memorable Experiences - We will provide the very best, authentic and memorable experiences; and
- Our Diverse Businesses - We will build business resilience, sustainability and profitability.

#### Highland Area Tourism Action Plan

**13.59** In terms of regional tourism policy, The Highland Area Tourism Partnership (ATP) comprises representatives from the tourist industry and key public bodies involved in delivering tourism in the Highlands, including Visit Scotland, THC, HIE, NatureScot, Scottish Forestry, Cairngorms National Park Authority and Hi-Trans.

**13.60** The Highland ATP developed a Highland Area Tourism Action Plan<sup>17</sup> to replace the previous Area Tourism Strategy. The Action Plan describes some of the key issues that need to be addressed in order to grow tourism in the Highlands, and to contribute to the national vision and aspiration.

<sup>12</sup> Scottish Tourism Alliance (2020), National Tourism Strategy 2030

<sup>13</sup> VisitScotland (2014), Position Statement on Wind Farms

<sup>14</sup> 'Sustainable Tourism' sector was identified in Scotland's Economic Strategy (2015) as one of the growth sectors in which Scotland can build on existing comparative advantage and increase productivity and growth.

<sup>15</sup> Scottish Parliament (2012), Energy Committee Report

**13.61** The overarching vision of growing the visitor economy across the Highlands is: *"The Highlands will be a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people."*

**13.62** The Highlands is recognised as one of Scotland's strongest tourism products and as such can reasonably be expected to equal or exceed the national growth rate if the actions in the strategy and this plan are delivered.

**13.63** Based on the National Strategy the growth ambitions this could mean that the value of tourism could grow from a level of £738m in 2012 to between £900m and £1.07bn by 2020. To unlock this level of growth will require a range of strategic actions to be delivered, and these are structured around the key target markets of:

- Nature, Heritage & Activities;
- Destinations, Towns & Cities;
- Events & Festivals; and
- Business Tourism.

**13.64** To achieve this growth the Action Plan recognises both the effort and investment by individual businesses across the tourism sector and investment by public sector partners in areas such as infrastructure and services.

**13.65** A business-led Community Interest Company has been formed (Highland Tourism) to support the delivery of the regional tourism strategy, Highland Tourism is a business facing organisation which works with local partners to grow the value of tourism across the Highlands, through branding, communications, training and information exchange.

#### Consultation

**13.66** The EIA Scoping Opinion received from the Scottish Government's Energy Consents Unit (ECU)<sup>18</sup> includes responses from key consultees and stakeholders. **Table 13.1** summarises the relevant socio-economic and tourism responses from the Scoping process and additional consultation that was undertaken throughout the EIA process.

Table 13.1: Consultation Responses

| Consultee and Date         | Scoping/Other Consultation           | Issue Raised   | Response/Action Taken   |
|----------------------------|--------------------------------------|--|---|
| The Highland Council (THC) | Formal Scoping Consultation Response | Socio-economic, recreation and tourism should have its own chapter in the EIA Report. The EIA Report should estimate who may be affected by the development and should include relevant economic information connected with the project and set out the effect on the regional and local economy, not just national. | Presentations of a socio-economic and tourism baseline position and stated effect in terms of economic (jobs, turnover and GVA (Gross Value Added)) and social effects, including those presented in the Highland Renewable Energy Strategy Planning Guidelines (HRES), and the wider community effects being proposed by the Applicant are provided in this chapter of the EIA Report. |
|                            |                                      | A plan detailing the following should be submitted as part of the EIA Report: <ul style="list-style-type: none"> <li>■ Existing public non-motorised public access footpaths, bridleways,</li> </ul>   | A short section of the existing Bhlairaidh access route which will be used to access the Proposed Development overlaps with a route identified by ScotWays (HI71). As this is   |

<sup>16</sup> Scottish Tourism Alliance (2020), National Tourism Strategy 2030

<sup>17</sup> Highland Area Tourism Partnership (2020), Highland Area Tourism Action Plan

<sup>18</sup> Scottish Government (2021), Scoping Opinion On Behalf Of Scottish Ministers Under The Electricity Works (Environmental Impact Assessment) (Scotland) Regulations 2017

| Consultee and Date               | Scoping/Other Consultation  | Issue Raised  | Response/Action Taken  |
|----------------------------------|---|---|--|
|                                  |   | <p>cycleways on the Site and proposed access from the road infrastructure;</p> <ul style="list-style-type: none"> <li>Proposed public access provision both during construction and after completion of the development, including links to existing path networks and to the surrounding areas, and access points to water; and</li> <li>Impacts of the Proposed Development on the core paths and proposed mitigation, if any.</li> </ul> | <p>part of an existing access used for wind farm traffic a detailed assessment of direct effects on this route has not been undertaken. There are no other existing non-motorised public access footpaths, bridleways or cycle paths within the Site boundary. An Outdoor Access Management Plan has been prepared for the Proposed Development (<b>Appendix 13.1: Outline Access Management Plan</b>). <b>Chapter 6</b> also assesses potential visibility of the Proposed Development from viewpoints considered to be relevant to/important for recreation.</p> |
| Scotways                         | Formal Scoping Consultation Response                                      | Suggest that there may be need for an Access Management Plan to be drawn up to ensure that public access can be maintained during the construction and operational periods of the Proposed Development. This should be done in consultation with the access team at THC prior to any consent being granted to enable comments to be sought from all interested parties.   | As above for route HI71. An Outdoor Access Management Plan has been prepared for the Proposed Development ( <b>Appendix 13.1</b> ).  |
| British Horse Society (BHS)      | Formal Scoping Consultation Response                                      | The BHS expects developers to work with representatives of the local horse riding community to understand their road safety and countryside access concerns and facilitate engagement with other partners and consider whether any road safety interventions should be introduced, where there are significant numbers of horse riders and/or road traffic collisions involving horses.   | As above for route HI71. An Outdoor Access Management Plan has been prepared for the Proposed Development. <b>Chapter 12: Traffic and Transport</b> also presents issues around road safety and considers the issues raised by the BHS.  |
| Visit Inverness Loch Ness (VILN) | Representative body for tourism businesses around Inverness and Loch Ness | None raised formally at Scoping, however, the consultant team   | The consultant team consulted the CEO of VILN as part of the research. It was concluded that MKA Economics lead a business survey to ascertain the views of local businesses on renewable development proposals in the area. This approach also included consultations with VisitScotland, Highland Tourism and THC Tourism. Further details are provided in   |

| Consultee and Date | Scoping/Other Consultation | Issue Raised | Response/Action Taken   |
|--------------------|----------------------------|--------------|---|
|                    |                            |              | <p>the assessment of operational effects on tourism below.</p> <p>The results of the business survey and stakeholder consultation exercise are included within this chapter. A summary of findings is presented in <b>Appendix 13.2: Loch Ness Wind Farms Business Survey Headlines</b></p> |

#### Study Area

**13.67** For the purposes of the assessment of socio-economic effects, both the baseline and assessments define the regional area as THC area (as the planning authority), the country level area as Scotland (as the national planning authority) and the national area as Great Britain. Information on the local area (i.e. the Inner Moray Firth) is also presented for context, although effects are not assessed in detail at this level.

**13.68** In terms of the tourism and recreation aspect of the assessment, a review of baseline conditions has been completed and assessed according to the Landscape and Visual Impact Assessment (LVIA) and Zone of Theoretical Visibility (ZTV)s provided in **Chapter 6**.

#### Assessing Significance

**13.69** There are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic, tourism and recreation effects of an onshore wind farm proposal. However, there are a series of commonly used methodologies and recognised approaches to quantifying socio-economic effects both during the construction of a development and following its completion, notably RenewableUK's economic impact guidance<sup>19</sup> and VisitScotland's Position Statement on wind farms<sup>13</sup>.

**13.70** In terms of economic effects, this assessment has employed appraisal techniques consistent with those outlined in the Scottish Enterprise Economic Impact Guidance<sup>20</sup> for the appraisal of economic development and regeneration initiatives. The assessment is also consistent with the latest Scottish Government's Draft Advice Note on Economic Benefit and Planning<sup>21</sup>. This assessment has been undertaken in line with the advice note, it presents the baseline position in socio-economic terms and the predicted outcomes in both employment and GVA terms.

**13.71** The assessment has contextualised the Proposed Development both in terms of Scottish and local renewable policy and identified where it fits within policy as well as its contribution to renewable targets.

**13.72** In line with Renewable UK guidance on assessment the socio-economic effects of onshore wind developments the assessment considers potential effects across the various phases of the wind farm lifecycle, which involves two main phases:

- Construction (potential economic effects include turbine manufacture; including the tower, blades and internal components); and
- Operation and maintenance (potential economic effects include balance of plant, including activity and supplies required to install completed turbines).

**13.73** Each phase has the potential to generate effects at various spatial levels, including local, regional and national economies.

**13.74** Economic effects can be expected during the construction and operational phases of the Proposed Development. These effects will differ in their scale, duration and geographic coverage. Potential effects are therefore presented for the construction, operation and maintenance phases and these effects can be split into expenditure, employment and ultimately economic (in terms of GVA) impact.

<sup>19</sup> RenewableUK (2015), Onshore Wind: Direct and Wider Economic Benefits

<sup>20</sup> Scottish Enterprise Economic Impact Guidance. Available at: <https://www.evaluationsonline.org.uk/evaluations/help/guidance.htm>

<sup>21</sup> Scottish Government (2016) Net economic benefit and planning: Draft advice. Available at: <https://www.gov.scot/publications/draft-advice-on-net-economic-benefit-and-planning/>

**13.75** The socio-economic, tourism and recreational potential effects of the Proposed Development on the recreational and tourism asset base are assessed using the significance criteria outlined in **Table 13.2**. As there are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic, recreation or tourism effects of an onshore wind farm proposal, professional judgement, with reference to commonly used methodologies and recognised approaches to quantifying economic effects is used to determine the significance criteria. Major or moderate effects are defined as significant in the context of the EIA (Scotland) Regulations 2017 (EIA Regulations).

**Table 13.2: Significance Criteria**

| Significance of Effect | Description   |
|------------------------|---|
| Major                  | 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.             |
| Moderate               | 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 materially changed. For example, a moderate long-term alteration of socio-economic conditions, a moderate reduction / improvement in the recreational asset, or a moderate change to tourism spend. |
| Minor                  | 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.  |

## Existing Conditions

**13.76** A desk-based review of publicly available information has been undertaken to identify the key characteristics of the local economy (within THC and Inner Moray Firth area, compared with national and British figures where relevant) and tourism and recreational facilities (within 15 kilometres (km) of the Proposed Development). The assessment draws on the latest publicly available data, and it should be noted that these statistics differ in their time series due to issues around surveying and sampling as an ongoing effect of the Covid-19 pandemic. The latest sources are reviewed and referenced accordingly. It should be noted as a result of the Covid-19 pandemic the availability and time range of data varies across indicators and sources,

### Population

**13.77** THC area has a population of over 235,000 residents and experienced an increase of 2.0% over the period 2010 to 2020 – compared to 3.9% increase at the Scottish level and an 6.9% rise at the Great Britain level. The area has experienced a population increasing slower than the Scottish and GB increases. The population of Highland, Scotland and Great Britain as of 2020 is detailed in **Table 13.3** below.

**Table 13.3: Population (2020)**

|            | Highland | Scotland  | Great Britain |
|------------|----------|-----------|---------------|
| All People | 235,400  | 5,466,000 | 65,185,700    |

Source: ONS Population Estimates

**13.78** In terms of the working age population, 60.7% of the regional population is of working age, compared to 63.9% and 62.4% at the Scottish and GB levels respectively as detailed in **Table 13.4** below. This indicates that the area has a lower proportion of people of working age, which can be seen to be an economic challenge in terms of securing future economic prosperity.

**Table 13.4: Population aged 16-64 (2020)**

|            | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|------------|--------------------|--------------|--------------|-------------------|
| All People | 142,900            | 60.7         | 63.9         | 62.4              |

Source: ONS Population Estimates

### Economic Activity

**13.79** **Table 13.5** below highlights that the Highlands has a lower level of economically active residents (75.3%), when compared to the Scottish (76.2%) and GB (78.4%) levels. The regional has a higher proportion of self-employed people (9.4%) than recorded at the Scottish (7.5%) and GB (9.3%) level.

**Table 13.5: Employment and Unemployment (Jan 2021 – Dec 2021)**

|                          | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|--------------------------|--------------------|--------------|--------------|-------------------|
| Economically Active      | 115,000            | 75.3         | 76.2         | 78.4              |
| In Employment            | 110,800            | 72.3         | 73.1         | 74.8              |
| Employees                | 93,400             | 61.8         | 65.4         | 65.3              |
| Self Employed            | 15,600             | 9.4          | 7.5          | 9.3               |
| Unemployed (Model-Based) | 4,000              | 3.4          | 3.9          | 4.4               |

Source: ONS Annual Population Survey

**13.80** The area faces economic challenges in having a lower proportion of working age people, and a lower rates of economic activity. A more detailed assessment of unemployment is set out later in this section.

### Economic Inactivity

**13.81** The Highlands has a higher rate of economic inactivity (24.7% compared to 23.8% and 21.6% at the Scottish and GB levels respectively), as shown in **Table 13.6**. It is worth noting that although the figures are based on an annual assessment, there are seasonal fluctuations, which are more pronounced in the tourism sector, notably in the Highlands where some tourism businesses shut their businesses seasonally.

**Table 13.6: Economic Inactivity (Jan 2021 – Dec 2021)**

|                             | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|-----------------------------|--------------------|--------------|--------------|-------------------|
| Total                       | 35,000             | 24.7         | 23.8         | 21.6              |
| Student                     | 7,100              | 20.3         | 25.9         | 28.1              |
| Looking After Family / Home | N/A                | N/A          | 16.3         | 19.2              |
| Temporary Sick              | N/A                | N/A          | 2.1          | 1.9               |
| Long-Term Sick              | 8,400              | 23.9         | 29.4         | 24.6              |
| Discouraged                 | N/A                | N/A          | 0.7          | 0.5               |
| Retired                     | 11,700             | 33.5         | 15.3         | 13.8              |
| Other                       | N/A                | N/A          | 10.4         | 11.9              |
| Wants a Job                 | 6,500              | 18.5         | 17.6         | 18.6              |



|                     | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|---------------------|--------------------|--------------|--------------|-------------------|
| Does Not Want a Job | 28,500             | 81.5         | 82.4         | 81.4              |

Source: ONS Annual Population Survey

**13.82** It is worth noting that of those economically inactive, the region has a higher proportion of people who 'want a job' (18.5%) compared to the Scottish (17.6%) level. This suggests there is more of a desire to find work in the Highlands than recorded nationally.

#### Worklessness Households

**13.83** In terms of worklessness, there are fewer households in the region, compared to the Scottish level, that are workless households. However, the rate is slightly higher than the GB rate as shown in **Table 13.7**. It should be noted that due to small sample sizes some figures are not available (N/A) at the regional level.

**Table 13.7: Workless Households (Jan 2020 – Dec 2020)**

|  | Highland | Scotland | Great Britain |
|--|----------|----------|---------------|
| Number Of Workless Households                                  | 8,600    | 320,300  | 2,772,600     |
| Percentage Of Households That Are Workless                     | 13.9     | 18.1     | 13.6          |
| Number Of Children in Workless Households                      | N/A      | 104,200  | 1,186,100     |
| Percentage Of Children Who Are in Households That Are Workless | N/A      | 12.1     | 9.7           |

Source: ONS Annual Population Survey

#### Claimant Count Unemployment

**13.84** The latest claimant count unemployment rate highlights that although the region has a lower rate than the Scottish rate, the unemployment rate is also below the GB average as shown in **Table 13.8**.

**Table 13.8: Claimant Count (March 2022)**

|            | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|------------|--------------------|--------------|--------------|-------------------|
| All People | 4,240              | 3.0          | 3.8          | 4.2               |

Source: ONS Claimant Count

**13.85** Although regional unemployment remains below the national unemployment rate, it has increased from 2.6% in March 2020 to 3.0% in March 2022, this represents an increase of 15.8% in the number of people out of work and claiming benefits over the last two years.

**13.86** As a result of the Covid-19 pandemic, unemployed in the Highlands reached a high of 5.9% in July 2020, however this represents a significant statistical deviation from other years. In terms of unemployment by age range, the regional position is better than the Scottish situations across all age ranges as illustrated in **Table 13.9** below.

**Table 13.9: Claimant Count by Age (March 2022)**

|               | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|---------------|--------------------|--------------|--------------|-------------------|
| Aged 16+      | 4,240              | 3.0          | 3.8          | 4.2               |
| Aged 16 To 17 | 25                 | 0.5          | 0.6          | 0.3               |
| Aged 18 To 24 | 625                | 3.9          | 4.5          | 5.0               |
| Aged 18 To 21 | 380                | 4.2          | 4.6          | 5.0               |

|               | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|---------------|--------------------|--------------|--------------|-------------------|
| Aged 25 To 49 | 2,400              | 3.5          | 4.4          | 4.8               |
| Aged 50+      | 1,190              | 2.2          | 2.9          | 3.3               |

Source: ONS Claimant Count

**13.87** In terms of benefit claimants by type, as detailed in **Table 13.10**, the Highlands has a lower rate of job seeker allowance claimants and lone parent claimants, when compared to Scotland and Great Britain. However, it has a slightly higher proportion of disabled and bereaved claimants.

**Table 13.10: Economic Inactivity (Jan 2021 – Dec 2021)**

|                                   | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|-----------------------------------|--------------------|--------------|--------------|-------------------|
| Total Claimants                   | 15,040             | 10.4         | 13.0         | 11.0              |
| Job Seekers                       | 1,110              | 0.8          | 1.4          | 1.1               |
| ESA And Incapacity Benefits       | 8,740              | 6.0          | 7.8          | 6.1               |
| Lone Parents                      | 920                | 0.6          | 0.9          | 1.0               |
| Carers                            | 2,250              | 1.6          | 1.7          | 1.7               |
| Others On Income Related Benefits | 220                | 0.2          | 0.2          | 0.2               |
| Disabled                          | 1,430              | 1.0          | 0.9          | 0.8               |
| Bereaved                          | 370                | 0.3          | 0.2          | 0.2               |
| Main Out-Of-Work Benefits         | 10,990             | 7.6          | 10.2         | 8.4               |

Source: ONS Claimant Count

**13.88** Overall, in terms of 'main out of work benefits' the Highlands has a lower proportion of claimant than recorded at the Scottish and GB levels.

#### Employment by Occupation

**13.89** **Table 13.11** highlights the type of employment at the Highlands, Scottish and GB levels. It indicates that the region has a higher proportion of skilled trade, caring, leisure and service and process plant and machine roles than the Scottish and GB levels.

**Table 13.11: Employment by Occupation (Jan 2021 – Dec 2021)**

|  | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|--|--------------------|--------------|--------------|-------------------|
| Major Group 1-3                            | 48,600             | 43.9         | 48.2         | 49.7              |
| 1 Managers, Directors and Senior Officials | 8,500              | 7.7          | 8.7          | 10.5              |
| 2 Professional Occupations                 | 23,900             | 21.5         | 23.8         | 23.7              |
| 3 Associate Professional & Technical       | 16,300             | 14.7         | 15.5         | 15.3              |
| Major Group 4-5                            | 21,400             | 19.3         | 18.9         | 19.0              |
| 4 Administrative & Secretarial             | 8,900              | 8.0          | 9.9          | 10.2              |

|   | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|---|--------------------|--------------|--------------|-------------------|
| 5 Skilled Trades Occupations                    | 12,500             | 11.3         | 9.0          | 8.8               |
| Major Group 6-7                                 | 23,300             | 21.1         | 17.7         | 16.2              |
| 6 Caring, Leisure and Other Service Occupations | 11,700             | 10.6         | 9.3          | 9.2               |
| 7 Sales and Customer Service Occupations        | 11,700             | 10.5         | 8.4          | 6.9               |
| Major Group 8-9                                 | 17,400             | 15.7         | 15.2         | 15.1              |
| 8 Process Plant & Machine Operatives            | 7,300              | 6.6          | 5.2          | 5.5               |
| 9 Elementary Occupations                        | 10,100             | 9.2          | 9.9          | 9.6               |

Source: ONS Annual Population Survey

**13.90** Regionally there are fewer people employed in professional, associate professional, technical, sales and customer service occupations and elementary occupations.

#### Jobs

**13.91** The region has a lower proportion of full-time jobs and more part-time jobs than the Scottish and GB levels.

**13.92** In terms of industry of employment, the Highlands have higher rates of water supply related posts, construction jobs, wholesale and retail trade, accommodation and food service occupations, education, health and social work jobs and arts, entertainment and recreation posts.

**13.93** The construction sector is well represented at the Highlands level, suggesting the local area is well positioned to benefit from aspects of the Proposed Development, as shown in **Table 13.12** below.

**Table 13.12: Employee Jobs (2020)**

|  | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|--|--------------------|--------------|--------------|-------------------|
| Total Employee Jobs  | 104,000            |              |              |                   |
| Full-Time  | 64,000             | 61.5         | 66.8         | 67.9              |
| Part-Time  | 40,000             | 38.5         | 33.2         | 32.1              |
| Employee Jobs by Industry  |                    |              |              |                   |
| B: Mining and Quarrying  | 500                | 0.5          | 1.2          | 0.2               |
| C: Manufacturing   | 5,000              | 4.8          | 7.2          | 7.9               |
| D: Electricity, Gas, Steam and Air Conditioning Supply                 | 1,000              | 1.0          | 0.9          | 0.5               |
| E: Water Supply; Sewerage, Waste Management and Remediation Activities | 2,000              | 1.9          | 0.7          | 0.7               |
| F: Construction  | 7,000              | 6.7          | 5.1          | 4.8               |

|   | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|---|--------------------|--------------|--------------|-------------------|
| G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles | 16,000             | 15.4         | 13.9         | 14.9              |
| H: Transportation and Storage   | 5,000              | 4.8          | 4.5          | 5.1               |
| I: Accommodation and Food Service Activities                            | 12,000             | 11.5         | 7.2          | 7.2               |
| J: Information and Communication  | 2,500              | 2.4          | 3.7          | 4.5               |
| K: Financial and Insurance Activities                                   | 800                | 0.8          | 3.3          | 3.5               |
| L: Real Estate Activities   | 1,500              | 1.4          | 1.5          | 1.8               |
| M: Professional, Scientific and Technical Activities                    | 6,000              | 5.8          | 7.1          | 8.7               |
| N: Administrative and Support Service Activities                        | 5,000              | 4.8          | 8.0          | 8.8               |
| O: Public Administration and Defence; Compulsory Social Security        | 6,000              | 5.8          | 6.5          | 4.6               |
| P: Education  | 9,000              | 8.7          | 8.4          | 9.0               |
| Q: Human Health and Social Work Activities                              | 20,000             | 19.2         | 16.6         | 13.6              |
| R: Arts, Entertainment and Recreation                                   | 3,000              | 2.9          | 2.3          | 2.2               |
| S: Other Service Activities   | 1,750              | 1.7          | 1.7          | 1.9               |

Source: ONS Annual Population Survey

**13.94** The region has a lower proportion of mining and quarrying roles, manufacturing employment, Information Technology and Communications (ITC) roles, financial service posts, professional services and public administrative related jobs.

#### Businesses

**13.95** In terms of the business base, the Highlands has a higher proportion of micro enterprise (zero to nine employees) and smaller business units (ten to 49 employees) (in terms of employment numbers) than at the national (Scottish) level. The incidence of larger businesses is lower in the regional level than recorded nationally as shown in **Table 13.13**.

Table 13.13: Business Counts (2021)

|                    | Highland (Numbers) | Highland (%) | Scotland (%)   | Great Britain (%) |
|--------------------|--------------------|--------------|----------------|-------------------|
| <b>Enterprises</b> |                    |              |                |                   |
| Micro (0 To 9)     | 9,585              | 89.0         | 154,440        | 88.1              |
| Small (10 To 49)   | 1,030              | 9.6          | 17,565         | 10.0              |
| Medium (50 To 249) | 135                | 1.3          | 2,715          | 1.5               |
| Large (250+)       | 25                 | 0.2          | 680            | 0.4               |
| <b>Total</b>       | <b>10,775</b>      | -            | <b>175,400</b> | -                 |
| <b>Local Units</b> |                    |              |                |                   |
| Micro (0 To 9)     | 11,470             | 83.2         | 179,910        | 81.4              |
| Small (10 To 49)   | 1,980              | 14.4         | 33,480         | 15.1              |
| Medium (50 To 249) | 325                | 2.4          | 6,650          | 3.0               |
| Large (250+)       | 20                 | 0.1          | 1,035          | 0.5               |
| <b>Total</b>       | <b>13,790</b>      | -            | <b>221,075</b> | -                 |

Source: Inter Departmental Business Register

### Qualifications

**13.96** In terms of education attainment levels, the region has more higher qualified residents and also has fewer residents with no qualifications than recorded at the Scottish level as show in **Table 13.14**.

Table 13.14: Qualifications (Jan 2021 – Dec 2021)

|                          | Highland (Numbers) | Highland (%) | Scotland (%) | Great Britain (%) |
|--------------------------|--------------------|--------------|--------------|-------------------|
| <b>Individual levels</b> |                    |              |              |                   |
| NVQ4 and Above           | 63,500             | 45.3         | 50.1         | 43.5              |
| NVQ3 and Above           | 87,300             | 62.2         | 64.9         | 61.5              |
| NVQ2 and Above           | 117,400            | 83.7         | 79.6         | 78.2              |
| NVQ1 and Above           | 127,700            | 91.1         | 86.5         | 87.6              |
| Other Qualifications     | N/A                | N/A          | 5.8          | 5.9               |
| No Qualifications        | 7,500              | 5.4          | 7.7          | 6.6               |

Source: ONS Annual Population Survey

### Earnings

**13.97** In terms of earnings, both weekly wages and hourly pay, the region has lower rates than those achieved at the Scottish and GB levels as presented in **Table 13.15**.

Table 13.15: Earnings by Place of Residence (2021)

|  | Highland (£) | Scotland (£) | Great Britain (£) |
|--|--------------|--------------|-------------------|
| <b>Gross weekly place</b>              |              |              |                   |
| Full-Time Workers                      | 611.4        | 622.0        | 613.1             |
| <b>Hourly pay – excluding overtime</b> |              |              |                   |
| Full-Time Workers                      | 15.14        | 15.93        | 15.65             |

Source: Inter Departmental Business Register

### Scottish Index of Multiple Deprivation

**13.98** The Scottish Index of Multiple Deprivation (SIMD, 2020) ranks all of the 6,976 data zones across Scotland<sup>22</sup>. The data zones are ranked from 1 (most deprived data zone) to 6,976 (least deprived).

**13.99** The ranking is based on a number of indicators across seven categories: income, employment, health, education, skills and training, housing, geographic access and crime. Data zones ranked between 1 and 1,185 are the most deprived 15% of data zones and those ranked between 1 and 1395 are the most deprived 20%.

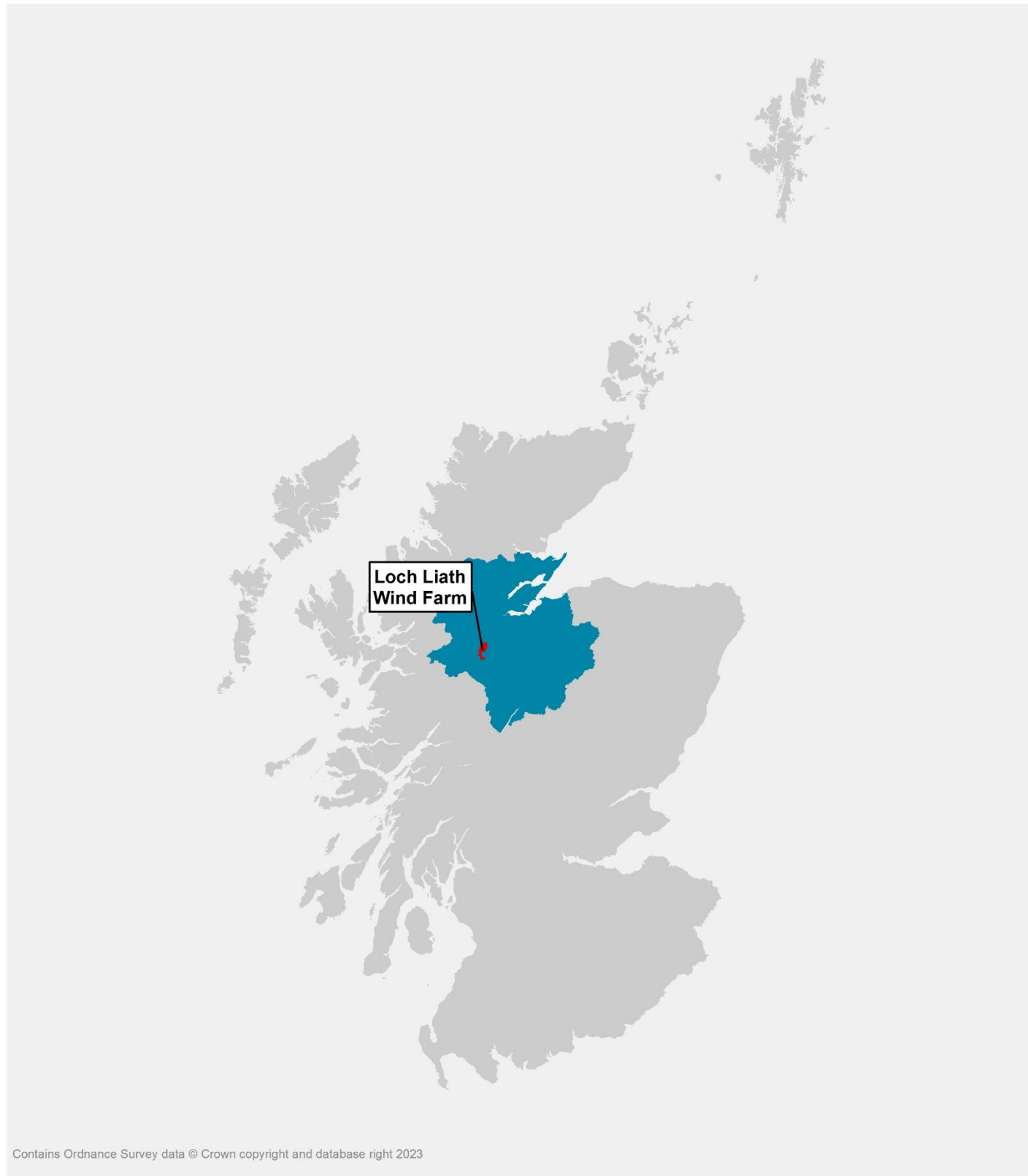
**13.100** THC has 30 data zones (from a total of 312 Highland data zones) designated within the most deprived 20% in Scotland, this is an increase from SIMD 2012 when the local authority had 17 wards designated within the most deprived 20% in Scotland. Although the Highlands cannot be deemed to be an area of deprivation overall, there remain pockets of deprivation, largely in and around Inverness, and this position has worsened over the last five years. The local area is not deemed to be deprived, with the main areas of deprivation within the city of Inverness, however the impact of fuel poverty as a result of changes to the energy market following the Russian Invasion of Ukraine has yet to be fully assessed, with fuel poverty and energy prices raised as an issue by a number of respondents to the public consultation (see Pre-Application Consultation Report).

### Local Socio-Economic Baseline

**13.101** An overview of the local economy has been undertaken to provide context and, where relevant, comparison with the Highlands and Scottish economies. The local area has been defined Inner Moray Firth area. This area has been identified as there are available statistics to allow a comparison with the wider Highland, National and GB data, and these statistics are drawn from HIE. A map of the Inner Moray Firth area is presented in **Image 13.1**.

<sup>22</sup> Scottish Government (2020) Scottish Index of Multiple Deprivation

Image 13.1: Indicative Map of Inner Moray Firth



Contains Ordnance Survey data © Crown copyright and database right 2023

Source: HIE, 2020

**13.102** HIE's Economic Profile for Inner Moray Firth<sup>23</sup> has been reviewed and a summary of the local area is presented below:

- Total population was 157,934 in 2018, an increase of 2.7% from 2011;
- Population density (20 people per sq. km) is higher than that for the Highlands and Islands (12 people per sq. km) but lower than the Scottish average (70 people per sq. km). This reflects the history and geography of the region;
- The Inner Moray Firth has a younger age profile than the Highlands and Islands but older than Scotland;
- An Economic Activity rate (80.8%) in line with the Highlands and Islands (80.9%) but higher than Scotland (77.9%);
- A percentage of self-employed (8.5%) in line with Scotland (8.7%) but lower than the Highlands and Islands (11.0%); and
- An employment rate (78.5%) in line with the Highlands and Islands (78.6%) and higher than Scotland (74.7%).

**13.103** The Inner Moray Firth experienced population growth between 2011 and 2019. While the population is projected to decline by 2043, there is variation across the area. It has a younger age profile than the Highlands, although still a higher dependency ratio than nationally at 62.6%.

**13.104** Inner Moray Firth is likely to be harder hit in economic terms, in part as a result of Covid-19 and Brexit, than the Scotland average, but fare better than more remote parts of the region given:

- Expected GVA decrease of -£756m across Highland in 2020, a decline of 11.7%, in line with the regional average (11.7%) but higher than the national level (10.7%);
- While the area has a higher share of employment in the five sectors most exposed to COVID-19 overall compared to regionally and nationally (43% compared to 41% and 38% respectively), Inner Moray Firth has a more diverse sector employment base than other parts of the region increasing its relative resilience; and
- Its existing vulnerability to Brexit (Highland is ranked 5 of 32 Scotland local authorities), although Inner Moray Firth is likely to be more resilient than more rural parts of Highland.

#### Tourism

**13.105** Sustainable tourism is one of the six economic sectors identified by the Scottish Government as growth sectors<sup>24</sup>. In 2019, sustainable tourism employed 19,000 people across the Highland and in 2018 the sector generated £320 million GVA as shown in **Table 13.16**.

**13.106** The GVA generated by sustainable tourism in the Highland was around 7.7% of the value added by the sector in Scotland (£4.1 billion) and employment was 8.3% of total employment in the sector (229,000). This alongside the analysis of the industrial structure in the region suggests that the tourism sector is relatively more important in Highland than on average in Scotland.

Table 13.16: Employment and GVA in Sustainable Tourism, 2020

| Metric            | Highland | Scotland |
|-------------------|----------|----------|
| Employment (Jobs) | 19,000   | 229,000  |
| GVA (£m)          | £320     | £4,141   |

Source: Scottish Government

<sup>23</sup> HIE (2021), Economic Profile for Inner Moray Firth

<sup>24</sup> Scottish Government (2020), Growth Sector Database

**13.107** Tourism activity in the Highlands is seasonal, and much of it occurs within the months between April and September. For example, the occupancy levels for hotels in Highland and Islands are above 90% for the months between June and August, and below 55% between November and January<sup>25</sup>.

**13.108** The seasons are more pronounced in rural areas and this is reflected in closure of hotels during the winter period.

**13.109** The Great Britain Day Visitor Survey (GBDVS) provides national and regional data on domestic daily trips across the UK. In 2019 there were 11.6 million domestic day trips in Highland, which was equivalent to around 8.2% of day trips taking place in Scotland (see **Table 13.17**). Day visitors spent £571 million in Highland, which was equivalent to around 9.9% of spend in Scotland resulting from day visits. It should be noted the 2019 report is the latest available GBDVS, as no survey was completed in 2020, and the 2021 figures have only been published in a summary report with no regional data in December 2022.

**Table 13.17: Day Visitor Trips to Highlands and Scotland, 2019**

| Metric            | Highland   | Scotland    |
|-------------------|------------|-------------|
| Trips             | 11,600,000 | 140,800,000 |
| Spend (£ million) | 571        | 5,749       |

Source: GBDVS

**13.110** The most popular activities for day visitors (VisitScotland, 2020) were:

- Going for a meal in a restaurant, café, hotel, pub (2.5 million day trips);
- Sightseeing on foot (1.5 million day trips); and
- Long walking, hiking or rambling (1.4 million day trips).

**13.111** The Great Britain Tourism Survey (GBTS) provides a series of data on tourism across the UK, including overnight domestic trips. In 2019, there were over 1.9 million domestic overnight trips in Highland, accounting for 15.7% of domestic overnight visits taking place in Scotland (see **Table 13.18**). Overnight visitors to Highland spent £492 million, around 16.5% of the total spend in Scotland.

**Table 13.18: Overnight Domestic Tourism, 2019**

| Metric            | Highland  | Scotland   |
|-------------------|-----------|------------|
| Trips             | 1,950,000 | 12,426,000 |
| Spend (£ million) | 492       | 2,989      |

Source: GBTS

**13.112** **Table 13.19** features overnight tourism data for international visitors (non-UK tourists) in 2019. In 2019, there were 459,000 trips from international visitors, 14.7% of total international visits to Scotland that year. International visitors spent £202 million in Highland, out of the total £2.5 billion spent in Scotland.

**Table 13.19: Overnight International Tourism, 2019**

| Metric            | Highland | Scotland |
|-------------------|----------|----------|
| Trips             | 459,000  | 3,460    |
| Spend (£ million) | 202      | 2,538    |

Source: VisitScotland

**13.113** Loch Ness itself is a significant tourist attraction in the area and at its closest point, is approximately 8km from the closest turbine of the Proposed Development. The nearest settlement is Invermoriston which is approximately 7km to the south of the closest turbine, close to the shores of Loch Ness.

**13.114** The most visited attractions in Highland by visitor numbers are detailed in **Table 13.20** below for information. With the exception of Urquhart Castle, each of the attractions is more than 15km away and therefore outside the 15km study area for the assessment of potential effects on tourism, with three being over 50km away. Urquhart Castle and Loch Ness by Jacobite, which is located 30km away, are both on Loch Ness.

**Table 13.20: Top 5 Most Visited Attractions in Highland (2019)**

| Attraction             | Number of Visitors | Approximate Distance from Turbines (km) |
|------------------------|--------------------|---|
| Urquhart Castle        | 547,518            | 15km                                    |
| Glenfinnan Monument    | 462,235            | 64km                                    |
| Glencoe Visitor Centre | 436,924            | 71km                                    |
| Glenmore Forest Park   | 427,791            | 60km                                    |
| Loch Ness by Jacobite  | 321,980            | 29km                                    |

Source: VisitScotland

**13.115** The other most visited attractions in the region which are located within the 15km study area but for which detailed information on visitor numbers is not available, are noted below. These include:

- A number of attractions at Fort Augustus, approximately 13km from the closest turbines (including the Caledonian Canal Centre and Loch Chambers, Cruise Loch Ness at Fort Augustus (start point for cruises approximately 13km from closest turbines, with tours cruising the loch), and the Clansman Centre.
- Glen Affric, 10-15km from closest turbines (see further detail below); and
- Nessieland and the Loch Ness Centre & Exhibition, just outside Drumnadrochit, approximately 13km from closest turbines.

**13.116** Facilities in the area closest to the Proposed Development are found in Invermoriston, Foyers, Drumnadrochit and Fort Augustus and include a selection of local shops and cafés, adventure activities such as kayaking and canoeing, visitor attractions including loch cruises and several B&Bs, hotels and self-catering accommodation providers.

**13.117** The main tourism facilities within the area are located within the population centres around Loch Ness and are primarily self-catered cottages and lodges. These include:

- Invermoriston - the village of Invermoriston is located approximately 7km to the south of the closest turbine of the Proposed Development. VisitScotland lists 13 accommodation providers in the village, primarily self-catering facilities and a B&B.
- Foyers - on the opposite side of Loch Ness, approximately 10km from the closest turbine of the Proposed Development is the village of Foyers which VisitScotland lists as hosting six accommodation providers;
- Drumnadrochit – the village is approximately 13km to the east of the closest turbine of the Proposed Development. Drumnadrochit is very popular for accessing loch ness and the story of the Loch Ness Monster, with a well-known visitor centre as noted above. VisitScotland lists almost 60 accommodation providers in Drumnadrochit including five hotels, two campsites, two hostels and several self-catering properties.
- Fort Augustus - the village of Fort Augustus is located approximately 13km to the south-west of the closest turbine of the Proposed Development and serves as a base for visitors exploring the Great Glen. VisitScotland lists 70 accommodation providers in Fort Augustus including four hotels, two campsite / hostel facilities and several B&Bs and self-catering facilities.

<sup>25</sup> VisitScotland (2019), Tourism in the Highlands



**13.118** In addition to the accommodation providers within these settlements, there are some accommodation providers in rural locations within 15km of the Proposed Development.

**13.119** The tourism sector in the Great Glen and wider Highland area is an important employer and visitors come from all over the world to see Loch Ness and other attractions. The key attractions in the area are mainly outdoor activities and tourism activity is predominantly seasonal in character. The tourism sector near the Proposed Development is similarly seasonal with many of the hotels closed over the winter months. Further details on recreational activities which are a key draw for tourist, are detailed below.

### Recreation

**13.120** As described above, walking/hiking is a popular day activity in Highland. **Table 13.21** lists the known recreational routes within 15km of the Site. These are also illustrated on **Figure 13.1**. It should also be noted that a number of the visitor attractions noted above are also considered relevant to recreation, for example Glen Affric, which is a National Nature Reserve (NNR) and National Scenic Area (NSA) (further details on the NSA are provided in **Chapter 6**). Glen Affric is popular with visitors and with walkers, providing the opportunity to visit a diverse range of habitats including woodlands, lochs, moorlands, ancient pinewoods (including one of the largest ancient Caledonian pine woods in Scotland). A diverse range of species of animal can also be found in Glen Affric, including osprey, black-throated diver, otter and red deer. There are a number of facilities for visitors within Glen Affric, including car parks with picnic tables and a number of waymarked paths.

**13.121** The Great Glen Way is a long-distance path, promoted as one of Scotland's Great Trails, and connects the west and east coast of Scotland passing through the Highlands. The walking path follows the western shore of Loch Ness approximately 5km east of the nearest turbine. The South Loch Ness Trail passes from Fort Augustus to Inverness, broadly following the eastern shore of Loch Ness approximately 10km east of the nearest turbine. The Great Glen Way and South Loch Ness trail form the Loch Ness 360° Trail, a promoted circular route that circumnavigates Loch Ness.

**13.122** The Affric Kintail Way passes approximately 70km between Drumnadrochit and Morvich, passing west from the Great Glen Way through Glen Urquhart before passing on a north-east to south-west alignments through Glen Affric. The route formerly followed the A831 through Glen Urquhart, however in 2019 changes to the route were granted planning permission, with plans to implement realignment of the route in phases. The route will be realigned to follow the lower slopes of the glen, where it will pass through forestry to the north-east of Buntait before crossing the A831 near Millness towards forestry at Kerrow Wood. The route passes through Glen Urquhart 3.6km north of the nearest turbine.

**13.123** The Caledonia Way cycle route runs from Campbeltown to Inverness, and passes to the east of Loch Ness approximately 9.8km east of the nearest turbine.

**13.124** There are a number of other Core Paths and Rights of Way in the vicinity of the Site, there is varying degrees of visibility from these lesser known routes, and none cross-cut the Proposed Development. A short section of HI71 overlaps with the access to the Proposed Development, however this is already used to access the operational Bhlaraidh Wind Farm, and will also be used for construction of the consented Bhlaraidh Wind Farm Extension.

**13.125** The Great Glen Canoe Trail is a water-based route connecting Fort William to Inverness via the Caledonian Canal, Loch Lochy, Loch Oich and Loch Ness. The route is considered one of Scotland's Great Trails<sup>26</sup> and passes approximately 7.0km to the east of the nearest turbine on a south-west to north-east alignment through Loch Ness and is estimated to have approximately 4,000 users per annum. A number of boat cruises and tours also bring recreational receptors and visitors to the waters of Loch Ness.

**13.126** In addition to the marketed routes, trails and water based routes there are other core paths and Rights of Way, notably including HI71 which overlaps for a short section with the existing Bhlaraidh Wind Farm access which will be used to access the Proposed Development during construction and operation. HI52, HI53, HI67, HI70 are also within 5km of the Proposed Development.

**13.127** Another notable path is the Meall Fuar-mhonaigh path, which is proposed to be upgraded by the Applicant as part of proposed enhancement measures associated with the Proposed Development. Meall Fuar-mhonaigh is a popular local hill, the view from which formed a key component of the design of the Proposed Development.

**13.128** Each of these routes is presented in **Figure 13.1**. Further detail is presented within the **Access Management Plan** of the EIA Report.

**Table 13.21: Recreational Routes within 15km of the Proposed Development**

| Recreational Route                            | Approximate Nearest Distance to the Turbines (km) | Description   |
|---|---|---|
| HI52, HI53, HI67, HI70 and HI71 <sup>27</sup> | 2km   | Selection of core paths   |
| Affric Kintail Way                            | 5km   | Cannich to Altbeith (Section 2 and Section 3)                   |
| Loch Ness 360° Trail                          | 5km   | Invermoriston Section   |
| Great Glen Way                                | 5km   | Includes the Loch Ness 360° Trail and the South Loch Ness Trail |
| Meall Fuar-mhonaigh                           | 7km (approximate distance to summit)              | Path to summit  |
| Great Glen Canoe Trail                        | 7.5km   | Water based route on Loch Ness                                  |
| South Loch Ness Trail                         | 10km  | South side of Loch Ness   |
| The Caledonian Way                            | 10km  | SUSTRANS route of south of Loch Ness                            |
| Trail of Seven Lochs                          | 10km  | South side of Loch Ness   |

### Assessment of Construction Effects on Employment and the Economy

**13.129** The assessment considers construction, operational and cumulative effects. The assessment of effects is based on the project description as outlined in **Chapter 4: Project Description**.

#### Socio-Economic Construction Effects

**13.130** According to a BVG associates report<sup>28</sup> Scotland and the UK capture the majority of the economic value generated by wind farms which are built here. The report suggests that on average, 66% of the total economic value of a wind farm accrues to the UK; 51% of which is in Scotland. Local areas also benefit, with on average, 16.5% of the total value accruing to the local region. Benefits include local employment and service contracts during project operations, direct payments to local economies via land rents, indirect income through business rates and spend on travel, accommodation, and supplies, as well as community benefit packages.

**13.131** A study in 2009<sup>29</sup> showed that a significant number of jobs were created in the wind energy sector with a positive relationship between the megawatts (MW) installed and number of jobs. Over 10 years' later, a study into the economic impact of Scotland's renewable energy sector published in 2021<sup>30</sup> found that a significant amount of the full time equivalent (FTE) employment in renewables was supported by onshore wind (8,780) and offshore wind (4,700). In 2019, the report calculated that Scotland's renewable sector had a turnover of £2.8 billion and approximately 6,440 FTEs. The report highlights that the direct employment of renewable activities is mostly in the electricity & gas, construction, and manufacturing industries, however, the spill-over impacts extend into many other sectors. It is suggested that renewable activities support over 3,000 FTE employment in the wholesale & retail sector, 1,600 FTE employment in professional, scientific & technical services, and 1,800 FTE employment in the admin & support services sector.

**13.132** Wherever reasonably practicable, the Applicant is committed to using local contractors, suppliers, and employees during the construction phase of the Proposed Development. The Highlands has an excellent variety of businesses that have extensive experience and skills in wind farm development. Some of the employment opportunities during the construction phase of the

<sup>26</sup> <https://www.scotlandsgreattrails.com/trail/great-glen-canoe-trail/>

<sup>27</sup> HI 71 also overlaps with part of the Bhlaraidh Wind Farm access which will be used for access to the Site during construction and operation.

<sup>28</sup> BVG Associates (2017). Economic benefits from onshore wind farms. Available at: <https://bvgassociates.com/wp-content/uploads/2017/09/BVGA-18510-Economic-impact-onshore-wind-report-r3.pdf>. Accessed 20/07/2022

<sup>29</sup> Blanco, M.I. and Rodrigues, G. (2009). Direct employment in the wind energy sector: An EU study. Energy Policy. Available at: [https://www.researchgate.net/publication/223854602\\_Direct\\_employment\\_in\\_the\\_wind\\_energy\\_sector\\_An\\_EU\\_study](https://www.researchgate.net/publication/223854602_Direct_employment_in_the_wind_energy_sector_An_EU_study)

<sup>30</sup> Fraser of Allander Institute on behalf of Scottish Renewables (2021). The Economic Impact of Scotland's Renewable Energy Sector. Available at: <https://www.scottishrenewables.com/publications/857-untitled>. Accessed 20/07/2022.

Proposed Development relate to civil engineering, groundworks, electrical works, steel fixing, plant hire, concrete, and aggregates supply.

**13.133** Chapter 4 states that an average workforce of 30 people will be employed during the 18-month construction period for the Proposed Development. Although it is standard practice in economic appraisals to convert temporary employment levels into FTEs, as the construction phase is short term and temporary employment it is assumed that 35 people being employed for 18 months equates to 45.0 Person Years Employment (PYE). The Developer has encouraged local suppliers to register their interest through their website and during exhibitions.

**13.134** Table 13.22 applies both a leakage<sup>31</sup> factor (assuming that all construction jobs will not be secured by local residents) and a displacement<sup>32</sup> factor (assumes that individuals may leave their current employment in order to secure work in the construction project) to arrive at a net employment benefit.

**13.135** A conservative estimate based on comparable projects within the UK is that 10 employees from the turbine supplier (out of a total of 35) will be employed during construction. It is therefore estimated that the regional population will take up to 72% of the direct construction jobs. Notwithstanding this leakage factor of 28%, it is possible that employees from outside the Highlands may choose to live in the region during their period of employment and may also bring their families. This may in turn increase both population and spending levels within the Highlands, as discussed under 'Indirect and Induced Employment and Economic Benefits' below.

**13.136** Displacement of existing employees between sectors can occur where individual projects (such as construction) require a large supply of temporary employment. Individuals may use this opportunity to secure higher paid employment for a defined period, or to redirect their career. This impact is deducted from the gross employment generated as the movement of employees does not necessarily result in their old job being made available to the local economy. This impact is estimated to account for 20% of the construction employment secured by residents moving from their current job.

Table 13.22: Direct Employment Created During Construction

|                         | PYE Employment Created by Wind Farm Construction | PYEs Coming into The Highlands (Leakage) <sup>33</sup> | Displacement from Other Local Economy Sectors <sup>34</sup> | Net Direct PYE Generated in the Local Economy <sup>35</sup> |
|-------------------------|--|--|---|---|
| Construction Employment | 52.5   | 14.7   | 7.6   | 30.2  |

**13.137** Once leakage and displacement figures have been accounted for, it is estimated that there will be 30.2 PYEs generated by the construction of the Proposed Development.

**13.138** In terms of GVA and salary effects of these new jobs, the assessment has drawn on average GVA per head and salaries for the civil engineering sector in THC from the Scottish Annual Business Statistics<sup>36</sup>. This presents an average annual GVA per head effect of £70,953 and an average annual salary effect of £37,134. In relation to 30.2 PYEs this translates to a GVA effect of £2.14 million and a salary effect of £1.12 million as a direct result of employment onsite during the construction of the Proposed Development.

**13.139** The main contractor is likely to be Scotland-based, but it is assumed that whoever is appointed as the main contractor, that a significant proportion of the work will be carried out by sub-contractors and labour resident in the Highlands. The Applicant is committed to giving local businesses opportunities to share in the financial and employment benefits of the construction and operation of the Proposed Development. If consented and constructed, the Proposed Development will also offer opportunities for local businesses including, but not limited to, accommodation providers, hire companies, fencing contractors and tradesmen.

**13.140** The estimated development and construction cost of the Proposed Development is expected to be approximately £85.8 million<sup>37</sup> based on an estimated capital expenditure of £1m per installed MW. Based on economic research for the onshore wind

energy industry<sup>38</sup>, it is anticipated that this value will be divided approximately as follows: development and planning costs (10%); balance of plant (26%); turbines (58%); and grid connection costs (6%). It is anticipated that up to 10% of the overall value of contracts could be realised in the Highlands (up to £8.58 million).

**13.141** This level of expenditure will support the employment forecasts set out above, and this figure can be corroborated through an assessment of turnover: job ratio from figures from the Scottish Annual Business Statistics, which assumes at the Highland level that one civil engineering job is created for every £186k of construction expenditure. Assuming tis figures suggests a local employment effect of 46 PYEs, which is broadly consistent with the 45.0 PYE presented above.

**13.142** As such, it is considered that construction will have an effect of Minor (positive) significance on direct employment and economic benefits for the Highlands.

#### Indirect and Induced Employment and Economic Benefits

**13.143** It is likely that there will be some local employment generated indirectly because of the construction of the Proposed Development. This could include supply chain spin-offs for local businesses and sub-contracted work relating to the transportation of construction workers and materials. The local supply chain spin-offs and sub-contractor work will depend upon local capacity. In terms of local skills, it is considered feasible that during the construction process there will be opportunities for 'up-skilling' of local people either directly or indirectly employed in relation to the Proposed Development. Those employed may develop skills that will be of benefit to the local economy in the longer term, such as project management and/or construction skills which are transferrable to other potential renewable energy developments.

**13.144** Scottish Government 'Type II Multipliers'<sup>39</sup> can be used to assess the likely scale of indirect employment generated, and also induced employment generated by the expenditure of those directly and indirectly employed by the businesses involved with the Proposed Development. The latest 2018 Type II indirect plus induced employment multiplier of 1.82 has been chosen for 'construction'. The relevant GVA multiplier is 2.11 and for salaries it is 1.88.

**13.145** Figures for the total direct, indirect, and induced employment FTEs generated during construction of the Proposed Development are shown in Table 13.23.

Table 13.23: Indirect and Induced Employment During Construction

|                         | Net Direct Effects Generated in the Local Economy | Indirect Plus Induced Multiplier | Additional Indirect and Induced Effects |
|-------------------------|---|----------------------------------|---|
| Construction Employment | 30.2 PYE  | 1.82                             | 55.0 PYE                                |
| Construction GVA        | £2.14 million                                     | 2.11                             | £4.52 million                           |
| Construction Salaries   | £1.12 million                                     | 1.88                             | £2.11 million                           |

**13.146** Construction workers may choose to reside in local accommodation which will further benefit the local economy through spending in local hotels, B&B's, shops and restaurants. It is worth noting RenewableUK research which estimated that the expenditure of workers who visit the local area benefit the accommodation and food service sector to the value of around £7,500 per MW constructed. The wider 'knock-on' impacts can in turn support the supply chain of other activities such as the spending habits of retail operations and accommodation providers. Based on the 85.8MW Proposed Development this suggests a further £644k in construction related expenditure in the local areas during the construction phase.

<sup>31</sup> Leakage refers to the proportion of output which benefit those outside of the project's target area or group. In other words, if the output were employment, the leakage would relate to how many construction jobs would be secured by people who don't live in Highland and Islands.

<sup>32</sup> Displacement refers to the proportion of project outputs accounted for by reduced outputs elsewhere in the region.

<sup>33</sup> Assumed to be 28% of 52.5 PYE employment.

<sup>34</sup> Assumed 20% of 37.8 PYE employment.

<sup>35</sup> FTE employment (52.5) minus leakage (14.7) and minus displacement (7.6).

<sup>36</sup> Scottish Government (2021). Scottish Annual Business Statistics

<sup>37</sup> Estimated MW output (85.8MW) x £1 million.

<sup>38</sup> Biggar Economics (2015) Onshore Wind Economic Benefits: Northern Ireland renewables industry group – October 2015 [online]. Available at: <https://biggareconomics.co.uk/northern-ireland-renewables-industry-group-october-2015>

<sup>39</sup> Scottish Government (2019) Input-Output Tables and Multipliers for Scotland [online]. Available at:

<https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2019/08/input-output-latest/documents/all-tables-all-years/all-tables-all-years/govscot%3Adocument/SUT-98-17.xlsx>

**13.147** The effect of the creation of 55.0 additional direct, indirect and induced PYEs, £4.52 million in GVA effects and salary effects of £2.11 million and wider expenditure benefits in the region of £644k is of Minor (positive) significance for the local employment and economic benefits within the Highlands.

#### Proposed Mitigation

**13.148** No mitigation measures have been considered for the Proposed Development as there are no significant adverse effects anticipated. However, there are potential enhancement measures which the Applicant is considering to maximise local economic opportunities. These include initiatives around maximising the role of local suppliers, including sharing information on contract opportunities and hosting 'meet the developer' events. The Applicant has sought to progress these activities throughout the application period with an open register for local suppliers and engagement with business and tourism bodies, including Inverness Chamber of Commerce. The Applicant has previously carried out this form of engagement on other projects in the region, leading to contracts being awarded to local suppliers on the Baillie and Berry Burn Wind Farms during their construction and operation.

#### Residual Construction Effects

**13.149** There are potential Minor positive significant effects in relation to the construction phases of the Proposed Development, both in employment and GVA terms in the context of local economy.

### Assessment of Operational Effects on Employment and the Economy

#### Socio-Economic Operational Effects

##### Direct Employment and Economic Benefits

**13.150** Due to their remote operational control and limited need for servicing, wind farms do not create large numbers of jobs during the operational stage. It is expected that about 2 FTE staff will be employed to operate the Proposed Development and undertake routine maintenance work during its lifetime (35 years). It is assumed that 80% of these jobs could be filled by regional technicians (giving a leakage factor of 20%). Therefore, the operational phase of the Proposed Development will directly generate 1.6 FTE employees<sup>40</sup>. Displacement is not considered likely during the operational phase.

**13.151** In terms of GVA and salary effects of these new jobs, the assessment has drawn on average GVA per head and salaries for the professional, scientific and technical sector in the Highlands from the Scottish Annual Business Statistics<sup>41</sup>. This presents an average annual GVA per head effect of £37,126 and an average annual salary effect of £20,748. In relation to 1.60 FTEs this translates to an annual GVA effect of £59k and an annual salary effect of £33k as a direct result of employment onsite during the operation of the Proposed Development. Over the operating lifetime of the Proposed Development, 35 years, this equates to a GVA effect of £2.4 million and a salary effect of £1.3 million (in 2023 prices).

**13.152** A Minor (positive) effect is therefore likely in relation to direct employment generation.

**13.153** It is proposed that the Applicant will provide annual community benefit fund payments. The fund could be used by local community groups to secure long-term economic benefits and will act as a significant contribution to meeting local developmental aspirations. The Applicant will pay £5,000 per MW of installed capacity per annum into the fund. This equates to £429,000<sup>42</sup> of income per annum, or over £15.0 million over the 35-year operational life of the Proposed Development, subject to the eventual turbine type installed and capacity installed.

**13.154** The Applicant is not prescriptive in the way the Community Benefit Funds are administered or can be used but are keen to ensure Community Benefit Funding meets local needs and delivers projects which can meet short term needs and deliver long term sustainable benefits to the local community. Examples of previous projects funded have included education activities, Sustainable energy schemes and schemes to promote recreation.

**13.155** A **Moderate (positive)** effect is predicted for the Proposed Development in relation to direct economic benefits.

<sup>40</sup> 0.80\*2 FTEs.

<sup>41</sup> Scottish Government (2020): Scottish Annual Business Statistics. Available at <https://www.gov.scot/publications/scottish-annual-business-statistics-2020/>

<sup>42</sup> 85.8MW x £5,000.

#### Indirect and Induced Employment and Economic Benefits

**13.156** It is likely that there will be some local employment generated as an indirect result of the operation of the Proposed Development, and this will be associated with indirect and induced employment effects resulting from increased household expenditure among those individuals who have gained employment both directly and indirectly because of operation of the Proposed Development. The Scottish Government Type II Multipliers suggest that the appropriate indirect plus induced employment multiplier to apply to the operational direct employment for repair and maintenance jobs will be 1.85. The relevant GVA multiplier is 1.78 and for salaries it is 1.63. Figures for the total estimated direct, indirect and induced FTEs generated during operation of the Proposed Development are shown in **Table 13.24**.

Table 13.24: Annual Indirect and Induced Employment During Operation

|                            | Net Direct Effects Generated in the Local Economy | Indirect Plus Induced Multiplier | Additional Indirect and Induced Effects <sup>43</sup> |
|----------------------------|---|----------------------------------|---|
| Operational FTE Employment | 1.60  | 1.85                             | 2.96  |
| Operation GVA              | £59k  | 1.78                             | £105k   |
| Operation Salaries         | £33k  | 1.63                             | £53.8k  |

**13.157** The potential annual indirect and induced job creation of 2.96 FTEs, £105k in GVA terms and £53.8k in salary terms from the operation of the Proposed Development over 35 years is considered to be of Minor (positive) significance for the local economy in terms of indirect and induced employment and economic benefits. Over the 35 year lifetime of the Proposed Development this equates to a GVA effect of £3.7 million and a salary effect of £1.9 million. There is also the potential for employment and local spending to be generated from projects associated with the community benefit payments which is not accounted for.

**13.158** Furthermore, the study undertaken for RenewableUK into the economic impacts of onshore wind (2012)<sup>44</sup> concluded that there were a number of additional economic benefits associated with onshore wind farms in addition to direct employment and supply chain benefits. Examples cited include:

- Impacts on landowners providing the option for them to:
  - Manage energy consumption;
  - Green their business (reducing carbon impact by setting up turbines on their premises);
  - Diversify their businesses (using the development of wind farms to support other operations).
- Community ownership and investment in wind energy, which can provide income to help other economic and social development projects;
- Wildlife and habitat management and enhancement projects which help support the local area and, in some cases, provide employment; and
- Investment in local infrastructure such as access roads which brings wider benefits to the local economy and community, including longer-term benefits as a result of the improvements to infrastructure.

**13.159** Furthermore, there are local and national exchequer effects such as income tax and National Insurance Contribution, Non-Domestic Rates and Corporation Tax effects as a result of the Proposed Development. Adopting a conservative approach, indirect economic benefits from the Proposed Development will result in a Minor (positive) effect to the local economy.

#### Residual Operational Effects

**13.160** A **Moderate (positive)** effect is predicted for the Proposed Development in relation to direct economic benefits.

<sup>43</sup> Net direct FTEs (1.6) x indirect and induced multiplier (1.5).

<sup>44</sup> Renewable UK (2012) Onshore wind: direct and wider economic impacts [online]. Available at: <https://www.gov.uk/government/publications/onshore-wind-direct-and-wider-economic-impacts>



**13.161** There are potential Minor beneficial effects in relation to the construction phases of the Proposed Development, both in employment and GVA terms in the context of the local economy.

### Assessment of Effects on Recreation and Tourism

**13.162** Given the overlapping nature of recreational and tourism receptors, the recreational and tourism effects are considered together below, informed by on a review of primary and secondary research as well as review of recreational and tourism assets and the ZTVs and findings of **Chapter 6**. This section does not consider the different effects at construction and operational stages, but does make comment on the likely effects at different stages of development, with more of a focus on the likely effects once the Proposed Development is operational.

#### Primary Research

**13.163** MKA Economics worked with VILN in 2022 to ascertain the views of local businesses and stakeholders as to the effects of renewable developments around Loch Ness and their effect of tourism. A summary of the findings is included as **Appendix 13.2** to this Chapter. The online survey of local businesses found that only 10% of respondents noted that they were not supportive of wind farms in the Loch Ness area, this is consistent with VisitScotland's own research of consumers, which stated that 90% of visitors were not dissuaded from visiting or revisiting an area which had sight of a wind farm. Only 19% of respondents felt that visitors may be persuaded from visiting an area due to the presence of a wind farm, this is above the national VisitScotland research, suggesting businesses are slightly more nervous than visitors about the impact of wind farms on local tourist trade.

**13.164** MKA Economics consulted with the CEO of VILN as part of the research, as well as VisitScotland, Highland Tourism, THC Tourism and a Highland Tourism Ambassador). In summary, the key stakeholders embraced the opportunities afforded by renewable development and investments and recognised the benefits for tourism and community groups as a result of wind farm and renewable infrastructure in the Loch Ness area.

**13.165** VILN now have almost 500 tourism business members, of which 85% are accommodation providers. VILN has received considerable positive feedback about renewables, low carbon, the heritage of hydro power and the important role renewables and tourism play locally. This was consistent with the consultations with the other stakeholders.

**13.166** Essentially, it validated the national research which noted no significant adverse effects, in fact it was noted that Urquhart Castle numbers increased from 180k pa in 2005 to 520k in 2019, whilst wind farms increased locally. Other statistics show that in Scotland the number of turbines increased from 1,082 in 2009 to 3,772 in 2019, and the installed capacity increased from 1.9GW to 8.0GW – while employment in tourism-related sectors in Scotland also grew by 20% during this decade.

**13.167** The green economy, net-zero drive and green tourism can work together to bring a number of benefits to the Highland area.

#### Secondary Research

**13.168** There have been a number of research exercises completed regarding the opinions of tourists towards wind farms. A summary of the most relevant and highly regarded research is included below.

**13.169** The Economic Impacts of Wind Farms on Scottish Tourism study by Glasgow Caledonian University<sup>45</sup> is perhaps the most comprehensive on the impacts of wind farms on tourism in Scotland, covering the areas of Caithness and Sutherland, Perth Kinross and Stirling, Dumfries and Galloway, and the Scottish Borders.

**13.170** The research presented findings from a number of surveys, the review of secondary research suggests that on average around 91.3% of tourists surveyed were not discouraged from visiting an area containing a wind farm, when reviewing more recent and Scottish based results the figure is nearer 95%. Overall, the study concluded that; "...the findings from both primary and secondary research relating to the actual and potential tourism impact of wind farms indicate that there will be neither an overall decline in the number of tourists visiting an area nor any overall financial loss in tourism-related earnings as a result of a wind farm development."

**13.171** The subsequent report from the Economy, Energy and Tourism Committee<sup>46</sup> presented a number of findings, including the following points in regard to the relationship between renewable energy targets and tourism objectives: *"While some strongly held localised and anecdotal opinion exists, the Committee has seen no empirical evidence which demonstrates that the tourism industry in Scotland will be adversely affected by the wider deployment of renewable energy projects, particularly onshore and offshore wind."*

**13.172** The report also found: *"Whilst care always needs to be taken in terms of the planning process and decisions on the siting of individual projects in areas popular with tourists and in our rural and wild land areas, no one has provided the Committee with evidence, as opposed to opinion"*.

**13.173** A 2012 report commissioned by the Scottish Government<sup>47</sup> subsequently found that the findings of the Glasgow Caledonian University report were robust, and that there had been no adverse effect on tourism in the areas considered in the original report.

**13.174** Since the study by Glasgow Caledonia University was produced in 2012, there has been a significant growth in both the installed capacity of onshore wind energy in Scotland and the tourism economy. In 2008, there was 1.7GW of installed wind energy capacity in Scotland, and by 2017, this had increased to 7.6GW. If there were to be adverse effects for the tourism sector associated with the development of onshore wind energy, they would have become apparent in this time period; however, this is not the case.

**13.175** In 2011, VisitScotland commissioned Wind Farm Consumer Research<sup>48</sup> into attitudes of tourists towards wind farms, which surveyed 2,000 people in the UK and 1,000 people in Scotland, who had visited Scotland recently. Although the majority (86-91%) were in agreement about the importance of the natural scenery and landscape, for most of the respondents (80-83%) their decision to stay in the UK for a short holiday would not be affected by the presence of a wind farm. In general, the respondents did not feel that wind farms ruined the tourism experience.

In response to criticism in 2015 that this research was now out of date, VisitScotland indicated that it planned to update the work and in a newspaper article a spokesperson said that: *"VisitScotland supports the drive for renewable energy and recognises the potential of Scotland's vast resource. It is well documented that the vast majority of potential visitors would not be discouraged from visiting Scotland on account of windfarm developments. Windfarms and other renewable energy projects are a part of the landscape in nearly every destination in the world"* (Press and Journal, 2015).

**13.176** In 2012, an inquiry was held by the Scottish Parliament's Economy, Energy and Tourism Committee into the achievability of the Scottish Government's renewable energy targets.

This included a review of some of the evidence presented above. In the final report, entitled Report on the Achievability of the Scottish Government's Renewable Energy Targets<sup>49</sup> the committee concluded that: *"Several witnesses made assertions that there would be a negative impact on Scotland's tourism industry from renewable developments. However, these assertions were contradicted by research evidence from VisitScotland and others. Whilst care always needs to be taken in terms of the planning process and decisions on the siting of individual projects in areas popular with tourists and in our more rural and remote rural areas, no witness has provided the Committee with robust, empirical evidence, as opposed to anecdotal comment and opinion, that tourism is being negatively affected by the development of renewable projects. However, given the importance of this issue, the Committee recommends that VisitScotland and the Scottish Government continue to gather, and take account of, evidence from visitors to Scotland."*

**13.177** In 2014, Mountaineering Scotland, a membership body that represents Scottish hillwalkers and mountaineers, conducted a survey<sup>50</sup> of its members, which found that wind farms had an adverse effect on Scottish mountaineering, with many responding that they would avoid areas with wind farms. Wind farms were also found to reduce the scale of Scottish tourism. However, the survey has attracted criticism, including from its own members, some of whom felt that it was difficult to express positive attitudes about wind farms and that questions were biased in favour of negative opinions. The questions were also asking about future behaviour, which may be different in practice. Furthermore, given Mountaineering Scotland's history of opposition to wind farms, it may not be considered independent, and the survey was conducted without independent oversight.

**13.178** In 2016, Mountaineering Scotland conducted another survey<sup>51</sup> of its members, which aimed to address some of the issues raised by the previous survey such as asking about current behaviour, and asking more neutral questions about wind farms. As with the earlier study, however, it also lacked independent oversight, and therefore, may not be representative of broader groups of hill walkers or tourists more widely. There is also no reason to expect the survey results to be representative of tourists more generally.

<sup>45</sup> Glasgow Caledonian University (2012), Economic Impacts of Wind Farms on Scottish Tourism

<sup>46</sup> Scottish Parliament (2012), Economy, Energy and Tourism Committee Report

<sup>47</sup> Scottish Government (2012), ClimateXChange,

<sup>48</sup> VisitScotland (2011), Wind Farm Consumer Research

<sup>49</sup> Scottish Parliament Economy, Energy and Tourism Committee (2012), Achievability of the Scottish Government's Renewable Energy Targets

<sup>50</sup> Mountaineering Scotland (2014), Member Survey

<sup>51</sup> Mountaineering Scotland (2016), Member Survey

When asked about the impact of wind farms on plans to walk and climb, the majority of respondents (75%) answered that wind farms have no effect on their plans, although some expressed that they may decrease their enjoyment. Some (22%) responded that they go as often, but avoid areas with wind farms, while 1% go to the mountains less. However, 2% of respondents said they go to the mountains more often and like to see wind farms. This would suggest that the development of wind farms in Scotland would have an overall positive impact on the number of people who participate in hill walking; however, it may change which parts of the country that recreational walkers utilise.

**13.179** A more recent, and regular, piece of research is issued quarterly by the Department of Energy and Climate Control (DECC), in their 'Public Attitudes Tracker'<sup>52</sup>. In December 2021, this reported that support for renewable energy remained steady at 87%. Levels of support have remained between 74% and 85% since the question was first asked in March 2012. Opposition to renewable energy remained at its lowest point across the tracker at 1%, having previously fluctuated between 2% and 5% between March 2012 and June 2020. The current levels are the highest they have been in terms of support for renewables and the lowest opposing renewables since the survey commenced in 2012.

**13.180** BiGGAR Economics<sup>53</sup> published research into the relationship between the onshore wind and tourism sectors in Scotland. This study was undertaken to find empirical evidence of a relationship between the development of onshore wind farms and the tourism sector in Scotland. Their analysis of 44 wind farm case studies in Scotland found no evidence of a link between wind farm development and trends in tourism employment. The analysis of trends at the local authority area found no relationship between the growth in the number of wind turbines and the level of tourism-related employment.

**13.181** Overall, the secondary research completed to date confirms that the tourism sector is not adversely affected by onshore wind farms. In fact, the tourism sector has continued to grow across Scotland as more wind farms have been developed. This position is expected to be the same for both construction and operational phases of the Proposed Development.

#### Assessment of Effects on Accommodation Providers

**13.182** The research on wind farms and tourism finds no evidence of adverse effects on the tourism sector. Nevertheless, this section considers whether there are locations where tourism behaviour in relation to accommodation providers might change.

**13.183** Therefore, the proposition that tourism accommodation businesses offer, including the focus of their marketing, is relevant to assessing whether any behavioural changes might be expected.

**13.184** In each of the settlement areas identified in the baseline, accommodation providers primarily market themselves as a base for those visiting Loch Ness, including the Loch Ness Centre and Exhibition in Drumnadrochit and the Caledonian Canal at Fort Augustus, and the surrounding area and using the local walking and cycling routes. This often includes the mention of scenic views.

**13.185** Invermoriston is located south of the Proposed Development and the views over Loch Ness will be in the opposite direction to that of the Proposed Development. There is also the existing Bhlairaidh Wind Farm and consented Bhlairaidh Wind Farm Extension between the Site and Invermoriston.

**13.186** Therefore, the marketing and tourism offering that accommodation providers offer is unlikely to be affected by the Proposed Development and unlikely to result in any impact on tourists' behaviour. Therefore, its effect has been assessed as negligible.

**13.187** It is recognised, and as set out in the earlier that the visitor accommodation sector will also witness an increase in trade as a result of workers visiting the area during construction and operational phases.

#### Assessment of Effects on Visitor Attractions and Recreation

**13.188** The assessment in this section considers the recreational routes within 15km of the Site and whether the presence of the Proposed Development would impact on visitors' decision to recreate in the area. Potential effects on visitor attractions are also considered.

**13.189** Of the top five visitor attractions in the Highlands, only Urquhart Castle is located within the 15km study area however as detailed in **Chapter 10: Cultural Heritage**, there will be no theoretical visibility between Urquhart Castle and the Proposed Development. There will be some in-combination views of Urquhart Castle and the Proposed Development from limited locations on Loch Ness and the eastern shores, however no significant effects are identified. It can therefore be concluded there will be no

significant effect on Urquhart Castle as a visitor attraction. Furthermore, as noted above, Urquhart Castle visitor numbers increased from 180k pa in 2005 to 520k in 2019, whilst wind farms increased locally.

**13.190** Based on the evidence noted above in relation to the primary and secondary research undertaken in relation to the effects of wind farm on tourism, including in relation to visitor numbers at Urquhart Castle, it is considered that it is unlikely that the Proposed Development will affect visitors' decision to visit any of the attractions noted above and therefore no significant effects are predicted.

**13.191** Predicted significant visual effects of the Proposed Development in relation to viewpoints (VPs) of relevance to recreation and/or tourism (as detailed in **Chapter 6**), either as tourist attractions or potential stopping points, and in relation to popular recreation walking or driving routes, within approximately 15km, are outlined below:

- Viewpoint 1 – Affric Kintail Way, near Braefield: **Significant (Moderate)**;
- Viewpoint 2 – Meall Fuar-mhonaidh: **Significant (Moderate)**;
- Viewpoint 5 – Coire Loch Trail, Glen Affric: **Significant (Moderate)**;
- Viewpoint 8 – B862 Suidhe Viewpoint: **Significant (Moderate)**;
- Viewpoint 9 – Meall Mor, Glen Affric: **Significant (Moderate)**; and
- Viewpoint 10 – Creag Dhubh: **Significant (Moderate)**.

**13.192** Two viewpoints of relevance to recreation and/or tourism within 15km where the predicted visual effects are Not Significant are outlined below:

- Viewpoint 4 – Affric Kintail Way West of Cannich: Not significant (Minor); and
- Viewpoint 6 – B862 near Whitebridge: Not significant (Minor).

**13.193** **Chapter 6** and concluded significant effects on the following routes:

- Affric Kintail Way: **Significant (Moderate)** (localised extents), reducing not significant for the route as a whole;
- The Caledonia Way cycle route and the South Loch Ness Trail: **Significant (Moderate)** (localised extents), reducing to not significant for the route as a whole; and
- Rights of way (Other Route - H/HI53/1; Recorded Right of Way HI/HI67/1; Other Route HI/HI71/1; and Other Route HI/HI70/1): **Significant (Moderate)**.

**13.194** A significant effect was also predicted in **Chapter 6** on Glen Affric NSA (**Moderate**) as experienced by recreational receptors, but this is limited to within localised extents.

**13.195** The effect which changes in views will have on recreational activity will depend on the personal opinion of the viewer and is subjective; some people may be predisposed to dislike wind turbines while others could view them as complementary to the landscape. As a consequence, the alteration in views from surrounding areas (including hill summits and walking routes) may influence some individuals in their choice of location to visit or recreational activities to undertake. However, on balance, it is not considered that the changes in views from the viewpoints and routes assessed (from which recreational users will be receptors) will result in a significant negative effect on informal recreation. As such, the significance of the overall effect on visitor attractions and recreation is considered to be Minor and not significant.

#### Proposed Mitigation and Enhancement

**13.196** Statkraft is committed to giving back to the local community both through community funds and through working with local suppliers. The relationships forged with local suppliers help projects to become successes and provide valuable investment in the local area. An example of this supply chain benefits includes work with Blargoans on the Baillie Wind Farm<sup>54</sup>.

**13.197** Furthermore, Statkraft is working with the University of the Highlands and Islands Statkraft, Europe's largest renewable power generator, has announced a STEM Scholarship Fund in partnership with the University of the Highlands and Islands (UHI) to support two £3,000 scholarships each year for the duration of a student's course at UHI. Once underway, it will mean a contribution of

<sup>52</sup> DECC (2021), Public Attitudes Tracker

<sup>53</sup> BiGGAR Economics (2021), Onshore Wind and Tourism in Scotland

<sup>54</sup> [https://www.statkraft.co.uk/globalassets/0/uk/0--projects/wind/baillie/supplier\\_story\\_blargoans.pdf](https://www.statkraft.co.uk/globalassets/0/uk/0--projects/wind/baillie/supplier_story_blargoans.pdf)



£18,000 per year, with six students at UHI receiving support from Statkraft at any one time, and represents a minimum investment of £72,000<sup>55</sup>.

**13.198** The Applicant is planning to provide support to enable the upgrading of the Meall Fuar-mhonaigh path, which will enhance access and enjoyment of the area. This is based on an initial walkover undertaken by a trained mountain guide, followed by discussions with THC and a subsequent Red Level Survey of the route. All information gathered highlighted the popular but degraded nature of the existing route and the need for significant work to ensure that the route remained accessible for walkers. Without these enhancements, the route is expected to become inaccessible to less experienced walkers and climbers as it continues to degrade. The work undertaken by the Applicant is expected to ensure that the route continues to contribute the leisure and wellbeing of locals and visitors. Full details are provided in the Access Management Plan. This is not considered mitigation, but is an enhancement measure which will be taken forward subject to consent being granted for the Proposed Development.

#### Residual Effects on Recreation and Tourism

**13.199** The residual effects will remain Minor and therefore not significant.

### Assessment of Cumulative Construction Effects on Employment and the Economy

#### Predicted Cumulative Effects during Construction

**13.200** The cumulative effects of the construction phase of the Proposed Development along with the cumulative sites as shown on **Figure 6.7a** and **6.7b** would generate additional construction related spend, employment and GVA.

**13.201** Other wind farm activity across the Highlands suggests there is a substantial economic opportunity in terms of cumulative investment and resultant employment effects as local capacity to take up the opportunities grow.

**13.202** The addition of the Proposed Development will positively contribute to this and could result in increased beneficial effects in terms of job creation and opportunities for local businesses. It is anticipated that when considering the schemes cumulatively, there would therefore be a Minor beneficial effect on the economy during construction.

#### Proposed Mitigation

**13.203** No mitigation measures have been considered for the Proposed Development as there are no significant adverse effects anticipated.

#### Residual Cumulative Effects during Construction

**13.204** There are no significant adverse effects anticipated for the Proposed Development.

**13.205** There are potential Minor beneficial effects in relation to the construction phase of the Proposed Development, both in employment and GVA terms in the context of local and national economies.

### Assessment of Cumulative Operational Effects on Employment and the Economy

#### Predicted Cumulative Effects during Operation

**13.206** The cumulative effects of the operation phase of the Proposed Development along with other schemes considered in the cumulative assessment would generate additional operation related spend, employment and GVA.

**13.207** This scale of wind farm activity in the area suggests there is a substantial economic opportunity in terms of cumulative investment and resultant employment impacts as local capacity to take up the opportunities grow.

**13.208** The addition of the Proposed Development will positively contribute to this and could result in increased beneficial effects in terms of job creation and opportunities for local businesses. It is anticipated that when considering the schemes cumulatively, there would therefore be a minor beneficial effect on the economy during operation.

#### Proposed Mitigation

**13.209** No mitigation measures have been considered for the Proposed Development as there are no significant adverse effects anticipated.

#### Residual Cumulative Effects during Operation

**13.210** There are no significant adverse effects anticipated for the Proposed Development.

**13.211** There are potential Minor beneficial effects in relation to the operational phase of the Proposed Development, both in employment and GVA terms in the context of local and national economies.

### Assessment of Cumulative Effects on Recreation and Tourism

#### Assessment of Cumulative Effects on Accommodation Providers

**13.212** It is possible that the construction of the Proposed Development simultaneously with other schemes nearby could lead to a greater decrease in the availability of tourist accommodation within the area surrounding the Site, particularly as there are limited accommodation opportunities within the local area. However, it is unlikely that this would cause a significant effect, and businesses would benefit during the 'off peak' season when there would usually be less demand for accommodation, therefore, a Negligible cumulative effect is predicted.

**13.213** The Site is in a remote location where there isn't a high density of consented wind farm schemes which could cumulatively impact public access in the local area. Therefore, whilst **Moderate**-Minor cumulative effects on public access and recreation are predicted, these effects are effectively already accounted for when the Proposed Development is considered in isolation.

#### Proposed Mitigation

**13.214** No additional mitigation is proposed above what is accounted for the Proposed Development in isolation.

#### Residual Cumulative Effects on Accommodation Providers

**13.215** All residual cumulative effects during construction remain as per above.

#### Assessment of Cumulative Effects on Visitor Attractions and Recreation

**13.216** **Chapter 6** also assesses cumulative effects on visual receptors of relevance to public access, recreation and tourism (As discussed in operational effects section above). Given the varied status, and therefore certainty, associated with un-built wind farms across the Study Area the Cumulative Landscape and Visual Amenity Assessment has been structured so as to report on two potential development scenarios:

- Scenario 1: Higher level of certainty: the addition of the Proposed Development to a landscape with operational, under construction and consented wind farms; and
- Scenario 2: Lower level of certainty: the addition of the Proposed Development to a landscape with operational, under construction, consented and undetermined valid planning applications.

**13.217** Predicted cumulative visual effects for Scenario 1 and Scenario 2 of the Proposed Development in relation to viewpoints (VPs) of relevance to recreation and/or tourism, either as tourist attractions or potential stopping points, and in relation to popular recreation walking or driving routes, within approximately 15km, are outlined below:

- Viewpoint 1 – Affric Kintail Way, near Braefield: **Significant (Moderate)**:
  - No additional or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.
- Viewpoint 2 – Meall Fuar-mhonaigh: **Significant (Moderate)**:
  - Scenario 1 **Significant (Moderate)**;

<sup>55</sup> <https://www.statkraft.co.uk/newsroom/2023/uhi-scholarships/>

- Scenario 2 **Significant (Moderate)**.
- Viewpoint 3 – Balbeg: Not Significant (Minor):
  - No additional or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.
- Viewpoint 4 – Affric Kintail Way West of Cannich: Not significant (Minor):
  - **No additional or total cumulative visual effects** are predicted to occur for either cumulative assessment scenario.
- Viewpoint 5 – Coire Loch Trail, Glen Affric: **Significant (Moderate)**:
  - Scenario 1 not significant (Negligible);
  - Scenario 2 **no additional effects**.
- Viewpoint 6 – B862 near Whitebridge: Not significant (Minor):
  - Scenario 1 not significant (Minor);
  - Scenario 2 **no additional effects**.
- Viewpoint 7 – A833 near Balnagrach: Not significant (Minor):
  - **No additional** or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.
- Viewpoint 8 – B862 Suidhe Viewpoint: **Significant (Moderate)**:
  - Scenario 1 not significant (Minor);
  - Scenario 2 not significant (Minor).
- Viewpoint 9 – Meall Mor, Glen Affric: **Significant (Moderate)**:
  - Scenario 1 **Significant (Moderate)**;
  - Scenario 2 **Significant (Moderate)**.
- Viewpoint 10 – Creag Dhubh: **Significant (Moderate)**:
  - Scenario 1 not significant (Minor);
  - Scenario 2 not significant (Minor).
- Affric Kintail Way: **Significant (Moderate)** (localised extents), reducing to low for the route as a whole:
  - **No additional** or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.
- The Caledonia Way cycle route and the South Loch Ness Trail: **Significant (Moderate)** (localised extents), reducing to low for the route as a whole:
  - Scenario 1 not significant (Minor);
  - Scenario 2 not significant (Minor).
- Rights of way (Other Route - H/HI53/1; Recorded Right of Way HI/HI67/1; Other Route HI/HI71/1; and Other Route HI/HI70/1): **Significant (Moderate)**:
  - **No additional** or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.
- Glen Affric NSA: **Significant (Moderate)** limited to local extents:
  - **No additional** or total cumulative visual effects are predicted to occur for either cumulative assessment scenario.

**13.218** The overall cumulative effect on visitor attractions and recreation is considered to be of Minor significance, for the reasons outlined above for the Proposed Development in isolation.

#### Proposed Mitigation

**13.219** No additional mitigation is proposed above what is accounted for the Proposed Development in isolation.

#### Residual Cumulative Effects on Accommodation Providers

**13.220** All residual cumulative effects during remain as per above.

#### Wider Socio-Economic Effects

**13.221** It is anticipated that the Proposed Development will have wider beneficial effects that are not possible to quantify at this stage. Nevertheless, these would be expected to have positive effects on the local and national economies including:

- **Community benefit funds and shared ownership offers:** The intended community benefit package for the Proposed Development includes a community benefit fund estimated to provide £429,000 (based £5,000 per MW installed capacity with 13 6.6MW turbines) and an opportunity for the local community to invest in the Proposed Development once operational. Income streams from this community benefits package are expected to provide long term revenue to support local community initiatives. The Applicant has undertaken to be led by the community on the design and operation of the community benefits scheme, ensuring that it reflects the needs and desires of the surrounding communities. Depending on the initiatives and projects brought forward by the local community these could provide positive benefits to the local economy, local facilities and the general quality of life for local residents. Projects supported through similar schemes run by the Applicant have seen investment in new business grants, refurbishment of public spaces such as parks and support for initiatives intended to encourage more visitors to the area.
- **Income effects:** the economic analysis has focused on the GVA effects of generated employment as this is the 'real' impact on the economy. However, it is worth noting that new employment will generate additional wages and salaries, much of which will be spent in the UK.
- **Exchequer effects:** the analysis has not attempted to estimate the additional exchequer effects as result of taxes borne (Corporation Tax, Employer National Insurance and Irrecoverable VAT) and taxes collected (Income Tax, Employee National Insurance and non-domestic business rates). These are additional financial benefits which will support the regional and national economies.
- **Effects on land owners:** there will be a financial transaction to the land owners which may support diversification and/or other spending in the local, regional and national economy.

#### Summary of Significant Effects

**13.222** A **Moderate** (positive) effect is predicted for the Proposed Development in relation to direct economic benefits during operation. No other significant effects are predicted.