VOLUME 2: CHAPTER 11 – SOCIO-ECONOMIC, RECREATION AND TOURISM

Appendices (Volume 5 of this EIA Report)

Appendix V2-11.1: Draft Outdoor Access Management Plan

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Figures (Volume 3 of this EIA Report)

The relevant figures for this Chapter are contained within the Appendices listed above

11. SOCIO-ECONOMIC, RECREATION AND TOURISM

11.1 Executive Summary

11.1.1 The Proposed Development would involve the construction of a new 132 kV transmission connection of approximately 160 km between Ardmore Substation in the north-west of Skye, to Fort Augustus Substation on the mainland.

11.1.2 The assessment has been carried out in line with Scottish Government guidance on 'Net Economic Benefit and Planning'[1]. The guidance highlights how the net economic benefit generated by a Proposed Development can be assessed as a material consideration in the decision-making process.

11.1.3 The assessment considers the likely significance of effects of the Proposed Development on the economy in both quantitative and qualitative terms. In particular, it considers the effects of the Proposed Development on employment and economic output, as well as recreational and tourism assets and activities.

Socio-economic

11.1.4 As a significant investment (approximately £488 million) in a key economic sector, the Proposed Development supports both pillars of the national economic strategy and each of the broad priority areas set out in the strategy. It would provide contract and employment opportunities for Scottish and Highland based businesses throughout the construction and operational phases.

11.1.5 The capital investment would enable a long-term security of supply and increasing capacity for renewable electricity generation across Skye and Lochalsh.

11.1.6 There would be direct construction impacts for the Highlands and Scotland as a whole as part of the investment plans, where 638 PYEs would be generated as a result of the construction programme. Taking into account the origin of these jobs, displacement and multiplier effects the construction works alone would generate 167.4 PYE in the Highlands and 430.7 PYE at the Scottish level. This equates to a Gross Value Added (GVA) impact of £10.4 million to the Highlands and £27.38 million at the Scottish level over the construction period.

11.1.7 Overall, taking account of displacement and multiplier effects, the Proposed Development is expected to generate 6.3 operational jobs per annum in the Highlands and 16.2 across Scotland per annum. This equates to a GVA impact of £310,320 to the Highlands and £1,065,393 across Scotland per annum.

11.1.8 The predicted residual socio-economic effect in relation to construction and dismantling activities are deemed to be of **Moderate Beneficial** and significant at both regional and national level. The predicted residual socio-economic effect in relation to operational activities are deemed to be of **Minor Beneficial** and not significant at both regional and national level.

11.1.9 The Applicant has committed to maximise the economic opportunities for the local area and business and communities in the Highland Council area, where possible. As for other developments and as set out in their corporate communications, the Applicant is committed to using local supply chain where feasible and their Principal Contractors are also encouraged to do the same.

11.1.10 The Applicant has a raft of corporate communications which can be reviewed as to the contribution it makes to the Scottish economy, its sustainability ethos and track record of developing and delivering on community investment.

Recreation and Tourism

[1] Scottish Government (2016): Net Economic Benefit and Planning

11.1.11 The review of recreational and tourism assets included a review of all the notable visitor attractions, none of which are located in close proximity to the Proposed Development. Similarly, a review of core paths, rights of ways and hill tracks / mountain routes, has shown that these are largely unaffected by the Proposed Development. The tourism sector is important for Skye and Lochalsh, and review of secondary research has shown that visitors are not dissuaded from visiting or revisiting an area where renewable energy and transmission installations are present. It is unlikely that visitors would be dissuaded from visiting tourist attractions and using recreational routes, including viewpoints as a result of the Proposed Development.

11.1.12 The routeing and alignment stage of the Proposed Development implemented mitigation by design including undergrounding through the Cullins, and near Fort Augustus, to mitigate likely landscape and visual significant effects. Community consultation has been undertaken to gain the views of local residents, and SSEN Transmission has taken on board as far as possible these views in developing the design of the Proposed Development, to minimise against any adverse recreational and tourism effects.

11.1.13 The predicted residual recreational and tourism effect in relation to construction activities are deemed to be **Negligible** and not significant. The predicted residual recreational and tourism effect in relation to operational activities are deemed to be **Negligible** and not significant.

11.2 Introduction

11.2.1 This Chapter reports on the assessment of the potential and likely predicted socio-economic, recreation and tourism impacts of the Skye Reinforcement Project.

11.2.2 Scottish and Southern Electricity Networks Transmission (herein referred to as 'SSEN Transmission' or 'SSEN-T') operating under licence as Scottish Hydro Electric Transmission plc (or SHET, the Applicant), owns, operates and develops the high voltage electricity transmission system in the north of Scotland and remote islands. The Applicant is proposing to submit an application for consent under section 37 of the Electricity Act 1989 to construct and operate a new double circuit steel structure 132 kV overhead transmission line (OHL) between Fort Augustus Substation and Edinbane Substation and a new single circuit trident H wood pole (H pole) OHL between Edinbane Substation and Ardmore Substation. The project would also comprise approximately 24 km of underground cable, split over two sections, proposed by the Applicant to mitigate likely significant landscape and visual effects, or as a means of rationalising the existing OHL network. In total, the transmission connection extends over a distance of approximately 160 km. The project is referred to as the Skye Reinforcement Project (and hereafter also interchangeably as the Proposed Development).

11.2.3 The assessment has been carried out in line with Scottish Government guidance on 'Net Economic Benefit and Planning'[2]. The guidance highlights how the net economic benefit generated by a Proposed Development can be assessed as a material consideration in the decision-making process.

11.2.4 The assessment considers the likely significance of effects of the Proposed Development on the economy in both quantitative and qualitative terms. In particular, it considers the effects of the Proposed Development on employment and economic output, as well as recreational and tourism assets and activities.

11.2.5 The assessment describes the methods used to assess impact, the socio-economic and tourism baseline conditions, and the potential impacts of the Proposed Development during the dismantling, construction and operational phases. The wider, and less tangible and longer-term economic benefits of the Proposed Development are also assessed.

11.2.6 This Chapter has been compiled by MKA Economics, who specialise in appraising the economic viability, socio-economic value, and, advising on the delivery of, economic development projects. Based at the Innovation Park at the University of Stirling the company works across sectors and geographies and has been retained by Highland and Island Enterprise on their Economic Impact Assessment Framework since 2013. A table

[2] Scottish Government (2016): Net Economic Benefit and Planning

presenting relevant qualifications and experience is included in **Appendix V1.5.1: EIA Team**, contained within Volume 5 of this EIA Report.

11.3 Scope of Assessment and Methodology

11.3.1 In terms of economic effects, this assessment has employed appraisal techniques consistent with those outlined in the Scottish Government's guidance on 'Net Economic Benefit and Planning'[2], and also Scottish Enterprise's Economic Appraisal Guidance Note for the appraisal of economic development initiatives[3].

11.3.2 This assessment calculates both construction and operational employment associated with the Proposed Development, and the economic effects this would have on the economy, at both a country and local authority level.

11.3.3 This assessment outlines the role the Proposed Development can play in supporting national and regional economic development policies and strategies. It presents an overview of the local economic conditions, assessing them against the Highland, Scottish and Great Britain (GB) situation, to set the development context for the Proposed Development. Finally, it outlines the potential benefits of the Proposed Development on employment, investment, local spending, community development and the local business base, during construction and operation.

11.3.4 For the purposes of this Chapter, both the baseline and impact assessments define the regional area as The Highland Council (THC) area (as the planning authority), the country level area as Scotland (as the national planning authority) and the national area as Great Britain (GB). A socio-economic profile is presented in more detail in **Appendix V2-11.2.** In terms of the tourism and recreation aspect of the assessment, more sub-regional (or local) assessment has been undertaken. This has been defined according to a 2.5 km isochrone, as presented in the Recreation and Tourism Baseline sub-section and in **Appendix V2-11.3**.

Consultation Responses

11.3.5 **Table V2-11-1** summarises the relevant socio-economic, recreation and tourism responses provided as part of the Scoping Opinion from the Scottish Government's Energy Consents Unit (ECU) (April 2022).

Table V2-11-1: Socio-Economic and Tourism Stakeholder Responses

Organisation	Scoping Response	Method of Assessment
The Highland Council	The EIAR 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 groupings such as tourists and tourist related businesses, recreational groups, economically active, etc. 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 eventual decommissioning of the infrastructure. In this regard development experience in this location should be used to help set the basis of likely impact. This should set out the impact on the regional and local economy, not just the national economy. Any mitigation proposed should also address impacts on the regional and local economy	Presentations of a socio-economic and tourism baseline position and stated impact in terms of economic (jobs, turnover and Gross Value Added (GVA)) and social impacts, and the wider community impacts are provided in this Chapter of the EIA Report.

[3] Scottish Enterprise (2008): Impact Appraisal and Evaluation Guide

Organisation	Scoping Response	Method of Assessment
	There are two aspects of the project to consider from the Access Authorities perspective: 1) the impact of the construction and permanent operational phase on access routes; and 2) opportunities for access improvements as a legacy to the project. An Outdoor Access Management Plan (OAMP) should be submitted as part of the EIA Report.	An Outdoor Access Management Plan will be prepared for the Proposed Development, a draft of which is provided in **Appendix V2-11.1** in **Volume 5**. **Volume 2, Chapter 3: Landscape and Visual** also assesses potential visibility of the Proposed Development from recreational interests.
VisitScotland	Nothing Received	Presentation of a tourism baseline including a review of local tourism and recreational assets and activities, including a review of recreational routes in the vicinity of the Proposed Development, is presented in the Baseline Assessment in **Appendix V2-11.3** in **Volume 5**. A review of a range of secondary research on the tourism opinions towards renewable energy proposals is also provided. **Volume 2, Chapter 3: Landscape and Visual** also assesses visual amenity impacts from known tourist attractions and recreational routes, including core paths, in the surrounding area.

11.4 Legislation, Policy and Guidance

National Policy

11.4.1 The Scottish Government replaced the Scottish Economic Strategy in March 2022 with the National Strategy for Economic Transformation[4]. The strategy sets out *'Our vision for Scotland in 2032 is a wellbeing economy: thriving across economic, social and environmental dimensions, one that delivers economic prosperity for all Scotland's people and places*.'

11.4.2 The strategy framework is structured around eight broad priority areas, where Scottish Government actions will be targeted. These aim for Scotland to be recognised at home and throughout the world as:

- an international benchmark for how an economy can de-carbonise;
- the best place to start and grow a business or social enterprise;
- a magnet for inward investment;
- a great place to live and work with high living standards;
- a nation where people and businesses can continually upgrade their skills;
- a leader in research and development;
- a country where economic power and opportunity is distributed fairly; and
- an outward looking nation exerting a meaningful influence.

11.4.3 Transforming Scotland's economy is a national endeavour and government, the enterprise and skills agencies, business, trade unions, third sector, social enterprises and the people of Scotland all have a part to play.

[4] Scottish Government (2022): National Strategy for Economic Transformation

11.4.4 The Proposed Development can play an important role across a number of the aims, notably around creating a development which can support the Scottish Government's objective of becoming an international benchmark for how an economy can de-carbonise.

11.4.5 The Scottish Government has a range of ambitious climate change policies in place to reduce greenhouse gas emissions and ensure a just transition to a net zero economy. The main piece of legislation in place is the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 ('the 2019 Act') which amends the Climate Change (Scotland) Act 2009. This policy aims to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest, with interim targets for reductions of at least 75 % by 2030 and 90 % by 2040. These figures are based on what the independent UK Committee on Climate Change (CCC) advises is the limit of what can currently be achieved.

11.4.6 The just transition is a key aspect of Scottish climate policy. The 2019 Act embeds the principles of a just transition, which involved reducing emissions in a way which tackles inequality and promotes fair work. The Just Transition Commission is currently working to prepare advice for Scottish Ministers on how to maximise the economic opportunities involved in tackling climate change, whilst minimising the risks.

11.4.7 The overarching strategy for all policies involved in tackling climate change is the Climate Change Plan 2018-2032 which brings together more than 100 new policies and proposals to support Scotland's green recovery and ensure a just transition to net zero.

11.4.8 The revised Scottish Planning Policy[5] (SPP) is the current in force national planning policy. The Scottish Government is currently consulting on the Draft National Planning Framework 4[6]. Both policies are presented in more detail in **Volume 1, Chapter 7: Planning Policy and Energy Context** of this EIA Report. The current SPP is founded on sustainable economic growth principles and is governed by the Scottish Economic Strategy which confirms that the planning system should proactively support development that contributes to sustainable economic growth and to high quality places.

11.4.9 One of the core values of the planning system, as set out in SPP is to *"play a key role in facilitating sustainable economic growth, particularly the creation of new jobs and the strengthening of economic capacity and resilience within communities".*

11.4.10 One of the four overarching outcomes of the SPP is *"A successful, sustainable place"* and to support *"sustainable economic growth and regeneration, and the creation of well-designed, sustainable places."* Another overarching outcome is *"A low carbon place - reducing our carbon emissions and adapting to climate change."* Each of these outcomes are directly related to the Proposed Development.

11.4.11 The SPP (at paragraphs 1 and 24) confirms that the Scottish Government's central purpose is to focus on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

11.4.12 Sustainable economic growth is defined as *"Building a dynamic and growing economy that will provide prosperity and opportunities for all, while ensuring that future generations can enjoy a better quality of life too."*

11.4.13 Achieving sustainable economic growth requires a planning system that enables the development of growth-enhancing activities across Scotland and protects the quality of the natural and built environment as an asset for that growth.

11.4.14 The SPP recognises that good planning plays an important role in *"creating opportunities for people to contribute to a growing, adaptable and productive economy."* It also notes that allocating *"sites and creating places that are attractive to growing economic sectors, and enabling the delivery of necessary infrastructure,*

[5] Scottish Government (2014): Scottish Planning Policy
[6] Scottish Government (2021): Draft National Planning Framework 4

planning can help provide the confidence required to secure private sector investment, thus supporting innovation, creating employment and benefiting related businesses."

11.4.15 SPP also makes clear the desire of the Scottish Ministers to see net economic benefit realised. Paragraphs 28 and 29 of the SPP state:

> "*The planning system should support economically, environmentally and socially sustainable places by enabling development that balances the costs and benefits of a proposal over the longer term. The aim is to achieve the right development in the right place; it is not to allow development at any cost. This means that policies and decisions should be guided by the following principles…. giving due weight to net economic benefit."*

11.4.16 Similarly, Paragraph 169 states:

> "*Proposals for energy infrastructure developments should always take account of spatial frameworks for renewable developments and heat maps where these are relevant. Considerations will vary relative to the scale of the proposal and area characteristics but are likely to include… net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities."*

11.4.17 SPP remains the main statement of national planning policy at this time. The Proposed Development would be consistent with the principles set out at paragraph 29 of SPP and it would also assist in delivering SPP Outcomes in particular Outcomes 1 and 2 (namely a successful sustainable and low carbon place) – indicating that, overall, the Proposed Development is sustainable development. The concept of sustainable development is considered in greater detail in **Volume 1 - Chapter 7: Planning and Energy Policy Context** of this EIA Report.

11.4.18 As stated in **Volume 1 - Chapter 2: Project Need and Strategy**, the strategic nature of the Skye Reinforcement project, reinforcing and enhancing existing supply connections and increasing connection capacity is critical to the local and national transmission network. The project team has designed an optimal routeing for the Proposed Development, taking into account environmental effects and baseline conditions.

11.4.19 Following publication of the SPP, Scottish Ministers committed to developing further advice to assist in assessing and giving due weight to the net economic benefit of proposed development[7]. This publication builds on Paragraphs 29 and 93 of SPP. Paragraph 29 makes a presumption in favour of development that contributes to sustainable development.

11.4.20 It means that policies and decisions should be part guided by, inter alia*, "giving due weight to economic benefits".* Paragraph 93 references the need for Planning Authorities to *"giving due weight to Net Economic Benefit of the proposed development"*" when assessing planning applications. The advice note confirms the importance of demonstrating the net economic benefit of a proposed scheme.

11.4.21 In terms of relevant tourism policy, the Scottish Tourism Alliance developed The Scotland Tourism Outlook 2030[8] which confirms the importance of tourism to Scotland's economy and emphasises the resilience of the tourism industry since the start of the previous economic downturn in 2008. It recognises that the role of tourism has changed as a result of the climate crisis, advances in technology, EU exit and changes in consumer behaviour which is reflected in the demands of today's traveller.

11.4.22 Perhaps most importantly it sets out a framework for how the tourism sector can recover from the effects of the Covid-19 pandemic. It sets the vision of Scotland becoming the world leader of tourism in the 21st century, and that all development and investments will play a role in achieving this ambitious vision.

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[7] Scottish Government (2016): Net Economic Benefit and Planning

[8] Scottish Tourism Alliance (2020): Scotland Tourism Outlook 2030

Regional Policy

11.4.23 The Highland Economic Forum has created an Action Plan for Economic Development in Highland[9]. The main thrust of the Action Plan is to generate new employment in the private sector and social economy to compensate for employment and earnings reductions through national public sector cuts, the impacts of which are particularly severe in Highland, where there is a relatively high dependence on public sector employment and spending. The principal themes of the Action Plan are:

- to stimulate and support indigenous business growth (including new business formation, diversification, internationalisation and collaborations);
- to help maximise the impacts of the University of the Highlands and Islands (UHI) and attract national and international research funding into the area;
- to ensure that the workforce, sector by sector, has the skills to enable the region and its businesses to capitalise on opportunities;
- to address the growing problem, shared with other parts of the UK, of youth unemployment, and to attract back those with family connections with the region to help fill new job opportunities in renewables, tourism, life sciences and Information Technology;
- to focus on job creation that will help raise the region's relatively low average earnings in the private sector; and
- whilst creating jobs in the short-term to compensate for public sector cuts and maintain the region's growth momentum, to take a long-term strategic approach to growing the business base and creating career opportunities.

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

- working with Highlands and Island Enterprise (HIE) and the private sector provider to maximise the provision of superfast broadband in the region and the economic benefits from broadband;
- ensuring that the region's workforce benefits to the maximum from renewable energy and related developments;
- fostering the development of research institutes to attract national and international funding into the area, provide well paid employment, and generate commercial spin-offs;
- improving the provision of tourism-related training, and promoting tourism and hospitality as a career;
- encouraging business development, e.g., through collaborations, that will increase the spend of tourist visitors;
- increasing the provision of outsourced services to regional and national organisations by Highland private sector businesses and social enterprises;
- facilitating an increase in homeworking opportunities throughout the region;
- exploring ways, within statutory guidelines, in which local benefit considerations can be introduced into public procurement contracts;
- identifying and supporting small businesses with high growth potential and encouraging new business starts that will create significant new employment (including encouraging public sector staff to consider self-employment that builds on their expertise and experience);
- best practice from other areas is being drawn upon in shaping new initiatives, and job creation targets are being developed for each new initiative. Employment measures are being promoted by Highland Works - a partnership between Highland Council, JobCentre Plus and Skills Development Scotland; and
- whilst the focus is on the generation of new jobs through the private sector, pressure will be maintained on the Government to improve external road, rail and air links nationally and internationally.

[9] The Highland Council (2012): An Action Plan for Economic Development in Highland

11.4.25 THC, along with the UK Government and Scottish Government, has developed a new City-Region Deal, vision for Highlands, with the aim of 'Transforming the Highland Economy'[10]. The 'City-Region Deal' is to position the Highlands as a region of digital opportunity. This vision was turned into reality in 2017 when the Inverness and Highland City Region Deal was approved.

11.4.26 This formalised the commitment of £315 million worth of funding: £135 million from the Scottish Government, supported by £127 million from THC and its partners, and another £53m from the UK Government. The City-Region Deal is designed to deliver the following outcomes:

- over 1,000 direct jobs as a result of City-Region Deal projects with a further 2,200 additional jobs in the construction sector;
- a skilled labour market moving towards a high skilled high wage economy;
- a centre of excellence in rural and digital healthcare with sufficient mass to attract research and investment and fully exploit the commercial opportunities;
- business growth through effective digital connectivity and promotion of innovation;
- improved productivity and real wages, which are estimated to increase by almost 1.3 % and bring £100 million per annum to the regional economy;
- a rebalanced population with the aim of retaining and/or attracting 1,500 young people in the 18-29 age group over the initial 10-year deal period;
- 6,000 new houses over 20 years of which 1,800 will be affordable homes; and
- private sector leverage from housing building and, through opening up land for commercial development, would see a return over a 20-year period of around £800 million being invested in the economy of the city and region.

11.4.27 The Proposed Development is consistent with THC's Highland Renewable Energy Strategy (HRES) and Planning Guidance[11] which sets out as a vision *"to harness both the energy and economic potential, presented by renewable technologies in the Highland area to provide benefit for both the global environment and local communities."* The strategy recognises the economic opportunity from moving towards a low carbon economy and the role the renewables sector will play in advancing from depleting oil and gas reserves. As well as highlighting the important environmental role of clean energy, it seeks to maximise the local economic opportunities, and balancing these with social and environmental interests.

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

11.4.29 The Highland ATP developed a Highland Area Tourism Action Plan[12] to replace the previous Area Tourism Strategy. The Action Plan describes some of the key issues that need to be addressed in order to grow tourism in the Highlands, and to contribute to the national vision and aspiration. The overarching vision of growing the visitor economy across the Highlands is in these terms: *"The Highlands will be a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people."*

11.4.30 The Highlands is recognised as one of Scotland's strongest tourism products and as such can reasonably be expected to equal or exceed the national growth rate if the actions in the strategy and this plan are delivered. To unlock this level of growth will require a range of strategic actions to be delivered, and these are structured around the key target markets of:

- Nature, Heritage & Activities;

[10] The Highland Council, UK Government, Scottish Government (2016): Inverness and Highland City Deal

[11] The Highland Council (2006): Highland Renewable Energy Strategy and Planning Guidelines

[12] Highland Tourism Partnership (2020): Highland Area Tourism Action Plan 2020

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

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

11.5 Methodology

11.5.1 There are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic, or tourism, impacts of energy or electricity transmission proposals. However, there are a series of commonly used methodologies and recognised approaches to quantifying economic impacts both during the construction of a development and following its completion, notably Renewables UK's own economic impact guidance and the VisitScotland's own Position Statement on wind farms and related developments[13].

11.5.2 In terms of economic impacts, this assessment has employed appraisal techniques consistent with those outlined in the Scottish Enterprise Economic Impact Guidance[14] for the appraisal of economic development and regeneration initiatives. The assessment is also consistent with the latest Scottish Government's Draft Advice Note on Economic Benefit and Planning[15]. This socio-economic statement has been undertaken in line with the advice note, presenting the baseline position in socio-economic terms and the predicted outcomes in both employment and GVA terms.

11.5.3 The relevant policy context and methods used to assess the impacts are described together with the baseline conditions that would exist in the area in the absence of the Proposed Development.

11.5.4 The assessment has contextualised the Skye Reinforcement Project both in terms of Scottish and local renewable and energy policy and identified where the Proposed Development fits within policy as well as its facilitating towards renewable targets.

11.5.5 Baseline conditions have been established through desktop studies, these are presented in more detail in **Appendix V2-11.2** and **Appendix V2-11.3**. Additional information was also obtained reviewing information regarding local tourism assets, including those assessed in other technical assessments, notably **Volume 2, Chapter 3: Landscape and Visual**. This includes reference to core paths and wider access network routes, including the known routes and trails and the potential impact of the development on tourism.

11.5.6 The assessment considers potential impacts across the various phases of the project lifecycle, which includes:

- construction and dismantling of the existing 132 kV OHL that currently serves Skye and the Western Isles; and
- operation and maintenance.

11.5.7 These are described in **Table V2-11-2**.

Table V2-11-2: The Proposed Development Components

Phase	Potential Economic Impacts
Construction and dismantling	Overhead Line and underground cable manufacture; including the steelworks, cabling and components; Balance of plant; including activity and supplies and the construction of access tracks (temporary and permanent); and Grid connection; including connection of installed turbines to the electricity grid.

[13] VisitScotland (2014): VisitScotland Position Statement - Wind Farms
[14] Scottish Enterprise (2008): Impact Appraisal and Evaluation Guide
[15] Scottish Government (2016): Net Economic Benefit and Planning

Phase	Potential Economic Impacts
	Dismantling of the existing Skye 132 kV OHL connection
Operation and Maintenance	Maintenance; such as tower and cabling that are operated and maintained by contract or by technicians working for the SSEN-Transmission; and Site maintenance; including routine tasks such as maintaining site access tracks and bridges, maintaining drainage ditches and repairing gates and fences.

11.5.8 The construction and dismantling along with operation and maintenance impacts should be presented in the context of the wider socio-economic impacts of the Proposed Development and it's 'enabling' role in allowing more renewable projects to be developed. This is set out in more detail in **Volume 1, Chapter 2: Project Need and Strategy** of this EIA Report,

11.5.9 Economic impacts can be expected during the development, construction, operational and dismantling (of the current transmission system) phases of the Proposed Development. These impacts will differ in their scale, duration and geographic coverage. The long-term impacts associated with the decommissioning phase of the Proposed Development are not assessed, as consent will be applied for in perpetuity.

11.5.10 The assessment further describes the commitments made by SSEN Transmission to both minimise the impacts to local residents who may potentially be directly impacted by the Proposed Development as well as identifying the steps taken by SSEN Transmission to bring benefit to the local community.

11.5.11 The predicted socio-economic, tourism and recreational effects of the Proposed Development on the recreational and tourism asset base are assessed, using the significance criteria outlined in **Table V2-11-3**. As there are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic, recreation or tourism impacts of a project of this nature, professional judgement, with reference to commonly used methodologies, and recognised approaches to quantifying economic impacts, is used to determine the significance criteria. Major or moderate effects are defined as significant in In EIA terms.

Table V2-11-3: Significance Criteria

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

11.6 Baseline

Regional Economic and Tourism Baseline Profile

11.6.1 A headline overview of the regional economy has been completed. This presents an overview of the regional (Highland Council Area) economy and compares it against the Country (Scotland) and National (GB) economic situation. The assessment covers population, economic activity and inactivity, employment and unemployment, worklessness and inactivity, employment sectors, education attainment, earnings and has a particular focus on the tourism sector. The full socio-economic audit is presented in **Appendix V2-11.2**.

11.6.2 The key regional socio-economic findings found that although economic activity levels are high in the Highlands, and the area has low unemployment rates, the region continues to face a number of economic challenges. The economic successes of low unemployment and high economic activity rates mask that the area has a low level of working age residents as a result of an ageing population and population migration amongst young people.

11.6.3 The economy is characterised by lower value economic sectors, such as tourism; although it generates a high volume of employment and has grown in recent years, is generally lower value and seasonal in nature. Wages and salaries are depressed and the recent Highland City-Region Deal has been developed to create higher value jobs and increase real wages. The energy sector is characterised as a high value sector and one which has a heritage and track record in the Highlands, notably around renewable energy, such as hydroelectricity.

11.6.4 2019 was a very good year for tourism in the Highlands. The volume and value of overnight travel to the region exceeded any other year back to 2013. The Highlands attracted 17 % of all overnight trips and 13 % of the total overnight tourism expenditure in Scotland.

11.6.5 At 2.9 million, the number of overnight visits was 30 % higher than 2018. Bednights (11.5 million) and overnight spend (£777 million) also increased, by 23 % each. The growth in overnight tourism in the Highlands was much more significant than the national average, where visitor figures increased by 11 % to 12 %.

11.6.6 The driver behind this strong regional performance in 2019 was domestic tourism. Residents of Scotland travelled much more to the Highlands compared to previous years, and while this was observed across many Scottish regions in 2019, the Highlands also witnessed a big increase in overnight tourism from residents of England and Wales. Trips, bednights and expenditure of travellers from the rest of Great Britain all increased by 21 % from 2018.

11.6.7 International travel to the Highlands declined in 2019, with number of trips and bednights dropping by 15 % and 5 % respectively. This had little impact on overseas spend in the region which decreased by only 2 % from 2018. The decline in international visitors was mostly observed across long-haul markets.

11.6.8 Figures also indicated a massive increase in domestic day tourism spend in the region. Between 2017 and 2019, it was £571 million per year on average, up from £334 million per year between 2014 and 2016.

11.6.9 In 2018/19, the Highlands was home to 1,525 tourism businesses (+6 % on 2017/18), employed 16,400 people (+4 % on 2017/18) and had an annual GVA of £320 million (0 change on 2017/18). The onset of the global COVID-19 pandemic has made it difficult for the tourism industry, and there have been no annual surveys released to quantify the effects on the sector. However, the most recent COVID-19 Tourism Consumer Tracker for Scotland[16] has indicated that there is growing sentiment that the 'worst has passed' and travellers are beginning to be optimistic about holidaying, both overseas and at home. The key findings from the latest (March 2022) report highlights:

- Scotland residents share similar optimism to UK adults in relation to the COVID-19 pandemic overall. The proportion of Scotland residents stating the 'worst has passed' now stands at 59 %, at the highest

[16] VisitScotland (2022): UK and Scotland Consumer Sentiment Tracker

level since the start of the pandemic. Reflecting higher confidence and comfort levels, UK and Scotland residents continue to anticipate taking significantly more UK overnight trips in the next 12 months, than the previous 12 months.

- UK and Scotland residents also anticipate taking more overseas trips, and this is significantly more the case than in the previous reporting period (November to January). However, a high proportion of both UK and Scotland residents don't know how many domestic and particularly overseas trips they will take, highlighting scope for change in the coming months.
- However, it's important to note that, despite record rises in comfort levels and 'COVID-optimism' since February this year, intention to take spring and summer domestic overnight trips has not increased at a similar rate.
- This suggests that domestic trip intention has hit a ceiling or is being held back by other factors. Given the dominance of 'personal finances'/'rising cost of leisure' as barriers to taking spring and summer trips, and 'free cancellation' being the leading requirement for the public to visit indoor leisure venues, it may be that concerns around 'spending power' is dampening intention.
- Plateauing domestic trip intention may also be driven by competition from overseas trips, but with international trip intention only increasing by two percentage points, this is only likely to have a small influence. That said, around a third of UK trip intenders are planning an overseas trip in the same time period, so a more appealing overseas travel environment may reduce UK trip-taking closer to the time.
- The Scottish Highlands is the part of Scotland most likely to generate an overnight trip this spring and summer. In the spring, the Highlands is followed by the Edinburgh Area – in the summer, by the Scottish Isles.

11.6.10 Tourism is the second largest of the 'Growth Sectors' in employment terms in the Highlands; however, when compared to the other growth sectors the tourism sector generates the lowest level of GVA per employee of the growth sectors.

Local Economic and Tourism Baseline

11.6.11 A headline overview of the local economy, which is defined by Highlands and Islands Enterprise (HIE) as Lochaber, Skye and Wester Ross, is provided. A review of HIE's Area Profile for Lochaber, Skye and Wester Ross has been completed and the following summary of the local area is presented below:

- total population was 39,331 in 2020, an increase of 0.5 % since 2011, mirroring the increase regionally (0.5 %) but lower than the increase nationally (3.1 %);
- 8.4 % of the Highlands and Islands population;
- a population density of four people per square kilometre, versus 12 regionally and 70 nationally;
- population expected to increase by 12 % in Skye and Lochalsh but decline in Lochaber by 6 % by 2041;
- an older age profile than regionally and nationally;
- a lower employment rate (73.3 %) locally versus 77.5 % regionally and 73.8 % nationally;
- a lower economic activity rate (75.2 %) locally versus 79.4 % regionally and 76.5 % nationally;
- a higher self-employment rate (22.9 %) locally versus 11.6 % regionally and 8.4 % nationally;
- the local unemployment rate in 2020 increased by 3.4 %, a greater rate than regionally (+2.4 %) and nationally (+2.7 %). It peaked at 7.1 % in May and July 2020;
- youth unemployment was 195 in December 2020, an unemployment rate of 7.6 %. This was below the Highlands and Islands (7.8 %) and national (8.3 %) rates, but still suggests significant barriers for young people wishing to enter the labour market;
- the unemployment rate increased across all travel to work areas during the pandemic. In Broadford and Kyle of Lochalsh this increased from 1.9 % to 5.7 % and in Portree it increased from 1.2 % to 5.1 %; and

- 10,800 people are employed in the sectors most exposed to the economic effects of COVID-19, 54 % of total employment – higher than the average regionally (41 %) and nationally (38 %).

11.6.12 Lochaber, Skye and Wester Ross experienced slight population growth between 2011 and 2019. However, this is dominated by growth in those aged 65+. Reflecting this, its dependency ratio is 65.2, broadly in line with the regional average, but higher than that across Scotland overall.

11.6.13 Claimant count unemployment rose to 5.4 % in December 2020, higher than the rate regionally but lower than nationally, reflecting that the number of people that are unemployed or employed and on low income and / or low hours has increased significantly.

11.6.14 Lochaber, Skye and Wester Ross are likely to be harder hit than the Scotland and regional averages, as a result of:

- expected GVA decrease of -£756m across Highland in 2020, a decline of 11.7 %, in line with the regional average (11.7 %) but higher than the national level (10.7 %);
- the dominance of the tourism sector in the area. Accommodation and food services account for a quarter of all employment in Lochaber, Skye and Wester Ross (21.1 %), more than double the shares regionally (10.0 %) and nationally (7.9 %). While lack of overseas visitor spend may be partially offset by UK staycation expenditure, this sector is still facing significant restrictions;
- driven by the high share of employment in accommodation and food services, the area has a higher share of employment in the five sectors most exposed to COVID-19 (54 % compared to 41 % regionally and 38 % nationally);
- its high level of self-employment and its higher than average share of employment in small and medium enterprises (SMEs); and
- its existing vulnerability to Brexit (Highland is ranked 5 of 32 Scotland local authorities, and 70 % of communities in Lochaber, Skye and Wester Ross at datazone level are within the 20 % most vulnerable communities to Brexit in Scotland).

11.6.15 The onset of the COVID-19 pandemic has had a devastating effect on local unemployment levels, with these increasing by 30 % over the period March 2020 to March 2022; this is higher than the 16 % increase regionally and 15 % nationally.

11.6.16 A year-long study into the impact of tourism on Skye and within the wider geographical supply chain, undertaken by The Moffat Centre at Glasgow Caledonian University, was undertaken in 2019, before the advent of the COVID-19 Pandemic.

11.6.17 The study found that in 2019, approximately 650,000 visitors to the Isle of Skye and Isle of Raasay generated £260m of economic output within the Scottish tourism industry via accommodation, attraction, activity, retail, transport and catering spends. Tourism to Skye contributed £140m in GVA to the Scottish economy and provided employment for 2,849 Full Time Equivalent (FTE) jobs in 2019.

11.6.18 Those visiting Skye stayed for an average of 3 days in 2019. Average spends for each visitor in the same year was £324.30. Only 7.2 % of visitors were day trippers. Over two thirds of all visitors to Skye travelled by car. The scenery and landscape were the overwhelming motivating factors, as well as the most liked factors. The roads were the most commonly cited negative factor along with a lack of restaurants / cafes and absence of toilet facilities. Whereas the ratio of domestic and overseas visitors to Scotland is in the region of 75 % / 25 % respectively this ratio is reversed for Skye, with 72.7 % of visitors from overseas.

11.6.19 Consultations with tourist business operators, road traffic indicators, ferry data, Airbnb rentals, web traffic and the proliferation in type and number of planning applications confirm the growing levels of tourism on Skye in recent years. The increase in online presence, the pervasiveness of social media, film tourism, ease of access and favourable currency exchange have all contributed to the increase in demand for local services.

11.6.20 The increase in demand has generated rising profits; increased turnover and investment opportunities for tourism related businesses operating on Skye. Nonetheless, the challenges have been significant. Infrastructure issues, including road conditions and lack of facilities, all impacted on business operations. Added to this, the difficulties in recruiting staff and locating suitable accommodation were cited as major barriers to expansion. The significant reduction in available property to rent and reduced housing stock, impacted on the availability of labour supply, the wider local economy and local public services. Moreover, the advent of online consolidators of private accommodation supply has accentuated many of these impacts creating unrestricted growth in supply.

11.6.21 There was a strong consensus amongst responding residents of the weakness of the supporting infrastructure which was impacting on the quality of life for many local residents. Although the benefits of tourism were widely acknowledged, the challenges associated with the volume of visitors, spending less time on the island, was viewed negatively and was considered to contribute to the changing landscape of the island and widespread littering.

Local Recreational Profile

11.6.22 A tourism and recreation site visit and review of Rights of Ways and core paths has been completed. This is attached as **Appendix V2-11.3**. The site visit and audit of tourism assets, activities and attractions is presented in more detail, and summarised in the **Table V2-11-4** below. The review covers all seven Sections of the project, these being:

- Section 0: Ardmore Substation to Edinbane Substation;
- Section 1: Edinbane to North of Sligachan;
- Section 2: North of Sligachan to Broadford;
- Section 3: Broadford to Kyle Rhea;
- Section 4: Kyle Rhea to Loch Cuaich;
- Section 5: Loch Cuaich to Invergarry; and
- Section 6: Invergarry to Fort Augustus.

Table V2-11-4: Overview of Tourism Assets, Activities and Attractions

		Section							
		0	**1**	**2**	**3**	4	**5**	**6**	**Total**
Accommodation	Hotels	7	7	2	6	8	1	7	38
	B&B / Guest Houses	5	14	3	24	18	2	12	78
	Self-Catering	14	18	10	13	3	1	5	64
	Camping & Caravan	4	4	0	1	6	1	0	16
	Hostels	0	5	0	4	1	0	0	10
Activities	Boat Trips	1	1	0	0	0	0	3	5
	Bus Tours	0	0	1	0	0	0	1	2
	Outdoor Activities	1	0	0	0	1	0	1	3

		Section							
		0	**1**	**2**	**3**	4	**5**	**6**	**Total**
	Sport & Leisure	0	3	1	0	1	0	2	7
Attractions	Events	0	2	0	0	0	0	0	2
	Shops	0	4	0	1	1	0	3	9
	Arts & Crafts	6	8	0	7	5	0	5	31
	Cafés	2	3	1	4	4	1	6	21
	Restaurants	4	0	0	9	2	0	6	21
	Visitor Centres / Other	2	2	1	5	7	1	4	22
	Other Services	0	1	1	0	2	0	1	5
Guide	Walks	1	5	3	3	4	2	4	22
	History	3	1	1	3	3	0	0	11
	Wildlife	0	0	0	1	1	0	0	2
	Activities	0	3	0	0	2	0	1	6
Total		**50**	**81**	**24**	**81**	**69**	**9**	**61**	
Additional Activities across Skye include Guided Tours, wildlife, Cycling, Sightseeing, Car journeys, Motorhomes, Hillwalking, etc.									

11.6.23 It is clear that Guest Houses / B&Bs and Self-Catering properties are very popular across each Section of the project. This is also evidenced in **Appendix V2-11.3**. In terms of gauging the visitor appeal of each section of the project, the above table highlights the following breakdown, in descending order, in terms of tourism and recreation assets:

- Section 3 – 81 tourism assets
- Section 1 – 81 tourism assets
- Section 4 – 69 tourism assets
- Section 6 – 61 tourism assets
- Section 0 – 50 tourism assets
- Section 5 – 9 tourism assets

11.6.24 It should be noted that this overview is based on a desk-based assessment and verification on site from the road, and therefore may over- or under-estimate the true number and location of visitor assets. Also, it should be noted that there may be an over-reporting in certain Sections when considered in the context of the alignment of the Proposed Development. For example, the high number of attractions in Section 4 is focused on the area from Shiel Bridge to Kyle of Lochalsh, and typically not within the vicinity of the Proposed Development where there are very few visitor assets.

11.7 Assessment of Likely Significant Effects

11.7.1 This part of the Chapter sets out the predicted socio-economic, recreation and tourism impacts arising from the construction, operation and maintenance, and dismantling of the Proposed Development. The areas of focus are within the Highland local authority area, as well as Scotland as a whole, and include:

- total levels of investment across the construction (CAPEX) and operations & maintenance (OPEX);
- direct impacts arising from the investment, in terms of employment and GVA impact;
- wider economic impacts arising from the direct impacts, using economic multipliers in terms of employment and GVA; and
- recreational and tourism effects based on a review of secondary research, a review of the tourism and recreational assets from a site visit and a review of the Landscape and Visual Impact Assessment for the project.

Socio-economic Effects

<u>Construction and Dismantling</u>

11.7.2 The total development and construction employment were estimated by the Applicant and their technical advisers. These total employment impacts associated with the construction phase, by task, are outlined in **Table V2-11-5** below.

11.7.3 The employment impacts during the construction phase (including dismantling) are reported in Person Year Employment (PYE) because the contracts would be for fixed lengths. Person years measures the number of years of full-time employment generated by a project. For example, a 20-strong ‘work gang’ on this project for 18 months would be reported as 30 person years, essentially the 20 people working one whole year (20 person years), and the same 20 people working for a further six months, or 10 person years. **Table V2-11-5** summarises the breakdown of PYE across the construction and dismantling period, i.e., three years construction and seven months dismantling. This shows a total of 638 PYEs over the entire construction and dismantling project.

Table V2-11-5: Construction Employment Impacts by Type

Construction Tasks	Person Year Employment (PYE)
Access	65.0
Foundations	141.3
Piling Works	60.0
Tower Erection	112.7
Wiring	87.3
Cabling	93.5
Commissioning	0
Dismantling	50.0
Reinstatement	28.3
Total	**638.1**

Source: SSEN Transmission

11.7.4 In addition to presenting the employment impacts according to main construction activity areas, the Applicant and advisors presented an estimate on the expected origin of the predicted employment benefits. At this early stage of the project procurement stage the exact origin of the employment required is not known, however, for the purposes of this assessment it is assumed that 25% would be drawn from the Highland labour market, 25 % from Scotland, 25 % from the rest of the UK and 25% from overseas.

11.7.5 The resultant impacts of the above assumptions present the direct construction related impacts across each spatial area across the construction period set out within **Table V2-11-6**.

Table V2-11-6: Total Direct Construction Employment Impacts

Construction Tasks	Average Number of PYEs	Person Year Employment Split by Area			
		Highland	Scotland	UK	Overseas
Access	65.0	16.3	16.3	16.3	16.3
Foundations	141.3	35.3	35.3	35.3	35.3
Piling Works	60.0	15.0	15.0	15.0	15.0
Tower Erection	112.7	28.2	28.2	28.2	28.2
Wiring	87.3	21.8	21.8	21.8	21.8
Cabling	93.5	23.4	23.4	23.4	23.4
Commissioning	0	0	0	0	0
Dismantling	50.0	12.5	12.5	12.5	12.5
Reinstatement	28.3	7.1	7.1	7.1	7.1
Total	**638.1**	**159.5**	**159.5**	**159.5**	**159.5**

Source: SSEN Transmission

11.7.6 Of the 638 construction related years of employment supported across the construction period, 160 PYE are expected to benefit the regional (Highland) economy, 160 PYE at the Scottish level, 160 PYE nationally and 160 PYE benefiting non-UK areas.

11.7.7 In order to calculate the economic effect of new jobs, the GVA per head for civil engineering related projects in the Highlands and Scotland are utilised, in this case £62,138 and £63,575 respectively. These figures are also drawn from the Scottish Annual Business Statistics[17]. The resultant economic impact at the Highlands and Scottish levels across the construction period are shown in **Table V2-11-7**. It should be noted the Scottish figures include those for the Highlands.

[17] Scottish Government (2019): Scottish Annual Business Statistics

Table V2-11-7: Gross Employment and GVA Impacts of Construction at Highland and Scottish level

Location	Number of PYE	GVA per PYE	Total GVA
Highlands	159.5	£62,138	£9.91 million
Scotland	319.0	£63,575	£20.28 million

Source: SSEN Transmission

11.7.8 Economic impact assessments must also consider the effects of displacement as a result of the Proposed Development having an adverse effect on other economic assets and activities. Displacement occurs when the Proposed Development takes labour, land and / or capital from other firms / projects within the area being assessed. Due to the nature of the Proposed Development, displacement levels are not expected to be significant. However, there is expected to be some displacement and for the purposes of accounting for displaced activity it is assumed that displacement would be 25 % at both the regional and national levels. This is deemed by Scottish Enterprise[18] as a 'Low' level of displacement. **Table V2-11-8** highlights the net employment and GVA impacts after the effects of displacement.

Table V2-11-8: Net Employment and GVA Impacts of Construction at Highland and Scottish level

Location	Number of PYE	GVA per PYE	Total GVA
Highlands	119.6	£62,138	£7.43 million
Scotland	239.3	£63,575	£15.21 million

Source: SSEN Transmission

11.7.9 Evidence has shown that investment in construction projects can have strong 'multiplier effects'. This is where output in a certain part of the economy generates economic activity in other areas of the economy. Multipliers can measure how new capital investment in energy projects can generate additional income across the economy, including for people who live nearby developments.

11.7.10 Economic assessments must consider multiplier effects, which are the further economic activity associated with additional income and supplier purchases. An increase in 'final demand' for a product and an associated increase in the output of that product, where other producers of goods and services respond to this increased demand, is known as the 'direct effect'. This can run right through the supply chain, known as the 'indirect effect'. As employment increases so too do levels of household income, some of which is spent on other goods and services, and this is known as the 'induced' effect.

11.7.11 Multiplier effects for different Scottish industries are provided by the Scottish Government[19], with 'Construction' having a Type II multiplier of 1.8. There are no regional level multipliers in Scotland and therefore the national level Type II multipliers has been reduced to 1.4 to assess the indirect and induced impacts for both the regional economy. The GVA per head presented for the net economic assessment is that for the entire Highlands (£62,138) and Scottish (£63,575) economies. The resultant impact of multiplier effects is shown in **Table V2-11-9** below.

[18] Scottish Enterprise (2008): Impact Appraisal and Evaluation Guide

[19] Scottish Government (2018): Supply, Use and Input-Output Tables

Table V2-11-9: Additional Employment and GVA Impacts of Construction at Highland and Scottish level

Location	Number of Additional PYEs	GVA per PYE	Total GVA
Highlands	47.8	£62,138	£2.97 million
Scotland	191.4	£63,575	£12.17 million

Source: SSEN Transmission

11.7.12 **Table V2-11-10** presents the final net additional effects across the construction period, having taken account of both displacement and multiplier effects.

Table V2-11-10: Net Additional Employment and GVA Impacts of Construction at Highland and Scottish level

Location	Number of Net Additional PYEs	Net Additional GVA
Highlands	167.4	£10.4 million
Scotland	430.7	£27.38 million

Source: SSEN Transmission

11.7.13 Overall, taking account of displacement and multiplier effects, the Proposed Development is expected to generate 167.4 PYE in the Highlands and 430.7 PYE at the Scottish level. This equates to a GVA impact of £10.4 million to the Highlands and £27.38 million at the Scottish level over the construction and dismantling period.

11.7.14 Construction and dismantling is predicted to result in a temporary **Moderate Beneficial** and significant effect on the economy in Highland (regional level), and a **Moderate Beneficial** and significant effect on the economy in Scotland (national level).

Operation and Maintenance

11.7.15 The operational employment levels were provided by SSEN Transmission. The employment impacts associated with the operation and maintenance phase are outlined in **Table V2-11-11** below. This shows that it is estimated that 10 full time jobs would be created once the Proposed Development is fully operational.

Table V2-11-11: Operation and Maintenance Employment Impacts by Type

Posts	Average Number of Full Time Jobs
Operation and Maintenance	10
Total	10

Source: SSEN-Transmission

11.7.16 SSEN-Transmission and advisors presented an estimate on the expected origin of the predicted employment benefits, these assumptions are presented in **Table V2-11-12** below.

Table V2-11-12: Operation and Maintenance Employment Impacts by Area

Posts	Percentage Split by Area			
	Highland	Scotland	UK	Overseas
Operation and Maintenance	50%	50%	0%	0%

Source: SSEN-Transmission

11.7.17 The resultant impacts of the above assumptions present the direct operational related impacts across each spatial area set out in **Table V2-11-13**.

Table V2-11-13: Total Direct Operation and Maintenance Employment Impacts

Posts	Average Number of Full Time Jobs	Employment Split by Area			
		Highland	Scotland	UK	Overseas
Operation and Maintenance	10	5	5	0	0
Total	10	5	5	0	0

Source: SSEN-Transmission

11.7.18 Of the 10 full time operation and maintenance jobs, five are expected to benefit the regional (Highland) economy and a further five at the Scottish level.

11.7.19 In order to calculate the economic effect of new jobs, the GVA per head for professional, scientific and technical work in the Highlands and Scotland are utilised, in this case £49,257 and £65,765 respectively. These figures are also drawn from the Scottish Annual Business Statistics[20]. The resultant economic impact at the Highlands and Scottish levels are shown in **Table V2-11-14** below. The total figures have been rounded

Table V2-11-14: Gross Employment and GVA Impacts of Operation at Highland and Scottish level

Location	Number of Full Time Jobs	GVA per Employee	Total GVA
Highlands	5	£49,257	£246,285
Scotland	10	£65,765	£657,650

Source: SSEN-Transmission

11.7.20 As noted in the construction and dismantling phase, economic impact assessments must also consider the effects of displacement. For the Proposed Development, displacement levels are not expected to be as significant as the construction related activity and it is assumed that displacement would also be around 10 % during operation and maintenance at both the regional and national levels. **Table V2-11-15** highlights the net employment and GVA impacts after the effects of displacement.

[20] Scottish Government (2019): Scottish Annual Business Statistics

Table V2-11-15: Net Employment and GVA Impacts of Operation at Highland and Scottish level

Location	Number of Full Time Jobs	GVA per Employee	Total GVA
Highlands	4.5	£49,257	£221,657
Scotland	9.0	£65,765	£591,885

Source: SSEN-Transmission

11.7.21 Multiplier effects (as outlined above) for different Scottish industries are provided by the Scottish Government[21], with 'Repair and Maintenance' having a Type II multiplier of 1.8. In the absence of a regional multiplier, the national multiplier has been reduced to 1.4 to represent the regional economic impact. The GVA per head presented for the net economic assessment is that for the entire Highlands (£47,586) and Scottish (£52,722) economies. The resultant impact of multiplier effects (the additional employment generated) is shown in **Table V2-11-16** below.

Table V2-11-16: Additional Employment and GVA Impacts of Operation at Highland and Scottish level

Location	Number of Additional Jobs	GVA per Employee	Total GVA
Highlands	1.8	£49,257	£88,663
Scotland	7.2	£65,765	£473,508

Source: SSEN-Transmission

11.7.22 **Table V2-11-17** presents the net additional effects, having taken account of both displacement and multiplier effects.

Table V2-11-17: Net Additional Employment and GVA Impacts of Operation at Highland and Scottish level

Location	Number of Net Additional Full Time Jobs	Net Additional GVA
Highlands	6.3	£310,320
Scotland	16.2	£1,065,393

Source: SSEN-Transmission

11.7.23 Overall, taking account of displacement and multiplier effects, the Proposed Development is expected to generate 6.3 operational jobs per annum in the Highlands and 16.2 operational jobs across Scotland per annum. This equates to a GVA impact of £310,320 to the Highlands and £1,065,393 across Scotland per annum.

11.7.24 The effect of operations and maintenance expenditure on the Highland (regional) and Scottish (national) economies was assessed as **Minor Beneficial** and therefore not significant.

[21] Scottish Government (2018): Supply, Use and Input-Output Tables

Recreation and Tourism Effects

11.7.25 There have been a number of research exercises completed regarding the opinions of tourists towards wind farms and related renewable energy and transmission infrastructure. A summary of the most relevant and highly regarded research includes:

- report on the achievability of the Scottish Government's renewable energy targets[22]; and
- Public Attitudes Tracking Survey[23].

11.7.26 Perhaps the most relevant research was carried out as part of the Scottish Parliament's Economy, Energy and Tourism Committee Inquiry[24] into renewable energy targets. Inquiry evidence was based on a review of surveys which appraised the tourist impact of renewable energy projects, including transmission infrastructure.

11.7.27 Overall, the study concluded "*no witness has provided the Committee with robust, empirical evidence, as opposed to anecdotal comment and opinion, that tourism is being negatively affected by the development of renewable projects."*

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

11.7.29 A more recent, and regular, piece of research is issued quarterly by the Department for Business, Energy and Industrial Strategy (BEIS), in their 'Public Attitudes Tracker'[25]. In December 2021, this reported that support for renewable energy remained steady at 87 %. Levels of support have remained between 74 % and 85 % since the question was first asked in March 2012. Opposition to renewable energy remained at its lowest point across the tracker at 2 %, having previously fluctuated between 3 % and 5 % between March 2012 and June 2019.

11.7.30 A study of the tourism effects of renewable development in Wales was completed in 2014[26]. This backs up the evidence from Scottish research which concluded that wind farms and towers have a limited impact on tourism. It did state that the evidence base for tourism impacts of associated infrastructure is far less developed than that for wind farms. The few studies which have addressed the subject have focused on visitors' opinions of towers, which consistently find that reactions are more negative than toward wind turbines. However, there is no evidence that the existing National Grid infrastructure, which is concentrated in North and South Wales, often in popular scenic areas, discourages visitors.

11.7.31 Overall, the research completed to date confirms that the tourism sector is not adversely affected by renewable energy infrastructure investments. In fact, the tourism sector has continued to grow across Scotland as more wind farms and grid infrastructure enhancements have been developed. For example, in Scotland the installed capacity of renewable projects increased from 1.9 GW to 8.0 GW – while employment in tourism-related sectors in Scotland also grew during this decade, an increase of 20 %.

11.7.32 Furthermore, it is also known that over the period 2010 to 2019, the Highland's tourism sector expanded by 87 % in GVA terms and 51 % in turnover terms, compared to 42 % and 25 % increases respectively at the Scottish level. This is notable as there was an increasing number of renewable developments in this period, and notably the construction and operation of the Beauly-Denny 400 kV OHL, which is predominantly in the Highlands.

11.7.33 There is Welsh research[27] which suggests that there may be a slightly higher negative view on associated grid infrastructure, in the form of towers, but research is limited in this area and there is a view that mitigation, in the form of burying cables underground in National Scenic Areas (NSAs), such as is being proposed through part of

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[22] Scottish Parliament's Economy, Energy and Tourism Committee Inquiry (2012): Tourism Impacts of Renewable Development

[23] Department for Business, Energy and Industrial Strategy (2021): Public Attitudes Tracker

[24] Scottish Parliament's Economy, Energy and Tourism Committee Inquiry (2012): Tourism Impacts of Wind Farms

[25] Department for Business, Energy and Industrial Strategy (2021): Public Attitudes Tracker

[26] Welsh Government (2014): Study into the Potential Economic Impact of Wind Farms and Associated Grid Infrastructure on the Welsh Tourism Sector

[27] Welsh Government (2014): Study into the Potential Economic Impact of Wind Farms and Associated Grid Infrastructure on the Welsh Tourism Sector

the transmission connection for the Proposed Development within the Cuillin Hills NSA, can help mitigate against concerns by tourism and recreational users.

11.7.34 **Appendix V2-11.3** has outlined an overview of the recreational and tourism asset base. This includes a review of all the notable visitor attractions within the general vicinity of the Proposed Development. A review of the location of accommodation provision and popular visitor attractions highlights that the OHL has been designed to avoid popular tourist locations and areas of national beauty. One particular area is around Sligachan, which is a tourism hot-spot and a popular area for hill walking, and in this location it is proposed to that the transmission connection takes the form of an underground cable.

11.7.35 Similarly, the review of core paths, rights of ways and hill tracks / mountain routes, has shown that these would be largely unaffected by the OHL, both at construction and operational stages. There are some recreational routes in close proximity to the OHL, as noted within the Draft Outdoor Access Plan (see **Appendix V2-11.1**), and there may be a temporal level impact for recreational users and tourists in some locations.

11.7.36 The tourism sector is important for Skye and Lochalsh, and the review of secondary research has shown that visitors are not dissuaded from visiting or revisiting an area where renewable energy installations are present. Although there is evidence to suggest tourists may be more concerned about associated grid infrastructure, the evidence is limited and in the Welsh context National Grid has sought to bury cables underground in popular tourist areas and areas with national scenic designation. This is being proposed as part of the Proposed Development at Sligachan and the Cuillin Hills.

11.7.37 The most popular tourist attractions within the region generally are centred around Fort Augustus, where the Proposed Development is underground, and also in the north-east of Skye on the Trotternish peninsula and to the west of Skye (Talisker, Fairypools and the Cuillins), and these are generally a considerable distance from the OHL.

11.7.38 In line with criteria set out in **Table V2-11.3**, research and review suggest there would be **Negligible** and not significant impact for recreation users and tourists as a result of the construction and dismantling and operation and maintenance of the Proposed Development.

11.8 Mitigation

11.8.1 This assessment demonstrates that there are beneficial socio-economic effects across the construction and dismantling and operational and maintenance phases of the Proposed Development. For example, the local economy would be supported by the Proposed Development through direct and indirect employment and expenditure opportunities.

11.8.2 Where there are short term and temporal effects as a result of the construction and operation of the Proposed Development and dismantling of the existing OHL on tourism and recreation receptors, measures are presented in the Draft Outdoor Access Management Plan (see **Volume 5, Appendix V2-11.1: Draft Outdoor Access Management Plan**) as to how existing public access would be managed during the construction and operation of the Proposed Development.

11.8.3 SSEN Transmission has committed to maximise the economic opportunities for the local area and business and communities in the Highland Council area, where possible. SSEN Transmission, as in other developments and as set out in their corporate communications, is committed to using local supply chain where feasible and their principal contractors are also encouraged to do the same.

11.8.4 SSEN Transmission has a raft of corporate communications which can be reviewed as to the contribution it makes to the Scottish economy, its sustainability ethos and track record of developing and delivering on community investment.

11.8.5 In terms of the recreational and tourism effects, the routeing and alignment stage of the project enabled mitigation by design, such as undergrounding between the North of Sligachan and Luib, to minimise landscape and visual effects. Community consultation formed part of this process and SSEN Transmission has taken on board these views in developing the Proposed Development to minimise adverse recreational and tourism impacts. This is further considered within **Volume 2, Chapter 3: Landscape and Visual** (see also **Appendix V2-11.1**).

11.8.6 To manage construction traffic associated with the Proposed Development, a Traffic Management Plan would be prepared by the Principal Contractor, in consultation with SSEN Transmission, The Highland Council and Transport Scotland. The Traffic Management Plan would describe all mitigation and signage measures that are proposed on the public road network. An Outline Traffic Management Plan is provided in **Appendix V2-10.1: Transport Assessment**.

11.9 Residual Effects

Socio-economics Residual Effects

Construction and Dismantling

11.9.1 No specific mitigation measures are proposed in relation to socio-economics during the construction and dismantling phase due to no significant adverse effects being assessed (see paragraph 11.7.14). The predicted residual socio-economic effect in relation to construction and dismantling activities at both regional and national level are deemed to be **Moderate Beneficial** and significant

Operation and Maintenance

11.9.2 No specific mitigation measures are proposed in relation to socio-economics during the operational phase of the Proposed Development due to no significant adverse effects being assessed (see paragraph 11.7.24). The predicted residual socio-economic effect in relation to operational activities at regional and national level are deemed to be **Minor Beneficial** and not significant.

Recreation and Tourism Residual Effects

Construction and Dismantling

11.9.3 No significant effects are predicted on the tourism and recreation receptors during construction of the Proposed Development as well as dismantling of the existing OHL, as set out in paragraph 11.7.38. Nevertheless, details to safeguard and manage existing public access during construction have been identified. As such, the residual construction and dismantling effects of the Proposed Development on recreation and tourism receptors in the study areas are deemed to be **Negligible** and not significant.

Operation and Maintenance

11.9.4 No significant effects are predicted on the tourism and recreation receptors during operation and maintenance phases of the Proposed, as set out in paragraph 11.7.38. Nevertheless, details to safeguard and manage existing public access during operation have been identified. As such, the residual operational and maintenance effects of the Proposed Development on recreation and tourism receptors in the study areas are deemed to be **Negligible** and not significant.

11.10 Summary and Conclusions

11.10.1 This Chapter considers the predicted effects on socio-economic activity, and recreation and tourism activity during construction and operation of the Proposed Development.

11.10.2 As a significant investment (approximately £488 million) in a key economic sector, the Proposed Development supports both pillars of the national economic strategy and each of the broad priority areas set out in the strategy. It would provide contract and employment opportunities for Scottish and Highland based businesses throughout the construction and operational phases.

11.10.3 The capital investment would enable a long-term security of supply and increasing capacity for renewable electricity generation across Skye and Lochalsh.

11.10.4 There would be direct construction impacts for the Highlands and Scotland as a whole as part of the investment plans, where 638 PYEs would be generated as a result of the construction programme. Taking into account the origin of these jobs, displacement and multiplier effects the construction works alone would generate 167.4 PYE in the Highlands and 430.7 PYE at the Scottish level. This equates to a GVA impact of £10.4 million to the Highlands and £27.38 million at the Scottish level over the construction period.

11.10.5 Overall, taking account of displacement and multiplier effects, the Proposed Development is expected to generate 6.3 operational jobs per annum in the Highlands and 16.2 across Scotland per annum. This equates to a GVA impact of £310,320 to the Highlands and £1,065,393 across Scotland per annum.

11.10.6 The predicted residual socio-economic effect in relation to construction and maintenance activities at regional and national level are deemed to be **Moderate Beneficial** and significant. The predicted residual socio-economic effect in relation to operational and maintenance activities are deemed to be of **Minor Beneficial** and not significant.

11.10.7 The review of the recreational and tourism asset base, this includes a review of all the notable visitor attractions, none of which are located close to the OHL. Similarly, the review of core paths, rights of ways and hill tracks / mountain routes, has shown that these are largely unaffected by the OHL. One notable location is the Cullin and Sligachan area and the area around Fort Augustus, and the Proposed Development would be underground in these locations. The tourism sector is important for Skye and Lochalsh, and the review of secondary research has shown that visitors are not dissuaded from visiting or revisiting an area where there renewable energy installations are present.

11.10.8 The popular tourist attractions are centred around Fort Augustus, where the Proposed Development would be underground, and also in the north-east of Skye on the Trotternish peninsula and to the west of Skye (Talisker, Fairypools and the Cuillin), and these are a considerable distance from the OHL. There are very few core paths, hill tracks and rights of way close to the OHL, as confirmed in **Volume 2, Chapter 3: Landscape and Visual, Appendix V2-11.1** and **Appendix V2-11.3.**

11.10.9 The predicted residual recreational and tourism effect in relation to construction and dismantling and operation and maintenance activities are deemed to be **Negligible** and not significant. The predicted residual recreational and tourism effect in relation to operational activities are deemed to be **Negligible** and not significant.

11.10.10 SSEN Transmission has committed to maximise the economic opportunities for the local area and business and communities in the Highland Council area, where possible. SSEN Transmission, as in other developments and as set out in their corporate communications, is committed to using local supply chain where feasible and their principal contractors are also encouraged to do the same.

11.10.11 SSEN Transmission has a raft of corporate communications which can be reviewed as to the contribution it makes to the Scottish economy, its sustainability ethos and track record of developing and delivering on community investment.

11.10.12 In terms of the recreational and tourism effects, the routeing and alignment stage implemented mitigation by design - including undergrounding through the Cullin, and near Fort Augustus, to minimise landscape and visual effects. Community consultation has been undertaken to gain the views on the routing and re-routing and SSEN Transmission has taken on board as far as possible these views in developing the OHL to minimise against any adverse recreational and tourism impacts.