Galileo 05 Limited

# Lynemore Wind Farm

## Chapter 12: Socioeconomics, Land use, Tourism and Recreation

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# RSK GENERAL NOTES

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# TABLE OF CONTENTS


12.1 INTRODUCTION ..... 12-1
12.2 PROJECT DESCRIPTION ..... 12-1
12.3 LEGISLATION, POLICY AND GUIDANCE ..... 12-1
12.4 CONSULTATION UNDERTAKEN ..... 12-6
12.5 SCOPE OF ASSESSMENT ..... 12-6
12.6 APPROACH TO ASSESSMENT ..... 12-10
12.7 EXISTING ENVIRONMENT ..... 12-17
12.8 PREDICTED IMPACTS ..... 12-23
12.9 RECREATION ..... 12-31
12.10 CUMULATIVE EFFECTS ..... 12-34
12.11 SUMMARY OF EFFECTS ..... 12-35
12.12 MAXIMISING SOCIO-ECONOMIC BENEFITS ..... 12-35
12.13 REFERENCES ..... 12-38

## TABLES

Table 12.1: Consultation responses ..... 12-6
Table 12.2: Receptor value and sensitivity criteria ..... 12-14
Table 12.3: Definition of impact magnitude criteria ..... 12-15
Table 12.4: Significance of effect matrix ..... 12-16
Table 12.5:Population by age group at the local, regional and national scale ..... 12-17
Table 12.6: Population projections from 2018 – 2043 at the regional and national scale. ..... 12-18
Table 12.7: Employment by industry at the local, regional and national scale. ..... 12-19
Table 12.8: Business enterprise sizes at the regional and national scale. ..... 12-20
Table 12.9: Employment by occupational group at the regional and national scale. ..... 12-20
Table 12.10: Economic activity rates at the local, regional and national scale. ..... 12-21
Table 12.11: Qualification Levels at the local, regional and national scale. ..... 12-22
Table 12.12 Development and co nstruction spend by contract type ..... 12-23
Table 12.13: Development and construction expenditure at a local, regional and national scale. . 12-24
Table 12.14: Gross Employment and GVA estimates at a regional and national scale ..... 12-25
Table 12.15: Direct GVA by contract type and study areas. ..... 12-25
Table 12.16: Job years generated by contract type for each study area ..... 12-26
Table 12.17: Leakages and Displacement for each study area ..... 12-26
Table 12.18: Indirect and Induced multipliers in the Highlands and Scotland. ..... 12-27
Table 12.19: Estimated net construction phase employment and economic impact of the Proposed Development ..... 12-27
Table 12.20: Operations and Maintenance expenditure by study area per annum ..... 12-29
Table 12.21: Estimated GVA and turnover per employee (operation and maintenance) ..... 12-29
Table 12.22: Gross annual operation and maintenance economic impacts of the Proposed Development ..... 12-30
Table 12.23: Leakages and Displacement for each study area ..... 12-30
Table 12.24: Type II employment and GVA multipliers in the Inner Moray Firth, Highlands and Scotland ..... 12-30
Table 12.25: Total operational and maintenance economic impact of the Proposed Development 12-31

# 12 SOCIOECONOMICS, LAND USE, TOURISM AND RECREATION

## 12.1 Introduction

12.1.1 The objective of this assessment is to consider the potential socio-economic effects associated with the construction, operation and decommissioning of the proposed Lynemore Wind Farm (hereafter referred to as "the Proposed Development"). This includes consideration of existing land uses within the Site, employment generation, recreation and tourism activity, and the Proposed Development's direct, indirect and induced economic effects.

## 12.2 Project Description

12.2.1 The Applicant is proposing to construct the Proposed Development on the Lynemore Estate, approximately 2 kilometres (km) Southwest of Moy, and entirely within the administrative area of the Highland Council local planning authority. The Proposed Development comprises the construction of up to 14 turbines, with maximum tip heights of up to 200 m, a co-located Battery Energy Storage System (BESS), storing up to 50 Megawatts (MW), and ancillary infrastructure. A full description of the Proposed Development can be found in **Chapter 2: Proposed Development**. The installed generating capacity of the Proposed Development's wind farm is estimated to be approximately 98 MW.

## 12.3 Legislation, policy and guidance

### Relevant legislation

12.3.1 Currently, there is no specific legislation relevant to socio-economics. Therefore, this assessment is informed by applicable policy, guidance on best practices, and professional experience and industry standards.

### National policy context

*National Performance Framework*

12.3.2 The National Performance Framework (Scottish Government, 2023) sits at the top of the policy hierarchy in Scotland, with all other policies and strategies designed to meet its purpose and outcomes. The purpose of the National Performance Framework is "to focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth". The Proposed Development will contribute to the achievement of the national outcomes set out in the National Performance Framework. Investment in renewable energy can increase productivity in the economy and, by creating jobs in the local area, the Proposed Development will contribute to inclusive growth. It also supports sustainability and the transition to Net Zero, by increasing the generation of renewable energy.

*National Strategy for Economic Transformation*

12.3.3 In March 2022, the Scottish Government published the National Strategy for Economic Transformation (Scottish Government, 2022), which set out its ambition for Scotland's economy over the next decade to create a wellbeing economy where society thrives across economic, social and environment dimensions. This strategy recognises that Scotland has substantial energy potential and that it has developed a growing green industrial base. This provides a strong foundation for securing new market opportunities arising from the just transition to Net Zero and will need continuing investment and support.

*Draft Energy Strategy and Just Transition Plan*

12.3.4 The Draft Energy Strategy and Just Transition Plan (Scottish Government, 2023) emphasises how Scotland can leverage its renewable energy resources and drive economic development. Onshore wind development plays a pivotal role in realising this vision and objectives. The Plan restates the ambitious targets, set in the Onshore Wind: Policy Statement (Scottish Government, 2022), for expanding onshore wind capacity to 20 Gigawatts (GW) by 2030. This expansion would strengthen Scotland's energy security and supports job creation, economic growth and the transition away from fossil fuels. Both documents recognise the importance of maximising community benefits and ownership of renewable energy projects, ensuring that local communities actively participate in Scotland's net-zero energy future.

*Onshore Wind Sector Deal and Onshore Wind Policy Statement*

12.3.5 Scottish renewable energy policy, including the Onshore Wind Sector Deal (Scottish Government, 2023) and the Onshore Wind Policy Statement, recognises the commitment from the Scottish Government and the onshore wind sector to reach 20 GW of onshore wind by 2030, ensuring the maximisation of benefits to Scotland. These documents highlight the increased potential of onshore wind for a low-carbon and prosperous future, driving economic growth, creating better job opportunities, and benefitting communities in Scotland.

*National Planning Framework 4*

12.3.6 The Fourth National Planning Framework (NPF4) (Scottish Government, 2023) is Scotland's national spatial strategy, setting out the principles to be applied to planning decisions, regional priorities and national developments.

12.3.7 Page 6 of NPF4 addresses the delivery of sustainable places. Six National Developments support the delivery of sustainable places, one being 'Strategic Renewable Electricity Generation and Transmission Infrastructure'. A summary of this National Development is provided on page 7 of NPF4 as follows:

"Strategic Renewable Electricity Generation and Transmission Infrastructure supports electricity generation and associated grid infrastructure throughout Scotland, providing employment and opportunities for community benefit, helping to reduce emissions and improve security of supply".

12.3.8 As part of the Energy Policy (Policy 11), all forms of renewable technologies, including onshore wind and energy storage will be subject to the test outlined in Policy 11(c). This

states that “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.”

12.3.9 The Proposed Development will support employment and create opportunities for local businesses at the construction, operation and maintenance, and decommissioning phases. This Chapter includes estimated net economic impacts and a list of commitments intended to maximise the local benefits. There is no specific guidance on maximising net economic impact in the context of NPF4.

12.3.10 In addition, Policy 11(e) iii states that project design and mitigation should consider “public access, including impact on long distance walking and cycling routes and scenic routes”. Design and mitigation solutions in relation to public access are included in **Chapter 2: Proposed Development** and include improvement of the visual appearance of the scheme from key viewpoints in the vicinity and best practice measures and legal health and safety obligations during construction to minimise risk to recreational users and loss of public access onsite.

### Local policy context

*Highland-wide Local Development Plan*

12.3.11 The Highland-wide Local Development Plan (HwLDP) was adopted by the Highland Council in 2012 and relevant ‘policy criteria’ are taken forward in the Local Development Plan’s Policy 67 Renewable Energy Developments and supporting supplementary guidance, Onshore Wind Energy Supplementary Guidance (The Highland Council, 2017). In addition to the requirements outlined in NPF4, the guidance states that wind energy proposals within the Highlands should:

- Research into the potential effects of wind farms on tourism and recreation;
- Illustrate the potential for socio-economic benefits to be derived from development proposals. A key aspect of this will be engaging with local communities to better understand local needs and issues;
- Identify the potential for effects on industries for which Highland’s landscape is important – for example tourism and recreation; and
- Highlight the potential for secondary effects for tourism and recreation, such as a change in land use that causes adverse effects, for example, a change from forestry to a wind farm, or where there are potential benefits like improved public access in the area. It is important to consider the impact of proposed wind energy development not only on existing land uses, but also those permitted, or which are included as specific proposals in the Local Development Plan (LDP).

*Community Wealth Building Strategy*

12.3.12 The Highland Council drafted their Community Wealth Building Strategy (Highland Council, 2024) to set out a three-year vision for embedding the Highland Council’s approach to community wealth building strategy into the planning process.

12.3.13 The proposed vision for the strategy is stated as “retain greater wealth and maximise spending within and for the communities of the Highlands”. To achieve this, the Community Wealth Building Strategy sets out five key objectives which promote community wealth building.

12.3.14 Of relevance in relation to the consideration of the Proposed Development and how it can help maximise local benefits are:

- Objective 2: Fair Employment – As part of their strategy to develop a future workforce, The Highland Council are committed to working with public and private sector partners to coordinate employment opportunities so that they can sustain communities, develop growth in key clusters, sectors and geographical areas to grow and retain talent;
- Objective 3: Land and Property – The Highland Council will look to collaborate with developers, businesses and communities to create and cultivate a true sense of local ownership and realise a just transition that benefits are shared equitably while tackling the climate and ecological emergency; and
- Objective 4: Financial Power – The Highland Council recognises that by working together to maximise the outcomes of community benefit funding from renewables, the renewables industry, public sector agencies and communities, have the potential to realise significant and long lasting, social and economic benefits for Highland communities. This also includes prioritising internal investment in the local supply chain.

12.3.15 Whilst only at the draft stage, the Community Wealth Building Strategy is intended to align with planning policy and work in tandem with other strategy documents acting as expressions of local community aspirations.

*Highland Outcome Improvement Plan*

12.3.16 In line with the Community Empowerment (Scotland) Act 2015 (Scottish Government, 2015) the Highland Council formed a community planning partnership, in this case Highland Community Planning Partnership, who are responsible for preparing and publishing a local outcome improvement plan. The Highland Outcome Improvement Plan (HOIP) sets out strategic priorities for the region between 2024-2027 to improve the quality of life for people living across the Highlands (Highland Council Community Planning Partnership, 2024).

12.3.17 The objective of the HOIP is to become a strategic plan and framework for the Highlands, and in doing so the document looks to maximise the utilisation of resources and opportunities, whilst helping to reduce inequalities existing throughout local communities. To achieve this, three strategic priorities have been identified:

- People – Enable people to live independently, safe and well within their community.
- Place – Work in partnership to develop sustainable and resilient local communities.
- Prosperity – Creating opportunities for all people and places to thrive economically.

12.3.18 Based on the principles outlined in the HOIP, the development of the Highland's renewable energy industry helps meet the strategic priorities set out by the Highland Community Planning Partnership. This is particularly relevant when considering the agreed principles for "Place" and "Prosperity" which state:

- Place

- "We will ensure just transition and support to communities to adapt to climate change will be considered when promoting sustainability and resilience."

- Prosperity
  - "We will integrate and align our people, investment and financial resources to maximise opportunities for Highland.
  - Innovation and technology will be central to evolving service delivery and support across Highland.
  - We will strengthen our partnership by encouraging involvement from our business and social enterprise sectors.".

*Additional Policy Considerations*

12.3.19 In addition to the above, this assessment has considered the following policy documents as applicable in deciding appropriate receptor value and magnitude of impact:

- National
- Programme for Government 2024 to 2025: Serving Scotland (2024);
- Local
- The Highland Council Net Zero Strategy (2023);
- Action Plan for Economic Development in Highlands (2012); and
- Highlands and Islands Enterprise 2023 - 2028 Strategy (2023).

### Guidance

12.3.20 There is no specific legislation or guidance available on the methods that should be used to assess the socio-economic, land-use and tourism impacts of a proposed onshore wind farm development. The proposed method is based on established best practices, drawing from Government guidelines, industry reports and local guidance, including:

- BVG Associates, Economic benefits from onshore wind farms (2017).
- Highlands and Islands Enterprise, Inner Moray Firth area profile (2020).
- RenewableUK, Onshore Wind: Economic Impacts (2015).
- RenewableUK, The Onshore wind industry prospectus (2021).
- Scottish Government, Draft Advice on Net Economic Benefit and Planning (2016).

### Summary of Strategic Context

12.3.21 The Proposed Development will provide an efficient way of meeting the increasing demand for electricity generation and contribute to the wider goal of the Scottish Government to transition to a Net Zero economy by 2045. Through the generation of onshore wind energy, the Proposed Development will contribute towards the transition of the economy and support those economic sectors which will move towards electrification.

12.3.22 The Proposed Development is also aligned with local and national economic development strategies. It will contribute towards the development of a competitive, inclusive and sustainable economy in Scotland and play a role in the delivery of the Scottish Government's economic transformation strategy. At a local level, the Proposed Development will deliver on the Highland Council's economic strategy by leveraging the

natural resources of the region, supporting the renewable energy sector and the local economy.

## 12.4 Consultation undertaken

12.4.1 The Highland Council's scoping consultation indicated that consultees were keen for the Applicant to consider specific factors in the proposed approach to socio-economic assessments, as outlined in the Scoping Report. The proposed approach outlined is followed in this assessment, and as such the implications of the Proposed Development on the likely effects on socio-economics, recreation and tourism. See **Table 12.1** for further information of responses received and actions taken by the Applicant. The scope of the assessment accounting for the scoping responses received is outlined in **Section 12.5**.

**Table 12.1: Consultation responses**

| Scoping Consultee | Comments received / issues received | Action required / taken |
|---|---|---|
| The Highland Council (Scoping response dated 05 August 2024) | • "Should have its own chapter in the EIAR"<br>• "Should estimate who may be affected by the development, in all or in part, which may require individual households to be identified, local communities or a wider socio-economic grouping such as tourists and tourist related businesses, recreational groups, economically active, etc."<br>• "The application should include relevant economic information connected with the project, including the potential number of jobs, and economic activity associated with the procurement, construction, operation and decommissioning of the development."<br>• This should set out the impact on the regional and local economy, not just the national economy."<br>• "Any mitigation proposed should also address impacts on the regional and local economy." | The scope of the Socio-economic assessment is based on the likely significant effects on socio-economics, recreation and tourism is summarised in **Paragraph 12.6.6**. |

## 12.5 Scope of assessment

12.5.1 This assessment considers the interaction between the Proposed Development and the following receptors:

- the local, regional and national economies;
- local tourism attractions;
- local accommodation providers; and

- local recreational activities, including recreational paths.

**Effects scoped into assessment**

*Net Economic Impacts*

12.5.2 The assessment considers the potential net employment and economic effects (direct, indirect and induced) as a result of the project expenditure during construction and operation.

12.5.3 Initiatives such as community benefit funding and non-domestic rates do not form part of the formal appraisal process within the planning system. However, these shall also be considered within the assessment to present a fuller picture of the economic and social impacts that the Proposed Development could have.

12.5.4 As a result of the community funding provided by the Applicant, the Proposed Development would generate a beneficial effect on the local economy. Aligned with standard industry practice, the Applicant would provide £5,000 or equivalent per MW during the operational lifetime of the Proposed Development.

12.5.5 The total installed capacity of the Proposed Development would be subject to capacities of available turbine technology in the future. If consented total installed capacity is expected to be around 98 MW. Therefore, the community benefit fund would be expected to total over £490,000 per year. In total, over its operational lifetime, the Proposed Development is estimated to provide approximately £24.5 million in community benefit funding. However, this figure could be subject to variation depending on future advancement in wind turbine technology and the generating capacity of turbines which are available.

12.5.6 The Proposed Development would be liable for non-domestic rates, the payment of which would contribute directly to public sector finances and infrastructure investments supporting the requirements of the NPF4 Policy 11(c).

12.5.7 In 2023, the Scottish Assessors Association (SAA) published guidance on the valuation of onshore wind developments. The rateable value of the Proposed Development was calculated using the expected income per MW, the expected annual net yield[1], the cost of equipment per MW and the decapitalisation rate. The annual liability of the Proposed Development was then calculated by multiplying the estimated rateable value by the Scottish Higher Property Rate of 52.4 pence (Scottish Assessors Association, 2023). In this way, it has been estimated that the Proposed Development would contribute £0.9 per year in non-domestic rates to the Highlands. Over the project's 50-year operational lifetime, it would contribute £46.5 million.

*Recreational Amenity*

12.5.8 In addition, **Table 5.18** of **Chapter 5** found that of the 7 recreational routes and core paths assessed it was determined that significant visual effects on the views from recreational

[1] Calculated using the Renewable Energy Foundations renewable generators database. Values for 6 Wind Farm developments with installed capacities of between 88 – 110.5 MWs were collated and MWh per annum was averaged to provide an estimate for the Proposed Development. In total the average installed capacity of the developments accounted for was 98 MW.

routes would occur in several areas. Therefore, recreation effects on trails and core paths during the construction and operation of the Proposed Development are considered within this assessment.

**Effects scoped out of assessment**

*Access (Direct recreational impacts)*

12.5.9 During construction, there could be temporary direct impacts affecting accessibility of recreational routes within the Site.

12.5.10 In accordance with the Construction (Design and Management) Regulations 2015, notices would be placed in prominent locations around the Site to outline areas of restricted access, as well as information such as details of alternative arrangements and routes.

12.5.11 Measures for ensuring public safety during construction would be secured by the Construction Environmental Management Plan (CEMP), and periods of exclusion would be kept to the minimum necessary for safe working. The CEMP would set out measures to ensure that recreational users are informed of the construction work and directed into safe areas where there would be no conflict with plant and machinery. Therefore, it is not considered that there is potential for significant direct effects on recreational receptors during construction.

*Tourism economy*

12.5.12 While consideration will be given to individual tourism assets, it is considered that there is no potential for significant effect on the overall tourism economy.

12.5.13 National energy and planning policy does not consider tourism and recreation to be a material consideration in the determination of onshore wind development. Over time, research has been conducted to investigate the relationship between wind farm developments and tourism activity, including:

- BiGGAR Economics (2017), Wind Farms and Tourism Trends in Scotland;
- BiGGAR Economics (2021), Wind Farms and Tourism Trends in Scotland: Evidence from 44 Wind Farms;
- ClimateXChange (2012), The Impact of Wind Farms on Scottish Tourism;
- Department for Business, Energy & Industrial Strategy (2019), BEIS Public Attitudes Tracker;
- Glasgow Caledonian University/Moffat Centre (2008), Economic impacts of wind farms on Scottish tourism; and
- Visit Scotland (2020), Key Facts: Tourism in Scotland 2019.

12.5.14 The literature review undertaken by the Moffat Centre in 2008, concluded that “the negative impact of wind farms on tourism at national level is small and any reduction in employment in tourism will be less than the numbers currently directly employed in the wind power industry”. These findings were built upon by ClimateXChange in 2012, who concluded that there was “no new evidence to contradict the earlier findings that wind farms have little or no adverse impact on tourism in Scotland”. Therefore, whilst there has been very little evidence pointing to a robust relationship between onshore wind

developments and the tourism economy, previous data collection indicates that there is minimal disturbance to the tourism industry as a result of onshore wind farms.

12.5.15 The findings of one of the most recent studies, undertaken by BiGGAR Economics (2021), generally supports the conclusions highlighted above. The report included 44 cases studies of onshore wind farms constructed between 2009 and 2019 and found that there was “no relationship between tourism employment and wind farm development at the level of the Scottish economy, across local authority areas nor in the locality of wind farm sites”.

12.5.16 Overall, as there is minimal evidence that any adverse impacts are imposed upon tourism by the presence of wind farms, the effects of the Proposed Development on tourism is scoped out of this assessment.

*Local visitor attractions*

12.5.17 The local visitor attractions expected to be within the field of vision based on the zone of theoretical visibility (ZTV) and within 15 km of the Proposed Development, are illustrated in **Figure 5.11** as part of the LVIA assessment. The methodology for identifying these attractions detailed in **Chapter 5**.

12.5.18 Motivations to visit the attraction include visiting prominent landmarks or landscape features, or as passive recreational activities such as walking, camping or cycling. The assessment, detailed in **Chapter 5**, showed that there would be no significant effects on views from recreational and tourist destinations within 15 km and these findings are summarised in **Table 5.19** of **Chapter 5**. As such, it can be predicted that the Proposed Development will have no significant effect on the behaviours of tourists or visitors visiting the tourist attractions within the study area of the Proposed Development.

*Local accommodation*

12.5.19 As shown in **Figure 12.1**, nearby accommodation providers are mostly concentrated to the north-west of the Proposed Development. While there may be a significant visual impact on accommodation providers, the motivation to stay at accommodation providers within the area is related to the tourist assets in the area. It is therefore unlikely that accommodation providers will be affected by the Proposed Development.

*Decommissioning effects*

12.5.20 As decommissioning is likely to constitute a reversal of the activities undertaken during the construction phase, it is considered that the likely effects on land use, recreation and tourism would be the same.

12.5.21 In relation to employment and economic effects, while there have been recent studies, including Zero Waste Scotland’s (2021) ‘The future of onshore wind decommissioning in Scotland’, there is still an absence of data regarding the likely decommissioning expenditure involved.

*Wider economic effects*

12.5.22 Wider economic benefits have not been considered in the assessment, as they are more speculative and reliant upon local businesses responding to the opportunities available.

12.5.23 Furthermore, regarding the potential benefits to the supply chain, the Proposed Development provides opportunities for the involvement of suppliers from the Highlands and Islands, and wider Scotland. The range of activities that suppliers can be involved in include; research and development, design, project management, civil engineering, component fabrication and/or manufacture, installation and maintenance. There is expertise in all of these areas in the wider region, although a full wind energy supply chain covering all aspects of wind turbine component manufacture has not yet been developed within the region or indeed within Scotland as a whole. In Scotland, there are currently several wind turbine manufacturing plants in Inner Moray Firth, and in the Highlands.

12.5.24 A key contextual consideration has been, with an increasing number of wind farm schemes either operational, under development or having gained consent in Scotland, the commercial viability, and job prospects amongst Scottish supply chain firms has improved. Cluster benefits in the industry increase where firms are supported by the spending of other firms within the renewables sector. The net effect is to increase business and employment opportunities within Scotland's renewable energy sector, boosting the performance of regional and national economies.

12.5.25 In addition, during the construction process, there would be opportunities for those employed to develop skills that would be of benefit to the local economy and local businesses in the longer term. Further, employment generated through the Proposed Development would contribute to diversifying the local economy and help support the retention in the area of the working age population.

*Effects on Community Services*

12.5.26 Given the relatively short-term construction programme and limited construction workforce it is unlikely that there would be a significant impact on the demand for housing, health or educational services so effects on community services during construction have been scoped out. Furthermore, once constructed, only a small workforce will be involved in the operation and maintenance of the Proposed Development and therefore, it is unlikely that any additional demands on community services will be created by the Proposed Development.

## 12.6 Approach to assessment

### Guidance

12.6.1 There is no specific guidance available on the methods that should be used to assess the socio-economic impacts of a proposed renewable energy development. The approach taken is based on an input-output model that is commonly used for assessments of this nature and is consistent with Scottish Government advice on net economic benefit (Scottish Government, 2016).

### Baseline Methodology

*Study areas*

12.6.2 The study areas that were used in this assessment were based on pre-defined regional areas and administrative geographies. The assessment covers and compares the socio-economic impacts across the local, regional and national study areas listed below:

- Inner Moray Firth[2]
- The Highlands
- Scotland.

12.6.3 For the tourism and recreation assessment, the focus was the areas within a 10 km radius of the Proposed Development.

*Desk-based Study*

12.6.4 To assess the effect of the Proposed Development on socio-economics, the following study approach was taken to identify the baseline conditions:

- a review of economic strategies for the Highlands and Scotland;
- an analysis of socio-economic statistics for Inner Moray Firth, the Highlands, and Scotland;
- an analysis of tourism statistics for the Highlands and Scotland; and
- identification of local tourism and recreational assets, including local attractions, accommodation providers and recreational trails.

12.6.5 It is anticipated that the effects of the Proposed Development will be negligible in Environmental Impact Assessment (EIA) terms and therefore, the conventional approach based on sensitivity, magnitude and significance has not been pursued in this assessment. Instead, the assessment focuses on evaluating whether the Proposed Development meets the specific requirements outlined in NPF4 – Policy 11 (c) concerning economic impacts (Scottish Government, 2023). Policy 11 (c) states that "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". As such, the approach taken for this assessment is based on an input-output model that is commonly used for assessments of this nature and is consistent with Scottish Government advice on net economic benefit (Scottish Government, 2016).

12.6.6 Given that Tourism and Recreational impacts are not a material consideration, tourism and recreational assessments will be conducted using a more holistic approach to that of a conventional EIA assessment. This will involve considering tourism within the context of a tourism economy, as opposed to individual receptors.

**Assessment methodology**

*Economic and employment effects*

12.6.7 To evaluate the economic impact from project expenditure during construction and operation phases of the Proposed Development, an input-output model has been used to calculate the direct, indirect and induced impacts of localised economic activity to the overall economy. This model generated the Gross Value Added (GVA) to the economy and years of employment (hereafter referred to as "job years") supported within the economy as economic indicators of impact.

[2] The smallest areas for which there is reliable baseline information, which is provided in correspondence with the Highlands and Islands Area Profile

12.6.8 Government and industry reports were used to determine the expected capital expenditure (CAPEX) and operational expenditure (OPEX (inclusive of community benefit funding and non-domestic rates)) associated with the Proposed Development, as well as the breakdown of expenditure by different contracts (e.g., turbines, BESS, civil works). An assumption was then made based on the share of each type of contract that can be secured locally, regionally and nationally. This increase in turnover was then used to estimate the economic impact associated with the Proposed Development.

12.6.9 The GVA per head of civil engineering related projects in the Highlands and Scotland was used to calculate the economic effect of new jobs. These GVA figures were sourced from the Scottish Annual Business Statistics datasets (Scottish Government, 2023). The economic impact assessment also accounts for the displacement and multiplier effects to provide a net economic impact figure at the regional and national levels. Multiplier effects were also built into the economic impact assessment, and these were sourced from the Type II Output, Income, Employment and GVA multipliers produced by the Scottish Government. Additionality factors, including leakages[3] and displacement[4] were considered to provide net GVA and job years. The sum of direct, indirect and induced impacts equals the total GVA and employment supported by the Proposed Development. This approach is consistent with Scottish Government advice on net economic benefit and planning.

*Recreation effects*

12.6.10 There is the potential for indirect effects on recreational amenity during the operational phase. Recreational effects are described as effects that influence the recreational value (e.g. use or enjoyment of an asset such as a walking route). On the other hand, visual effects associated with the Proposed Development can occur at recreational receptor locations, when people are looking towards the Proposed Development and from locations where clear views of the turbines are available. Although visual effects can influence recreational amenity, they only contribute to part of the recreational experience. Therefore, the consideration of any visual effect reported in other assessments in **Chapter 5: Landscape and Visual Assessment** and **Chapter 9: Cultural Heritage and Archaeology** have been modified using professional judgment to reflect the level of importance the visual experience plays in the overall recreational amenity of that attraction. As explained in **Chapter 5: Landscape and Visual Assessment**, the cumulative impacts, including those with the future baseline (which considers existing and consented developments), were included in the main assessment and are, therefore, not considered in this assessment.

[3] Leakage is the proportion of project outcomes that benefit individuals or organisations located beyond the relevant area of impact.

[4] Displacement is an estimate of the economic activity, that would be diverted from other businesses as a result of the Proposed Development, that would be diverted from other businesses in the Highlands.

### Effect evaluation methodology

12.6.11 The significance of the socio-economic and recreation effects resulting from the construction and/or operation of the Proposed Development has been assessed by combining the magnitude of impact with the sensitivity of receptor.

*Value of receptor*

12.6.12 Although no published standards define receptor sensitivity relating to socio-economic, recreation and tourism assessments; as a general standard, the sensitivity of each receptor, or receptor group, is based on its importance or scale, and ability of the baseline to absorb or be influenced by the identified effects. For example, a receptor (such as a public footpath or a supply chain business) is considered less sensitive when there are alternatives with capacity within the study area. In assigning receptor sensitivity, consideration has been given to the following:

- The importance of the receptor (e.g. local, regional and national);
- The availability of comparable alternatives;
- The ease at which the resource could be replaced;
- The capacity of the resource to accommodate the identified impacts over a period of time; and
- The level of usage and nature of users (e.g. sensitive groups such as people with disabilities).

12.6.13 Based upon professional judgement and experience on other large-scale projects, four levels of sensitivity are used and defined in **Table 12.2**.

**Table 12.2: Receptor value and sensitivity criteria**

| Sensitivity | Description |
|---|---|
| High | The receptor:<br>• has little or no capacity to absorb change without fundamentally altering its present character; or<br>• is of high socio-economic or recreational value; or<br>• is of national or international importance; or<br>• is accorded priority in national policy; or<br>• has no alternatives with available capacity within its study area; or<br>• is a destination in its own right (as regards tourism and visitor attractions). |
| Medium | The receptor:<br>• has moderate capacity to absorb change without fundamentally altering its present character; or<br>• has a moderate socio-economic or recreational value; or<br>• is of regional importance; or<br>• is accorded priority in local policy; or<br>• has some alternatives with available capacity within its study area; or<br>• is a destination for people already visiting the area (as regards tourism and visitor attractions); or<br>• forms a cluster of low sensitivity receptors. |
| Low | The receptor:<br>• is tolerant of change without detriment to its character; or<br>• is of low socio-economic or recreational value; or<br>• is of local importance; or<br>• is accorded low priority in policy; or<br>• has a choice of alternatives with available capacity within its study area; or<br>• is an incidental destination for people already visiting the area (as regards tourism and visitor attractions). |
| Negligible | The receptor is resistant to change and is of low socio-economic, land use, recreational or tourism value; or there is a wide choice of alternatives with available capacity within its study area. |

*Magnitude of impact (change)*

12.6.14 There are no published standards defining thresholds of impact magnitude for socio-economic, land use, recreation or tourism impacts; however, to clearly identify significant effects, specific and targeted criteria for defining the magnitude of impacts have been developed, based on experience of other similar projects. Therefore, the following four levels of impact magnitude have been adopted using professional judgement: high; medium; low and negligible. These impacts can be beneficial or adverse. The criteria for each of these levels of impact magnitude for each receptor group are set out in Error!

Reference source not found. This assessment is based on a worst-case assumption that there is a negative perception of the Proposed Development.

**Table 12.3: Definition of impact magnitude criteria**

| Receptor Group | High | Medium | Low | Negligible |
|---|---|---|---|---|
| Economy | An impact that would dominate over baseline economic conditions by >10%. | An impact that would be expected to result in a moderate change to baseline economic conditions by >5%. | An impact that would be expected to result in a perceptible difference from baseline economic conditions by >0.5%. | An impact that would not be expected to result in a measurable variation from baseline economic conditions. |
| Employment | An impact that would dominate over baseline labour market conditions and/or would affect a large proportion (>10%) of the existing resident workforce. | An impact that would be expected to result in a moderate change to baseline labour market conditions and/or would affect a moderate proportion (>5%) of the existing resident workforce. | An impact that would be expected to result in a perceptible difference from baseline labour market conditions and/or would affect a small proportion (>0.5%) of the existing resident workforce. | An impact that would not be expected to result in a measurable variation from baseline labour market conditions. |
| Recreational receptors | An impact that would be expected to cause a major restriction of access to or availability of assets in the study area or would result in a major change to existing patterns of use. | An impact that would be expected to have a moderate restriction of access to or availability of assets in the study area or would result in a moderate change to existing patterns of use. | An impact that would be expected to have a small restriction of access to or availability of assets in the study area or would result in a small change to existing patterns of use. | An impact that would be unlikely to result in a noticeable difference to assets in the study area. |

| Receptor Group | High | Medium | Low | Negligible |
|---|---|---|---|---|
| Cumulative | An impact that would lead to a major change to baseline conditions through interactions with other projects. | An impact that would lead to a moderate change to baseline conditions through interactions with other projects. | An impact that would lead to a minor change to baseline conditions through interactions with other projects. | An impact that would lead to a negligible change to baseline conditions through interactions with other projects. |

*Determination of significance*

12.6.15 The significance of effects matrix presented in **Table 12.4** illustrates how magnitude of impact and sensitivity of receptor are combined to determine the significance of effects (classed as major, moderate, minor or negligible), derived from professional judgment.

**Table 12.4: Significance of effect matrix**

| Sensitivity of Receptor | Magnitude of Impact | | | |
|---|---|---|---|---|
| | High | Medium | Low | Negligible |
| **High** | Major | Major | Moderate | Minor |
| **Medium** | Major | Moderate | Minor | Negligible |
| **Low** | Moderate | Minor | Negligible | Negligible |
| **Negligible** | Minor | Negligible | Negligible | Negligible |

12.6.16 When an effect is classified as Major, it is considered to represent a 'significant effect'. When an effect is classified as Moderate, this can also be considered to represent a 'significant effect'. However, this should be subject to professional judgement and interpretation, particularly where the sensitivity or impact magnitude levels are not clear, borders between categories, or is an intermittent impact. In addition, significant effects need not be unacceptable, nor irreversible.

### Difficulties and uncertainties

12.6.17 There can be lags in the publication of economic and tourism statistics used for the baseline since the organisations that publish the data require time to collect, analyse and publish statistics. Throughout the report, the most recent available statistics have been used to achieve the robustness of the assessment conclusions.

12.6.1 The Applicant has endeavoured to ensure that key tourism and recreation facilities in the area are identified; nevertheless, it is possible that a number of small attractions may not have been identified through the data collection process. To mitigate this, the desk-based assessment of tourism receptors has utilised several data sources, as well as evaluating receptors which have been identified through public consultation, Scoping and additional

assessments in other chapters, including **Chapter 5: Landscape and Visual Assessment** and **Chapter 9: Cultural Heritage and Archaeology**.

## 12.7 Existing environment

### Socio-economic baseline

*Population*

12.7.1 Based on mid-year population estimates by the National Records of Scotland for 2021 (National Records of Scotland, 2022), the population of Inner Moray Firth was 158,253, equivalent to 66.5 % of the Highlands. Furthermore, the total population of the Highlands was 238,060, which was 4.3 % of the total population of Scotland.

12.7.2 For each study area, the total population was disaggregated into different age groups, with those aged between 16 – 64 years old considered to be of 'working age'.

12.7.3 As shown in Error! Reference source not found. the proportion of Inner Moray Firth's population of working age was 62 %, which was higher when compared to the Highlands (60.8 %) and slightly lower than Scotland (63.8 %).

12.7.4 Furthermore, the proportion of Inner Moray Firth over 65 years old is marginally lower than the Highlands, and higher than across Scotland.

12.7.5 In summary, the current Inner Moray Firth and Highlands populations have a relatively older population than Scotland as a whole. This has potential implications for both labour supply and relative pressures on public services.

**Table 12.5:Population by age group at the local, regional and national scale**

| Age Group (years) | Inner Moray Firth[1] | | Highlands[2] | | Scotland[3] | |
|---|---|---|---|---|---|---|
| | Number of people | % of total population | Number of people | % of total population | Number of people | % of total population |
| 0-15 | 26,903 | 17 % | 38,090 | 16.0 % | 909,663 | 16.6 % |
| 16-64 | 98,117 | 62 % | 144,740 | 60.8 % | 3,496,176 | 63.8 % |
| 65+ | 33,233 | 21 % | 55,230 | 23.2 % | 1,074,061 | 19.6 % |
| **Total Population** | **158,253** | **100 %** | **238,060** | **100 %** | **5,479,900** | **100 %** |

Sources: 1 Highlands and Islands Enterprise (2020), Area Profiles 2020: Inner Moray Firth. 2 National Records of Scotland (2022), Highland Council Area Profile. 3 National Records of Scotland (2022), Mid-year Population Estimates.

*Population projections*

12.7.6 As shown in **Table 12.6** the proportion of the Highlands residents aged between 16-64 years old is expected to increase over time. The working population (16-64 years) is expected to decline to 56 % of the total population by 2043, which is lower than the proportion expected at a national scale (60.3 %) (National Records of Scotland, 2020). The absolute decline in the Highlands working population is therefore expected to be approximately 14,158 people by 2043.

12.7.7 Both the Highlands and Scotland are expected to have older populations by 2043. The population of the Highlands aged over 65 is expected to increase to approximately 29.7 % of the total population, whilst the proportion of Scotland estimated to be over 65 in 2043 is projected to be 24.9% of the total population.

12.7.8 No population projects are readily available for the Inner Moray Firth area. However, given the relatively similar population structures for the local and regional study areas of this assessment (as shown in **Table 12.6**) it is likely that Inner Moray Firth will experience similar population changes over time. The creation of employment opportunities in the onshore wind sector could therefore be important in retaining and attracting people of a working age to Inner Moray Firth, and the Highlands more widely.

**Table 12.6: Population projections from 2018 – 2043 at the regional and national scale.**

| Age Group (years) | Highlands | | Scotland | |
|---|---|---|---|---|
| | Change in proportion of population | % of 2043 population | Change in proportion of population | % of 2043 population |
| 0-15 | -15.4 % | 14.3 % | -10.5 % | 14.8 % |
| 16 – 64 | -5.4 % | 56.0 % | -0.2 % | 60.3 % |
| 65+ | 22.1 % | 29.7 % | 23.2 % | 24.9 % |

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

*Employment structure*

12.7.9 The employment structure of Inner Moray Firth, the Highlands and Scotland is outlined in **Table 12.7**. In Inner Moray Firth, the largest industry is Human health and social work activities, which employs 19.8 % of those in work. Employment in this sector is relatively more important locally than across the Highlands and Scotland as a whole. (Highlands and Islands Enterprise, 2020 & Office for National Statistics, 2023).

12.7.10 Inner Moray Firth residents are more likely to be employed within the administrative and support service activities as well as financial and insurance activities, when compared to the Highlands employment structure more widely (**Table 12.7**).

12.7.11 Furthermore, a higher percentage of the Inner Moray Firth population are employed in the accommodation and food service industry than the proportion of the Scottish population (**Table 12.7**).

12.7.12 Finally, a greater proportion of the Inner Moray Firth residents are employed within the arts, entertainment and recreation, electricity, gas, steam and air conditioning supply (utilities), transportation and storage, and the wholesale and retail trade, than both the Highlands and Scotland study population (**Table 12.7**).

12.7.13 A full breakdown of the distribution of employment across industries for the local, regional and national population is detailed in **Table 12.7**.

**Table 12.7: Employment by industry at the local, regional and national scale.**

| Industry | Inner Moray Firth (%)[1] | The Highlands (%)[2] | Scotland (%)[2] |
|---|---|---|---|
| Accommodation and food service activities | 11.1 | 13.5 | 8.4 |
| Administrative and support service activities | 6.2 | 5.4 | 8.1 |
| Agriculture, forestry and fishing | 0.8 | n/a | n/a |
| Arts, entertainment and recreation | 4.3 | 3.6 | 3.0 |
| Construction | 7.4 | 7.2 | 5.7 |
| Education | 7.4 | 8.1 | 8.8 |
| Electricity, gas, steam and air conditioning supply (Utilities) | 2.2 | 0.9 | 0.8 |
| Financial and insurance activities | 2.1 | 0.8 | 3.3 |
| Human health and social work activities | 19.8 | 17.1 | 15.7 |
| Information and communication | 2.2 | 2.3 | 3.2 |
| Manufacturing | 5.6 | 5.4 | 6.9 |
| Mining and quarrying | n/a | 0.4 | 1.0 |
| Other service activities | n/a | 1.4 | 1.6 |
| Professional, scientific and technical activities | 5.6 | 5.4 | 7.4 |
| Public administration and defence; compulsory social security | 4.9 | 5.4 | 6.5 |
| Real estate activities | n/a | 1.4 | 1.3 |
| Transportation and storage | 5.6 | 4.1 | 4.1 |
| Water supply; sewerage, waste management and remediation activities | n/a | 2.0 | 0.7 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 14.8 | 14.4 | 12.9 |
| **Total Employment** | **100 %** | **100 %** | **100 %** |

Sources: 1 Highlands and Islands enterprise (2020), Area Profiles 2020: Inner Moray Firth. 2 Office for National Statistics (2022), Labour Market Profile – Highland – employee jobs

*Supply chain*

12.7.14 Recent and robust baseline data relating to the local supply chain is unavailable; however, Highlands and Islands Enterprise (2020) and the Office for National Statistics Labour Market Profile for the Highlands (2023) noted that the Highlands (88 %) had a similar share of private sector registered businesses that are considered micro (0-9 employees) compared to 87.3 % nationally. This illustrates the potential capacity for businesses operating within the local area to contribute to the Proposed Development, in

terms of workforce and supply chain. The proportion of businesses considered micro, small, medium and large in the Inner Moray Firth, the Highlands and Scotland are outlined in **Table 12.8** below.

**Table 12.8: Business enterprise sizes at the regional and national scale.**

| Business Size | The Highlands | | Scotland | |
|---|---|---|---|---|
| | Number of businesses | Proportion of total businesses (%) | Number of businesses | Proportion of total businesses (%) |
| Micro (0 – 9) | 9,430 | 88.0 | 149,665 | 87.3 |
| Small (10 – 49) | 1,105 | 10.3 | 18,170 | 10.6 |
| Medium (50 – 249) | 150 | 1.4 | 2,820 | 1.6 |
| Large (250+) | 25 | 0.2 | 700 | 0.4 |
| Total | 10,710 | 100 | 171,355 | 100 |

Source: Office for National Statistics (2022), Labour Market Profile – Highland – UK Business Counts (2023).

12.7.15 For the Highlands and Scotland, current employment by occupational group is outlined in **Table 12.9** in order to give an indication of the wider supply chain. Occupational groups which would be relevant to the development, construction and operation of the Proposed Development include:

- Professional occupations (19.3 %), which is lower than at a national level (26.5 %);
- Associate professional and technical (13.2 %), which is lower than the national level (16.1 %);
- Skilled trades occupations (7.5 %), which is lower than the national level (9.7 %); and
- Process plant and machine operatives (6.7 %), which is higher than the national level (4.8 %).

**Table 12.9: Employment by occupational group at the regional and national scale.**

| Occupational Group | The Highlands (Numbers) | The Highlands (%) | Scotland (%) |
|---|---|---|---|
| Managers, Directors and Senior Officials | 11,600 | 9.6 | 7.6 |
| Professional Occupations | 23,400 | 19.3 | 26.5 |
| Associate Professional & Technical | 16,100 | 13.2 | 16.1 |
| Administrative & Secretarial | 9,500 | 7.8 | 9.1 |
| Skilled Trades Occupations | 9,100 | 7.5 | 9.7 |
| Caring, Leisure and Other Service Occupations | 17,100 | 14.0 | 8.3 |
| Sales and Customer Service Occupations | 8,500 | 7.0 | 7.1 |
| Process Plant & Machine Operatives | 8,100 | 6.7 | 4.8 |
| Elementary Occupations | 18,200 | 14.9 | 10.4 |

| Occupational Group | The Highlands (Numbers) | The Highlands (%) | Scotland (%) |
|---|---|---|---|
| **Total** | **121,600** | **100 %** | **100 %** |

Source: Office for National Statistics (2022), Labour Market Profile – Highland – UK Business Counts (2023).

*Economic activity*

12.7.16 As shown in **Table 12.10**, for the year 2020, the unemployment rate in Inner Moray Firth (4.9 %) was higher than those observed at a regional (2.8 %) and national level (3.7 %) in 2023. However, it is important to consider that unemployed residents in rural areas look for opportunities elsewhere.

12.7.17 The working population of Inner Moray Firth (81.6%) was also more economically active when compared to the economic activity rates of the Highlands (78.5 %) and Scotland's (77.1 %) populations in 2023.

12.7.18 The Highland economy is a lower wage economy than Scotland as a whole, with the median annual gross wage for residents of the Highlands (£25,862) being lower than the Scottish Median (£27,698) (Office for National Statistics, 2023). This trend potentially indicates that residents of the Highlands may be seeking employment elsewhere in Scotland where salaries are generally higher than those offered in the Highlands.

**Table 12.10: Economic activity rates at the local, regional and national scale.**

| Economic activity | Inner Moray Firth[1] | The Highlands[2] | Scotland[2] |
|---|---|---|---|
| Economic activity rate (%) | 81.6 | 78.5 | 77.1 |
| Unemployment rate (%) | 4.9 | 2.8 | 3.7 |

Sources: 1 Highlands and Islands Enterprise (2020), Area Profiles 2020: Inner Moray Firth. 2 Office for National Statistics (2022), Labour Market Profile – Highland – Labour Supply (April 2023 – March 2024).

*Skills and qualifications*

12.7.19 To provide comparisons between study areas with regards to skills and qualifications the percentage of the study population holding qualifications categorised by Regulated Qualifications Frameworks (RQF) and National Vocation Qualifications (NVQ) was utilised and illustrated in **Table 12.11** below.

12.7.20 The definitions for each of these categories, as outlined by the Office for National Statistics, are as follows:

- RQF/ NVQ1 – intermediate 1 national qualification (Scotland) or equivalent.
- RQF/NVQ2 – intermediate 2 national qualification (Scotland) or equivalent.
- RQF/NVQ3 – 2 or more higher or advanced higher national qualifications (Scotland) or equivalent.
- RQF/NVQ4 – Higher National Diploma, Degree and Higher Degree level qualifications or equivalent.

12.7.21 According to the Office for National Statistics, in 2022, the Highlands had a lower proportion of people holding RQF / NVQ4+ equivalent qualifications (48.7 %) compared to Scotland as a whole (55.1 %) (see **Table 12.11**). Similar trends are observed at all qualification levels, where the Highlands have a lower proportion of the population holding the respective qualifications when compared to Scotland.

**Table 12.11: Qualification Levels at the local, regional and national scale.**

| Qualifications | The Highlands (%) | Scotland (%) |
|---|---|---|
| No Qualifications | 8.7 | 8.2 |
| Other Qualifications | n/a | 3.9 |
| RQF/NVQ 1+ | 85.8 | 87.9 |
| RQF/NVQ 2+ | 84.7 | 87.1 |
| RQF/NVQ 3+ | 70.9 | 73.7 |
| RQF/NVQ 4+ | 48.7 | 55.1 |

Source: Office for National Statistics (2022), Labour Market Profile – Highland – Qualifications (Jan 2023 – December 2023).

*Summary of socio-economic baseline*

12.7.22 Inner Moray Firth has a higher proportion of residents aged over 65 compared to the Highlands and Scotland (see Error! Reference source not found.**)**. These trends are not expected to change by 2043, with an increase in the proportion of over 65 year olds expected across the Highlands and Scotland and a decrease in the working age population at both regional and national levels (see **Table 12.6**).

12.7.23 The unemployment rates shown in **Table 12.10** indicate that Inner Moray Firth has higher unemployment rates than the Highlands and Scotland, but a higher economic activity rate as well. This economic activity is concentrated in a few sectors; namely:

- Human health and social work activities;
- Wholesale and retail trade; and
- Accommodation and food service activities.

12.7.24 These sectors employ roughly 45.7 % of the total active workforce. By comparison, it requires 5 sectors to be included for 46 % of the Scottish populations active workforce to be accounted for. The trends observed at the local level suggest that there are limited high value jobs in the region which expand the diversity of employment opportunities in the area.

12.7.25 Furthermore, whilst information regarding the distribution of the Inner Moray Firth's active workforce by occupational groups is not available, when comparing the Highlands with Scotland as a whole, there is significantly less individuals within the Highlands employed in Professional occupations, Associate professional & technical roles and skilled trade jobs (**Table 12.9**).

12.7.26 The expansion of the onshore wind sector could provide an opportunity to diversify the region's economic base and contribute to the retention of young people in the area. The creation of employment could partly offset existing depopulation trends by supporting high skilled and high paying jobs.

### Recreational trails and core paths

12.7.27 **Chapter 5** assessed the visual effects of the Proposed Development on recreational routes. The list of routes were as follows:

- National Recreational Route
- The Great Glen Way / Loch Ness 360 Trail
- Sustrans National Cycle Network
- Sustrans National Cycle Route 7
- Core Paths
- Core Path IN27.02 at Tomatin
- Core Path IN.19.08, IN.19.09 and IN.19.44 in the Leachkin and Kinmylies area of Inverness
- Heritage Paths and Scottish Hill Tracks
- Heritage Path HP1: General Wade's Military Road
- Heritage Path HP2: Old Road to Forres / Scottish Hill Track 229
- Heritage Path HP3: Slochd Military Road / Scotttish Hill Track 230

A large proportion of these recreational amenities and core paths are clustered within the outskirts of Inverness to the North-west of the Proposed Development.

## 12.8 Predicted impacts

### Socio-economics

*Development and construction*

12.8.1 The Proposed Development consists of 14 turbines, with a total generating capacity of 98 MW, and a BESS up to 50 MW capacity.

12.8.2 The CAPEX for the construction of the Proposed Development has been estimated using research undertaken by BiGGAR Economics on behalf of RenewableUK (2015), which was then adjusted by removing costs associated with the grid connection. In addition, the construction and development costs of BESS is estimated at £500,000 per MW. On the basis of this methodology, the total development and construction CAPEX for the Proposed Development is estimated to be approximately £168.9 million (see **Table 12.12**). The CAPEX was then split according to the following contract categories:

- Development and planning;
- Turbines;
- Civil works;
- Electricity Works; and
- Battery Energy Storage

**Table 12.12 Development and construction spend by contract type**

| Contract Type | Percentage of Contract (%) | Total (£ million) |
|---|---|---|
| Wind Farm Development | | |
| Development and Planning | 4.4 | 6.3 |

| Contract Type | Percentage of Contract (%) | Total (£ million) |
|---|---|---|
| Turbines | 70 | 100.8 |
| Civil Works | 20.5 | 29.5 |
| Electricity Works | 5.1 | 7.3 |
| Battery Energy Storage Development | | |
| BESS | 100 | 25.0 |
| **Total** | **100** | **168.9** |

12.8.3 The economic impact of the development and construction phase was estimated for Inner Moray Firth, the Highlands and Scotland as a whole. In order to do this, it was necessary to estimate the proportion of each type of contract that might be secured in each of the study areas. The assumptions used were based on the average from RenewableUK research, analysis of the industries and professions available in each study area, and RSK's previous experience undertaking socio-economic analysis for other wind energy projects, particularly those in the Highlands.

12.8.4 To estimate the expenditure for each contract in each study area, the proportion of contract type that might be secured in each area were multiplied by the estimated expenditure on each development and construction contract (see **Table 12.13**).

**Table 12.13: Development and construction expenditure at a local, regional and national scale.**

| Contract type | Inner Moray Firth | | The Highlands[1] | | Scotland[2] | |
|---|---|---|---|---|---|---|
| | % | £ million | % | £ million | % | £ million |
| Wind Farm Development | | | | | | |
| Development and Planning | 0 | 0 | 13 | 0.8 | 59 | 3.7 |
| Turbines | 0 | 0 | 12 | 12.1 | 36 | 36.3 |
| Civil Works | 10 | 3.0 | 12 | 3.5 | 36 | 10.6 |
| Electricity Works | 10 | 0.7 | 12 | 0.9 | 36 | 2.6 |
| Battery Energy Storage Development | | | | | | |
| BESS | 0 | 0 | 2 | 0.5 | 18 | 4.5 |
| Total | | **3.7** | | **17.8** | | **57.7** |

1 Inclusive of Inner Moray Firth 2 Inclusive of the Highlands

12.8.5 Having estimated the size of the contracts that could benefit each study area, as shown in **Table 12.13**, it was possible to consider the GVA and short-term employment that these could support. This was done by first splitting each contract category into its component contracts and assigning each to an industrial sector (see **Table 12.14**), based on its Standard Industrial Classification code (Office for National Statistics, 2009). Direct GVA was then estimated by applying the relevant turnover per GVA and GVA / Turnover ratio (from the UK Annual Business Survey (Office for National Statistics, 2024). As BESS works were treated as a single contract type, the weighted average turnover per GVA and GVA / Turnover ratio were used to calculate the direct GVA.

**Table 12.14: Gross Employment and GVA estimates at a regional and national scale**

| Contract type | Turnover per employee (£) | | GVA / Turnover Ratio | |
|---|---|---|---|---|
| | Inner Moray Firth / The Highlands | Scotland | Inner Moray Firth / The Highlands | Scotland |
| Wind Farm Development | | | | |
| Development and Planning | 85,639 | 144,032 | 0.68 | 0.55 |
| Turbines | 12,6545 | 165,256 | 0.48 | 0.38 |
| Civil Works | 150,513 | 175,417 | 0.38 | 0.39 |
| Electricity Works | 150,513 | 175,417 | 0.38 | 0.39 |
| **Average** | **128,302** | **165,030** | **0.48** | **0.43** |

12.8.6 In this way, as shown in **Table 12.15** it was estimated that development and construction contracts associated with the Proposed Development could generate £1.4 million GVA locally, £8.0 million GVA in the Highlands and £23 million GVA across the whole of Scotland.

**Table 12.15: Direct GVA by contract type and study areas.**

| Contract type | Inner Moray Firth (£ million) | The Highlands (£ million)[1] | Scotland (£ million)[2] |
|---|---|---|---|
| Wind Farm Development | | | |
| Development and Planning | 0 | 0.6 | 2.1 |
| Turbines | 0 | 5.8 | 13.8 |
| Civil Works | 1.1 | 1.3 | 4.1 |
| Electricity Works | 0.3 | 0.3 | 1.0 |
| Battery Energy Storage Development | | | |
| BESS | 0 | 0.2 | 2.0 |
| **Total** | **1.4** | **8.0** | **23.0** |

1 Inclusive of Inner Moray Firth 2 Inclusive of the Highlands

12.8.7 Similarly, it was possible to estimate the number of direct jobs supported by spending in development and construction contracts, which was estimated by dividing the expenditure of each contract by the turnover per job ratio for the relevant sector. In this way, it was estimated that the development and construction phase, the Proposed Development could generate 24.5 direct years of employment in Inner Moray Firth, 138.5 direct years of employment in the Highlands and 375.7 direct years of employment across the whole of Scotland, as shown in **Table 12.16**.

**Table 12.16: Job years generated by contract type for each study area**

| Contract type | Inner Moray Firth (years) | The Highlands (years)[1] | Scotland (years)[2] |
|---|---|---|---|
| Wind Farm Development | | | |
| Development and Planning | 0.0 | 9.6 | 29.8 |
| Turbines | 0.0 | 95.6 | 241.9 |
| Civil Works | 19.6 | 23.5 | 63.9 |
| Electricity Works | 4.9 | 5.9 | 15.9 |
| Battery Energy Storage Development | | | |
| BESS | 0 | 3.9 | 24.2 |
| **Total** | **24.5** | **138.5** | **375.7** |

1 Inclusive of Inner Moray Firth 2 Inclusive of the Highlands

12.8.8 To account for leakages (**Table 12.17**), commuting data were reviewed to determine the proportion of workers likely to be involved in the construction of the Proposed Development. Regarding displacement (**Table 12.17**), analysis assumed that displacement would be 5 % for the local study area, with similar levels of displacement (5 %) assumed at a regional level. At a national level, higher levels of displacements were assumed (15 %).

12.8.9 The effects of leakage and displacement can act to reduce the value of the project within the economy; however, an estimate of the additional jobs and economic value created in the economy, through the (positive) indirect and induced effects of project expenditure in the economy, should also be considered.

**Table 12.17: Leakages and Displacement for each study area**

| | Local (%) | Regional (%) | National (%) |
|---|---|---|---|
| Leakages | 4.3 | 4.3 | 1.1 |
| Displacement | 5 | 5 | 15 |

12.8.10 Expenditure in development and construction contracts is also expected to generate 'knock-on' effects across the economy. In particular, it will be associated with further rounds of expenditure along the supply chain and with the spending of the wages and salaries of those involved in the development and construction. These are referred to as 'indirect' and 'induced' impacts, respectively.

12.8.11 To estimate the indirect and induced impacts, it was necessary to apply the relevant Type I and Type II GVA and employment multipliers from the Scottish Government Input-Output Tables (Scottish Government, 2023) to direct GVA and direct employment. Since the multipliers refer to sectoral interactions occurring at the level of the Scottish economy, it was necessary to adjust them when considering impacts taking place in Inner Moray Firth and the Highlands (**Table 12.18**).

**Table 12.18: Indirect and Induced multipliers in the Highlands and Scotland.**

| Contract type | Inner Moray Firth | | The Highlands | | Scotland | |
|---|---|---|---|---|---|---|
| | Type II employment multiplier | Type II GVA multiplier | Type II employment multiplier | Type II GVA multiplier | Type II employment multiplier | Type II GVA multiplier |
| Wind Farm Development | | | | | | |
| Development and Planning | 1.23 | 1.30 | 1.29 | 1.39 | 1.45 | 1.60 |
| Turbines | 1.38 | 1.35 | 1.49 | 1.46 | 1.75 | 1.70 |
| Civil Works | 1.40 | 1.45 | 1.52 | 1.59 | 1.80 | 1.90 |
| Electricity Works | 1.4 | 1.45 | 1.52 | 1.59 | 1.80 | 1.90 |
| Battery Energy Storage Development | | | | | | |
| BESS | 1.35 | 1.39 | 1.46 | 1.50 | 1.7 | 1.78 |

12.8.12 Applying the assumptions in **Table 12.18** to the gross employment and economic impacts outlined above provides an estimate of the likely net employment and economic impacts generated by the Proposed Development for each contract type, as shown in **Table 12.19**.

12.8.13 Adding up direct, indirect and induced impacts, it was estimated that the development and construction of the Proposed Development could generate:

- £1.9 million GVA and 31.1 job years in Inner Moray Firth;
- £10.9 million GVA and 183.1 job years in the Highlands; and
- £34.3 million GVA and 533.4 job years across Scotland.

12.8.14 The estimated figures show that the Proposed Development would contribute to the provision of high-quality local employment opportunities during the development and construction phase and help maximise the value of local expenditure. These are in line with the requirements of the NPF4 Policy 11(c). However, given the relative size of the Inner Moray Firth economy, the magnitude of impact was assessed as **Negligible**. Furthermore, given the relative sensitivity of each study area, the effects would be **Minor** to **Negligible** and **Not Significant**

**Table 12.19: Estimated net construction phase employment and economic impact of the Proposed Development**

| Contract type | Inner Moray Firth | | The Highlands | | Scotland | |
|---|---|---|---|---|---|---|
| | Job years | GVA (£ million) | Job years | GVA (£ million) | Job years | GVA (£ million) |
| Wind Farm Development | | | | | | |
| Development and Planning | 0.0 | 0.0 | 11.3 | 0.7 | 35.9 | 2.9 |
| Turbines | 0.0 | 0.0 | 128.9 | 7.7 | 343.8 | 20.8 |
| Civil Works | 24.9 | 1.5 | 30.3 | 1.8 | 91.3 | 6.2 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Electricity Works | 6.2 | 0.4 | 7.5 | 0.4 | 22.7 | 1.5 |
| Battery Energy Storage Development | | | | | | |
| BESS | 0.0 | 0.0 | 5.1 | 0.3 | 39.7 | 2.9 |
| **Total** | **31.1** | **1.9** | **183.1** | **10.9** | **533.4** | **34.3** |

1 Inclusive of Inner Moray Firth 2 Inclusive of the Highlands

*Operation*

12.8.15 The operation and maintenance impact were estimated as the impacts which would persist throughout the lifespan of the Proposed Development. When the Proposed Development is operational, a team of personnel would be required to provide servicing, maintenance, repairs and other operational support. The operation and maintenance impact of the Proposed Development has been estimated as the impact that would persist throughout the lifespan of the Proposed Development. The long-term assessments of the operations and maintenance impacts have been assessed over the 50-year period. This would include the battery component, which is not expected to require substantial operation and maintenance expenditure.

12.8.16 Annual expenditure on operations and maintenance (OPEX) was estimated based on analysis undertaken in the 2015 RenewableUK report, which stated the weighted average cost was £59,867 per MW per annum. Therefore, it is estimated that annual operations and maintenance expenditure associated with the Wind Turbines could be up to £6.7 million (inclusive of community benefit funding and non-domestic rates). Over the 50 years of operational life of the Proposed Development's Wind Farm with a generating capacity of 98 MW, this could amount to approximately £293.3 million. The annual OPEX for BESS is estimated to be approximately £0.8 million, resulting in an OPEX of £40.6 million over the Proposed Developments operational lifespan. The Overall OPEX over the duration of the operational life of the Proposed Development is estimated to be £334.0 million.

12.8.17 In order to estimate the economic impact of the operation and maintenance expenditure in Scotland, it was necessary to estimate the proportion of contracts that could be secured in each of the study areas (see **Table 12.20**). The distribution of these contracts was based on assumptions supported by the proportions reported in the RenewableUK report, the analysis of the industries present in each if the study areas, as well as RSK's previous experience.

12.8.18 On this basis, it was estimated that Inner Moray Firth will benefit from £1.1 million, the Highlands by approximately £2.8 million[5], and Scottish businesses as a whole will benefit from an estimated £3.9 million[6] per annum.

[5] Inclusive of the Inner Moray Firth study area.

[6] Inclusive of the Highlands study area.

**Table 12.20: Operations and Maintenance expenditure by study area per annum**

| | Inner Moray Firth | The Highlands[1] | Scotland[2] |
|---|---|---|---|
| Potential Percentage of contract (%) | 16 | 42 | 58 |
| Potential Contract value (£ million) | 1.1 | 2.8 | 3.9 |

1 Inclusive of Inner Moray Firth contract value. 2 Inclusive of The Highlands contract value.

### Gross employment and economic impacts

12.8.19 As with the construction phase, the contract values awarded in each of the study areas represented an increase in turnover across those areas. The economic impact of the increase in turnover on GVA and employment in the operational phase was estimated similarly to construction phase impacts. Turnover per unit of GVA and GVA per employee ratios have been calculated and are illustrated below, in **Table 12.21**. A weighted average was then calculated by accounting for the percentage of spend for each contract type in order to provide job years and GVA estimates for operation and maintenance as a whole.

**Table 12.21: Estimated GVA and turnover per employee (operation and maintenance)**

| Contract type | Spend (%) | Turnover per employee (£) | | GVA / Turnover Ratio | |
|---|---|---|---|---|---|
| | | The Highlands | Scotland | The Highlands | Scotland |
| Turbine maintenance | 50 | 180,250.00 | 216,670.00 | 0.46 | 0.46 |
| Site maintenance | 10 | 180,250.00 | 216,670.00 | 0.46 | 0.46 |
| Operational management | 18 | 85,639.00 | 144,589.00 | 0.67 | 0.54 |
| Land agreements | 22 | 90,214.00 | 126,297.00 | 0.62 | 0.63 |
| **Weighted Average** | **100** | **143,412.10** | **183,813.36** | **0.533** | **0.51** |

12.8.20 Applying the above assumptions to the Proposed Development provides an estimate of the likely level of employment in Inner Moray Firth, The Highlands and Scotland. As stated above, the Inner Moray Firth study area is part of the Highlands study area, which is part of the Scotland study area. Jobs and GVA generated within the smaller study areas are therefore included in the count towards jobs and GVA within the larger study areas. The regional and national gross employment and GVA estimates outlined in **Table 12.21** have only been applied to the difference in local and regional, and regional and national turnover. In this way, as shown in **Table 12.22** it was estimated that operation and maintenance activities associated with the Proposed Development could generate £0.6 million GVA locally, £1.5 million GVA in the Highlands and £2.0 million GVA across the whole of Scotland.

**Table 12.22: Gross annual operation and maintenance economic impacts of the Proposed Development**

| Study Area | Inner Moray Firth | The Highlands | Scotland |
|---|---|---|---|
| Job years | 7.5 | 19.6 | 25.4 |
| GVA (£ million) | 0.6 | 1.5 | 2.0 |

### Net employment and economic impacts

12.8.21 As in the construction phase, net impacts on employment and GVA for operation and maintenance has been calculated using additionality factors. This includes leakages and displacement (see **Table 12.23**, both the same as in the construction phase additionality factors) and GVA and Type II (indirect and induced) employment multiplier values for the relevant industry sectors published on the Scottish Government 2023 Input-Output tables (as identified in **Table 12.24**). Similarly, to reflect the lower multiplier effects at local levels, GVA and employment multipliers in Inner Moray Firth was set at 50% of the Scottish level and the Highlands was set at 65% of the Scottish level.

**Table 12.23: Leakages and Displacement for each study area**

| | Local (%) | Regional (%) | National (%) |
|---|---|---|---|
| Leakages | 4.3 | 4.3 | 1.1 |
| Displacement | 5 | 5 | 15 |

**Table 12.24: Type II employment and GVA multipliers in the Inner Moray Firth, Highlands and Scotland**

| Contract type | Inner Moray Firth | | The Highlands | | Scotland | |
|---|---|---|---|---|---|---|
| | Type II Employment multipliers | Type II GVA Multipliers | Type II Employment multipliers | Type II GVA Multipliers | Type II Employment multipliers | Type II GVA Multipliers |
| Turbine / Solar maintenance | 1.40 | 1.20 | 1.52 | 1.26 | 1.80 | 1.40 |
| Site maintenance | 1.40 | 1.20 | 1.52 | 1.26 | 1.80 | 1.40 |
| Operational management | 1.20 | 1.30 | 1.26 | 1.39 | 1.40 | 1.60 |
| Land agreements | 1.15 | 1.35 | 1.20 | 1.46 | 1.30 | 1.70 |
| **Average** | 1.31 | 1.25 | 1.40 | 1.33 | 1.62 | 1.50 |

12.8.22 Applying the above assumptions to the gross employment and economic impacts provides an estimate of the likely level of net employment economic impacts across the operational lifetime of the Proposed Development (see **Table 12.25**).

12.8.23 Adding up the direct indirect and induced impacts using the same multiplier methodology conducted for the development and construction phase, it was estimated that over the Proposed Development's operation life (50 years), the operation and maintenance of the Proposed Development could generate:

- £ 32.3 million GVA and 442.4 job years for Inner Moray Firth;
- £ 88.0 million GVA and 1212.1 job years for the Highlands; and
- £ 122.5 million GVA and 1722.4 job years for Scotland.

12.8.24 Given the scale of the potential economic and employment impacts in comparison with the economy in each study area, it is not likely that any impacts would be expected to result in a measurable variation from baseline economic conditions. Therefore, the net socio-economic impacts are considered to be **Negligible**. Furthermore, given the relative sensitivity of each study area, the effects would be **Minor** to **Negligible** and **Not Significant**.

**Table 12.25: Total operational and maintenance economic impact of the Proposed Development**

| | Inner Moray Firth | The Highlands[1] | Scotland[2] |
|---|---|---|---|
| Per annum | | | |
| Job Years | 8.8 | 24.2 | 34.3 |
| GVA (£ million) | 0.6 | 1.8 | 2.4 |
| Total (50 years) | | | |
| Job Years | 442.4 | 1212.1 | 1722.4 |
| GVA (£ million) | 32.3 | 88.0 | 122.5 |

1 Inclusive of Inner Moray Firth. 2 Inclusive of The Highlands.

## 12.9 Recreation

*Recreational trails and core paths*

Effects on recreational routes are summarised below with further details on all recreational routes available in **Table 5.18** of **Chapter 5**.

**Core Path IN27.02 at Tomatin**

12.9.1 The ZTV indicates that the Proposed Development would result in **Major and Significant** visual effects along approximately 1.2 km of the routes Northern Section. Beyond this, it the remainder of the core paths route is predicted to have no visibility of the Proposed Development, resulting in no anticipated visual effects.

12.9.2 The route is a circular woodland walk between the Tomatin distillery and the settlement of Tomatin. As such, given that the effects are shown to be on localised sections of the route and recreational amenity would also be derived from the immediate surrounds of woodland and buildings, it is therefore not expected that the Proposed Development will have a noticeable impact on the behaviour of recreational users so the magnitude of impact would be **Negligible** on a **High** sensitivity receptor. Recreational effects would be **Minor** and **Not Significant**.

**Core Path IN.19.08, IN.19.09 and IN.19.44 in the Leachkin and Kinmylies area of Inverness**

12.9.3 The assessment of this group of core paths, which cross the Kinmylies part of Inverness, determined that the visual effects would be similar to those assessed for Viewpoint 16 in **Technical Appendix 5.2**. The findings determined that the Proposed Development's impact on the landscape would be High for these paths and that because of this, the level of effect would be **Moderate** and **Significant** from the elevated location and the extent of visibility of the turbines appearing on the skyline. However, the significant impact would only be from elevated sections of the route and given the intervening distance, the expansive views that would remain unaffected in other directions, and the more immediate surrounds of the built environment, agriculture, the Kings Golf Club and woodlands, the magnitude of impact would be **Negligible** on a **High** sensitivity receptor. The Proposed Development is therefore expected to be **Minor** and **Not Significant**.

**Heritage path HP1 - General Wade's Military Road, Moy to Inverness**

12.9.4 It is estimated that approximately 3.5 km of the route between Milton of Leys and north of Faillie would be affected. In addition, for the 6.8 km section of the route from Scatraig to Lynemore the Proposed Development would be a prominent new feature of the ridgeline to the south and southwest, visible alongside the substation/ BESS and access tracks. On account of approximately 6.8 of the 12.7 km route having visibility of the Proposed Development it was determined that the visual effect of the Proposed Development would be **Substantial** and **Significant** in some areas with no visibility for other portions of the track. **Chapter 9: Archaeology and Cultural Heritage** did not find any significant effects on General Wade's Military Road so it is taken that visitors would still be able to appreciate the cultural significance of the route.

12.9.5 While web pages describing the route do advertise the views south as a feature it is considered that recreational amenity would be derived also from the heritage value, sense of adventure and wildlife present. The significant visual effects were only shown to be for localised sections of the route. On the Scotways website[7] it appears that these views would be a secondary feature to the others mentioned and it is therefore, not expected that the Proposed Development to alter the behaviour of the majority of recreational users. Furthermore, the visual impact of the Proposed Development is further diminished for recreational users if coniferous forestry screening is taken into account. Based on this, the magnitude of impact on this **High** sensitivity receptor is considered to be **Minor**. Therefore, the recreational effects of the Proposed Development on the Heritage Path is expected to be **Moderate** and **Not Significant**.

**Heritage path HP2 – Old Road to Forres / Scottish Hill Track 229**

12.9.6 It is expected that approximately 200 m of the western extents of these routes between Milton and Moy would experience a **Substantial to Major** and **Significant** visual effects on account of the Proposed Development. However, given that the effects were shown to be for a localised section of the route, it is not expected to alter the behaviour of recreational users. As a result the magnitude of impact is considered to be **Negligible** for

[7] https://scotways.com/heritage-path-of-the-month-september-2023-general-wades-military-road-moy-to-inverness/

a **High** sensitivity receptor, and so recreational effects would be **Minor** and **Not Significant**.

**Heritage path HP3 – Slochd Military Road / Scottish Hill Track 230**

12.9.7 The level of effect is expected to range from **Major** and **Significant** for portions of the route, to no view of the Proposed Development for the rest. In total, approximately 1.3 km of the route, on the elevated views north-west of the Proposed Development, would be significantly affected. However, given that the effects were shown to be for a localised section of the route and it is not expected that the Proposed Development would detract from the Sluggan Bridge, which is the key feature of the walk and at a considerable distance from the turbines. The magnitude of impact for the **High** sensitivity receptor is therefore expected to be **Negligible**. As such it is not expected to alter the behaviour of recreational users so recreational effects would be **Minor** and **Not Significant**.

**Sustrans National Cycle Route 7 / Core Path IN27.01**

12.9.8 The Sustrans National Cycle Route 7 is a 547-mile route between Sunderland and Inverness. Of the total area of the route within the 45 km study area used in **Chapter 5**, it was shown that the following areas had significant effects:

- **Major to Major to Moderate** and **Significant** effects on a 2 km section of the route between Southern Tomatin and the layby north of Tomatin, which is approximately 6.7 km long.
- **Substantial to Major** and **Significant** effects on approximately 600 m of the 2.3 km route between the layby north of Tomatin to B9154 junction with A9 (Moy)
- **Substantial to Substantial to Major** and **Significant** effects on approximately 5.5 km of the 9.3 km route north of the railway bridge, and between the B9154 junction with A9 to Craggie.

12.9.9 In total, the views from approximately 8.1 km of the route (reducing to approximately 2.3 km accounting for coniferous forestry) would be significantly affected (**Substantial, Substantial to Major, Major and Major to Moderate**) south of Tomatin, in the northern part of Tomatin, between Dalmagarry and the B9154 junction for Moy and north of Moy from a visual perspective.

12.9.10 However, the motivation to visit the Sustrans National Cycle Route 7 is for recreational users to access a 547-mile route across England and Scotland. As such, give that the effects were shown to be for localised sections of the route the magnitude of impact is **Negligible** for this **High** sensitivity receptor. The Proposed Development is not expected to alter the behaviour of recreational users so recreational effects would be **Minor** and **Not Significant**.

**Great Glen Way/ Loch Ness 360 Trail**

12.9.11 It was estimated that the visual effects of the Proposed Development on the Great Glen Way and Loch Ness 360 trail would be **Moderate** and **Significant** for a short 1.1 km section of the track at Leachkin, with the remainder of the route experiencing **Moderate** and **Not Significant** due to either the screening and filtered view due to vegetation, North of Loch Ness and the intervening distance and narrow field of view North of Blackfold. Therefore, whilst **Chapter 6** finds significant visual effects on the Great Glen Way / Loch Ness 360 trail, it is not expected that visibility of the Proposed Development will impact

tourist activity. The motivation to visit the Great Glen Way / Loch Ness 360 trail is for recreational users to access an 80-mile route through scenic landscapes in the Highlands. Therefore, given that the effects are shown to be on localised sections of the route, the magnitude of impact is **Negligible** for a **High** sensitivity receptor. it is not expected that the Proposed Development will alter the behaviour of recreational users so recreational effects are considered to be **Minor** and **Not Significant**.

**Summary**

12.9.12 While significant visual effects are predicted for certain sections of recreational trails and core paths within the vicinity of the Proposed Development, these impacts are localised as described above and in **Chapter 5**. As a result, no significant overall effects on recreational use are anticipated. The visual effects of the Proposed Development are not expected to alter the motivations or behaviour of the majority of recreational users, and therefore, no notable impact on recreational activity is predicted.

## 12.10 Cumulative Effects

12.10.1 There may be cumulative effects on employment and economics if the Proposed Development supports the development of a local supply chain, which other wind farm developments in the area may benefit from. The Proposed Development provides opportunities for the involvement of suppliers across Inner Moray Firth, the Highlands and Islands, as well as wider Scotland. The range of activities that suppliers can be involved in include research and development; design; project management; civil engineering; component fabrication and/or manufacture; installation; and maintenance. There is expertise in all of these areas in the wider region, although a full wind energy supply chain covering all aspects of wind turbine component manufacture has not yet been developed within the region or indeed within Scotland as a whole.

12.10.2 As shown in **Figure 5.11**, there are currently four existing onshore wind developments in the vicinity of the Proposed Development:

- Existing wind farms:
- Farr Wind Farm
- Glen Kyllachy Wind Farm
- Moy Wind Farm
- Tom nan Clach Wind Farm

**12.10.3** A key contextual consideration has been, with an increasing number of wind farm schemes either operational, under development or having gained consent in Scotland, the commercial viability and job prospects amongst Scottish supply chain firms have improved. Cluster benefits in the industry increase where firms are supported by the spending of other firms within the renewables sector. The net effect is to increase business and employment opportunities within Scotland's renewable energy sector, boosting the performance of regional and national economies.

**12.10.4** However, this would not be expected to result in a substantial increase in economic impact, which changes baseline conditions. The impact is likely to be **Minor** to **Negligible**, and therefore the effect is **Not Significant**.

## 12.11 Summary of effects

### Construction Phase

12.11.1 During the construction phase it is estimated that the Proposed Development could generate up to £34.3 million GVA and 533.4 job years across Scotland, with approximately £10.9 million and 183.1 job years' worth of this total directly benefitting the Highlands and £1.9 million GVA and 31.1 job years in Inner Moray Firth.

### Operational Phase

12.11.2 Over the course of the operational phase of the Proposed Development, it is estimated that over the Proposed Development's 50-year lifetime, the operation and maintenance costs could generate up to £122.5 million GVA and 1722.4 job years for Scotland, of which £88.0 million GVA and 1212.1 job years directly benefit the Highlands economy and £32.3 million GVA and 442.4 job years for Inner Moray Firth.

### Recreation Effects

12.11.3 While some recreational routes may experience significant visual impacts, as detailed above, and in **Chapter 5**, these effects are not expected to substantially alter recreational usage. Beyond visual changes to the setting of receptors, no significant impacts on recreational amenities are anticipated.

### Community Benefits

12.11.4 Approximately £24.5 million in community benefit funding and £46.5 million in non-domestic rates would also be provided over the operational lifetime of the Proposed Development.

## 12.12 Maximising Socio-Economic Benefits

**12.12.1** The socio-economic structure of the local area and the Highlands highlights the need for the creation of job opportunities. This is reflected in the local demographic profile, with older population structures and worse labour market outcomes than Scotland. Future demographic pressures are expected to exacerbate these trends, making job creation a priority to retain the existing population and attract more working age people to the area. It is therefore important that the development of the Highlands' renewable energy industry continues as it will have a pivotal role in revitalizing local communities by generating sustainable economic growth and promoting community wealth building. It is clear that through the rapid deployment of the projects needed to deliver Scotland's target of 20 GW installed capacity by 2030 there is the potential for maximising economic benefits for local communities.

12.12.2 In relation to the potential for the Proposed Development to maximise local benefits, it would have a key role providing long-term job opportunities to Inner Moray Firth as well as the Highlands more widely, and in ensuring that community benefits are reinvested locally. This assessment so far has assessed the potential net socio-economic effects of the Proposed Development. The net socio-economic benefits as a result of the investment into the construction and operation of the Proposed Development would result in:

- High quality, secure jobs through the demand created;
- Sustain the rural economy through supporting private estates; and
- Supporting local services and contributing to enabling infrastructure through non-domestic growth contributions.

12.12.3 While most benefits from wind farms come from the construction and operation of projects, the Proposed Development also provides significant opportunities for maximising local benefits through wider economic benefits. Whether this is realised will depend on the actions of communities, developers and the public sector. However, the Onshore Wind Sector Deal indicates a willingness on all sides to work together to achieve these benefits. It is considered there are opportunities for the Proposed Development to deliver wider and lasting economic benefits through:

- maximising local supply-chain content;
- developing future workforce skills; and
- investment in the local community.

12.12.4 The Proposed Development provides opportunities for the involvement of suppliers from Inner Moray Firth, the Highlands, and Scotland. The range of activities that suppliers can be involved in include; research and development, design, project management, civil engineering, component fabrication and/or manufacture, installation and maintenance. There is expertise in all of these areas in the wider region, although a full wind energy supply chain covering all aspects of wind turbine component manufacture has not yet been developed within the region or indeed within Scotland as a whole. To increase local supplier visibility of the Proposed Development, the Applicant has opened a formal supplier registration scheme[8], with the aim of notifying local contractors and registered businesses about the upcoming opportunities available.

12.12.5 The Applicant is committed to prioritising local suppliers and contractors where feasible and is working with the local chambers of commerce to boost awareness of the opportunities available within the local supply chain. However, uncertainties around procurement, development timescales and detailed project specifications make it impossible to accurately predict exactly how much local content a project will contain before development commences. For these reasons it is not possible to provide a precise threshold above which local content could be judged to have been maximised. Even if this was possible, it would not be helpful because it could act as a constraint on future supply chain development.

12.12.6 During the construction process, there will be opportunities for those employed to develop skills that will be of benefit to the local economy and local businesses in the longer term. Further, employment generated through the Proposed Development will contribute to diversifying the local economy and help support the retention in the area of the working age population. Support for skills development is a key priority recognised in the national and local policy but can take many forms such as apprenticeships, retraining for those with transferable skills or early engagement with schools. What is important is that any

[8] Information regarding the contractor registration is available on the project website: https://lynemorewindfarm.co.uk/

support provided for local skills development reflects the distinct characteristics of the local labour market and has been developed in collaboration with relevant parties.

12.12.7 In addition to the direct and indirect economic impact generated throughout the construction and operation investment of the Proposed Development, the Applicant is also committed to £5,000/MW of community benefit, which could produce £24.5 million over the lifetime of the project.

12.12.8 It is clear that the Proposed Development has the potential for maximising local benefits but the most effective way of achieving this is through collaboration between the developer, authorities and host communities. Together these parties should be able to agree a community package that maximises potential benefit and that is fair and achievable.

12.12.9 In their 2024 report, BiGGAR outlined recommendations for a proposed approach to maximising local benefits that is embedded in the principles of community wealth building. The applicant would look to apply the following recommendations, where applicable, in collaboration, governed by the guidance in The Highland Council's Community Benefit Policy, with local stakeholders as part of a bespoke solution:

- high local content of the supply chain;
- bespoke opportunities for local employment and skills development that reflect the characteristics of the local labour market;
- fair community benefit packages that generate tangible benefits for the host community while remaining affordable for the developer; and
- continued innovation to support the process of continuous improvement.

12.12.10 The BiGGAR study suggests that the aspirations of developers, communities and local authorities are aligned when it comes to maximising economic benefits. All stakeholders would like to see local businesses grow and new jobs brought to the area. Development supports public sector ambitions to grow the economy, communities benefit from the increased activity, and developers want to keep their costs down by using local suppliers and local labour as much as they can.

12.12.11 The solution would look to incorporate key local priorities for action as identified in relevant local and regional strategies, such as the Highland Outcome Improvement Plan, and the Council's Community Wealth Building Strategy.

12.12.12 Overall, the scale of the beneficial community and economic construction and operational effects will be important to the local and national economies, contributing to sustainable economic growth. The Proposed Development meets these requirements and contributes to the rapid deployment of renewable energy technologies to achieve installed capacity targets, considering criteria such as the support of a high local supply chain content, the provision of local employment and skills development opportunities, the contribution to the cost for enabling infrastructure and other interventions, the provision of a community benefit package and the promotion of the continuation of innovative processes to enhance community wealth.

12.12.13 Therefore, it is considered the requirements outlined in NPF4 Policy 11(c) regarding the maximisation of the net economic impact have been met.

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