

Scottish & Southern Electricity Networks

SSEN Transmission – Spittal - Loch Buidhe - Beaully 400kV Connection

Socio-economic Assessment

Reference: LT132/ LT428

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Glossary

Term	Definition
AIS	Air Insulated Switchgear
APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
ASTI	Accelerated Strategic Transmission Investment
BRES	Business Register and Employment Survey
CAPEX	Capital Expenditure (CAPEX), or capital costs, refers to initial costs incurred, including professional fees and other development costs, during construction of the Proposed Development
CCUS	Carbon capture utilisation and storage
Comparative Advantage	The ability of an economy to produce a given good or service in a more efficient and economically competitive manner than another economy
CWB	Community Wealth Building seeks to retain and reinvest wealth in local communities
Data Zone	A small area geography used in the production of official statistics in Scotland. Designed to have roughly standard populations of 500 to 1,000 household residents, they nest within Local Authorities
DEVEX	Development Expenditure (DEVEX) refers to costs incurred during construction of the Proposed Development
Direct Impact	Direct impacts refer to the jobs and economic output created directly by the Proposed Development, such as employing contractors on-site
Discount Rate	The discount rate is the rate of return used to discount future cash flows. It accounts for the fact that money is less valuable in the future than it is today, and it is used to calculate Net Present Value
Economically Inactive	Individuals who are neither employed nor unemployed. They may be students, retirees, carers, sick or discouraged workers, and some may want a job.
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product (GDP) is a measure of the size and health of a country's economy over a period of time (usually one quarter or one year)
GIS	Geographic Information Systems
Green Book	The UK government's guidance on how to appraise policies, programmes and projects.
GVA	Gross Value Added (GVA) is an economic productivity metric that measures the value generated by any unit engaged in the production of goods and services
HRES	Highland Renewable Energy Strategy
HVDC	High-Voltage Direct Current

Term	Definition
Indirect Impact	Indirect impacts capture the economic value generated by contractors' spending within supply chains
Induced Impact	Induced impacts arise from the spending of workers involved in the Proposed Development, both directly and indirectly
Input-Output Model	Input-output modelling is an economic technique used to identify the interdependencies between different branches of a national economy or different regional economies. It maps out how the output of one industry relates to the input needed by other industries to produce goods and services
Job year	One job year represents one year of continuous employment
Just Transition	A Just Transition seeks to ensure that the benefits of a green economy transition are shared widely, while also supporting those who stand to lose economically
Magnitude of Effect	The extent to which the baseline value of an asset has changed due to the Proposed Development
Major Effect	An effect that is considered significant under Environmental Impact Assessment (EIA) Regulations
Material Change	A significant alteration in the terms or conditions of a contract, such that the change may affect the parties' decision to enter into such an agreement
Minor Effect	An effect that is generally not considered significant under EIA Regulations
Moderate Effect	An effect that may be significant under EIA Regulations, depending on professional judgment and specific circumstances, particularly when the impact is borderline
Multiplier	<p>An economic factor that measures how much a change in one variable will affect a related variable. When applied to an outcome, a multiplier will amplify the effect.</p> <p>Type 1 multipliers are applied to direct impacts in order to calculate indirect impacts. Induced impact is yielded when a type 2 multiplier is applied to the direct impact, and the indirect impact is subtracted.</p>
Negligible Effect	An effect that is generally not considered significant under EIA Regulations
NGET	National Grid Electricity Transmission
NPF4	National Planning Framework 4
NPV	Net Present Value is used to calculate the current value of a future stream of payments
NRS	National Records of Scotland
OECD	Organisation for Economic Co-operation and Development
OHL	Overhead line
OCEMP	Outline Construction Environmental Management Plan
ONS	Office for National Statistics
Operational Phase	The period of time in which the Proposed Development is in operation, after construction and commissioning is complete

Term	Definition
OPEX	Operational Expenditure (OPEX) refers the costs incurred when running daily operations, such as salaries, utilities and maintenance
Receptor	An asset, place or group that might be impacted by the Proposed Development
SCQF	Scottish Credit and Qualifications Framework
Sensitivity	An asset's importance and capacity to absorb change
SGT	Super grid transformers
SIC	The UK Standard Industry Classification is a five-digit classification which provides a framework for collecting/organising statistical data according to economic activity
SIMD	The Scottish Index of Multiple Deprivation (SIMD) ranks Scotland's Data Zones based on over 30 indicators of deprivation, grouped into seven domains: Income, Employment, Education, Health, Access, Crime, and Housing
SSEN	Scottish & Southern Electricity Networks
Supply Chain	A network of individuals and businesses that are involved in the production process. Links on the chain begin with the producers of the raw materials and end with the delivery of the finished product
Turnover	The total revenue generated by a company (or sector) through its normal business activities within a specific period
UGC	Underground cable

Executive Summary

This socio-economic assessment examines the impacts of the proposed Spittal - Loch Buidhe - Beaully 400kV overhead power lines and associated works, termed the 'Proposed Development' in this report, on the local, regional, and national economy and community. The assessment covers both the construction and operational phases. However, the socio-economic impacts (i.e., GVA and employment results presented here) are based solely on the construction phase.

Key findings from cost estimate modelling include:

- The Proposed Development could contribute **£20.2 million** to the total GVA in the Highland Council area.
- The Proposed Development could directly support **105 job years** in the Highland Council area, where one job year represents one year of continuous employment.

Gross Value Added (GVA)

The economic benefits during the construction phase are anticipated to be substantial across various geographical levels. Table 0-1 below outlines the GVA and the direct, indirect, and induced impacts at the Local Authority, Scotland, and UK levels.

Table 0-1: Estimated GVA Impact (£)

GVA	Direct impact	Indirect impact	Induced impact	Total impact
Highland Council area	13,200,000	4,680,000	2,270,000	20,200,000
Scotland	154,000,000	77,100,000	37,800,000	269,000,000
UK	301,000,000	302,000,000	141,000,000	745,000,000

Employment

The construction phase will also create substantial employment opportunities, as detailed in Table 0-2 below, showing the direct, indirect, and induced employment impacts at the Local Authority, Scotland, and UK levels.

Table 0-2: Estimated Employment Impact (job years)

Employment	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Highland Council area	105	36	32	173
Scotland	1,226	594	525	2,346
UK	2,479	2,405	1,966	6,849

Tourism and Recreation

The Proposed Development is not expected to significantly impact local tourism or recreation in the long-term. While there may be moderate temporary disruptions during construction, such as restricted access to Core Paths, these will be controlled and are not anticipated to have lasting consequences. Studies show that similar developments have not significantly deterred tourists. Overall, the impact on tourism activity is expected to be minor and not significant.

Households and Communities

The Proposed Development is not expected to significantly impact individual households and local communities in the long term. While there may be temporary disruptions during the construction phase, such as increased traffic, these effects will be controlled and are not anticipated to have lasting consequences. Overall, no significant long term adverse effects on households or communities are expected. A more detailed review of the impact on householder and communities can be found within the EIA.

1. Introduction

This socio-economic assessment report has been prepared by Ove Arup & Partners Ltd (“Arup”) on behalf of Scottish and Southern Electricity Networks Transmission (“SSEN Transmission”) who own, operate and develop the high voltage electricity transmission system in the north of Scotland and remote islands.

The report assesses the socio-economic impacts of the Proposed Development - a new 400kV transmission connection between Spittal - Loch Buidhe - Beaully. This connection will be provided via an overhead line, located within the Highland Local Authority area. The report assesses the impact of this “Proposed Development” during both the construction and operational phases, considering effects at various geographical scales – the Local (Highland Council area), Regional (Scotland), and National (UK) study areas. In addition to employment and GVA impacts, it also assesses potential effects on tourism and recreational activities, recognising their importance to communities and the economy of the north of Scotland.

Extensive studies completed to inform the Electricity System Operator’s (ESO’s) ‘Pathway to 2030’ Holistic Network Design (HND) study have identified the need to reinforce onshore electricity transmission between Spittal and Beaully. Providing a new 400 kV OHL connection between these locations enables the significant power transfer needed to transmit power from future large scale onshore and offshore sources of low carbon renewable energy generation for domestic consumption as well as for export to the United Kingdom (UK) and beyond. Further detail on project need is provided in Chapter 2: Project Need and Strategy. The overall pathway to 2030 is upgrades is shown in Figure 1-1.

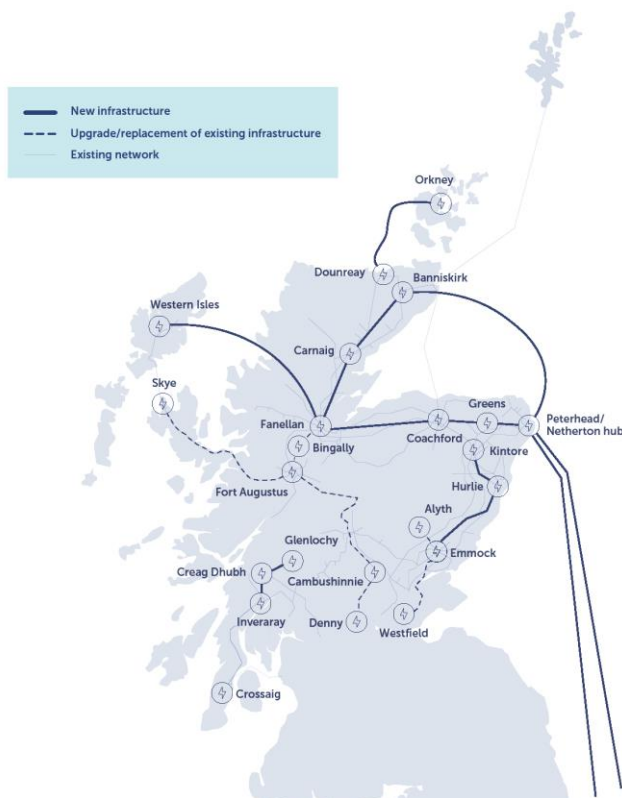


Figure 1-1: Overall map of ASTI / Pathway to 2030 project map

2. Project Context

SSEN Transmission is investing over £20bn to upgrade the network infrastructure across the north of Scotland between now and 2030 as the region plays a leading role in the clean energy transition¹.

The need for the investment is well-established, with this national development looking to deliver a vital part of NPF4's National Spatial Strategy. The investment is expected to deliver extensive nationally significant strategic and socio-economic benefits, with SSEN Transmission committed to a Community Wealth Building (see Section 0) approach that maximises socio-economic benefits (within programme and spending constraints) to achieve a just transition for affected communities.

The Highland Council is supportive of renewable energy developments in principle, including the necessary grid infrastructure and connections. The Council has a 'Social Values Charter for Renewables Investment'² (approved 27 June 2024) which sets out the Council's expectations from developers wishing to invest in renewables in The Highland Council area. Its purpose is to embed an approach to community wealth building as set out in NPF4 Policy 25 and unlock economic opportunities for the area.

2.1 Proposed Development

Included in the above 'Pathway to 2030' projects, is a new 400kV overhead line connecting Spittal to Beaully via Loch Buidhe, planned in the Highland area, to facilitate the efficient transmission of renewable energy from its source to areas of demand across the country.

The Proposed Development is part of SSEN Transmission's Pathway to 2030 projects, with the primary objective of supporting the growth in renewable energy across the north of Scotland and the drive towards net zero.

The Proposed Development includes:

- The installation and operation of approximately 96 km of new double circuit 400 kV OHL on steel lattice towers between the proposed Banniskirk (ND 15905 56823) and Carnaig (NH 65053 97458) 400 kV Substations; and
- The installation and operation of approximately 77 km of new double circuit 400 kV OHL on steel lattice towers between the proposed Carnaig and Fanellan (NH 48534 43208) 400 kV Substations.
- Permanent diversion works required to existing 132kV and 275kV OHLs (referred to within this EIA Report as special arrangements), of approximately 18km in total. To enable the construction of the Proposed Development including the temporary diversion works required to construct the permanent diversions.
- Ancillary Development Works as per Volume 2: Chapter 3.

2.2 Site Context

The OHL will be located in the Highland Council area, spanning approximately 170km in the north of Scotland, between Spittal and Beaully. The northernmost point of the OHL is located at the site of the new Banniskirk 400kV substation, approximately 15km south of Thurso. The southernmost point of the OHL is located at the site of the new Fanellan 400kV substation, approximately 17km west of Inverness.

The map in A.2 shows the OHL split up into five sections:

¹ Scottish and Southern Electricity Networks Transmission, 'Projects delivering a Network for Net Zero, Pathway to 2030', available at: [Projects delivering a Network for Net Zero - Pathway to 2030 - SSEN Transmission \(ssen-transmission.co.uk\)](https://www.ssen-transmission.co.uk/projects-delivering-a-network-for-net-zero-pathway-to-2030)

² The Highland Council (2024), Social Value Charter for Renewable Investment, available at: [10. Social Values Charter for Renewables Investment 2.pdf](#)

- Section A (Spittal to Brora), which connects the northernmost point of the OHL, at Banniskirk, to section B, at Brora.
- Section B (Brora to Loch Buidhe), which connects section A and section C, between Brora and Carnaig.
- Section C (Loch Buidhe to Dounie), which connects section B and section D, between Carnaig and Dounie.
- Section D (Dounie to Near Strathpeffer), which connects section C and section E, between Dounie and a point just north of Strathpeffer.
- Section E (Near Strathpeffer to Beaully), which connects section D, near Strathpeffer, to the southernmost point of the OHL, at Fanellan.

The socio-economic assessment is conducted across three spatial scales to capture the full range of potential impacts:

- **Local (Highland Council Area):** Focuses on the immediate context of the development, assessing effects on local communities and economies.
- **Regional (Scotland):** Evaluates broader economic implications across Scotland, particularly in terms of employment and Gross Value Added (GVA).
- **National (UK):** Considers the wider socio-economic significance of the project at the national level, including its contribution to UK-wide economic trends.

In addition to this multi-scale approach, a 15 km buffer around the proposed site is used specifically to assess potential impacts on tourism and recreation. This buffer captures the immediate area likely to experience changes in visitor experience, access, and amenity value. A detailed map is provided in Appendix A.7.

The purpose of this report is to evaluate the overall socio-economic impacts of the proposed development. This includes a qualitative assessment of potential effects on the tourism and recreation sectors, drawing on the analysis presented in Volume 2: Chapter 16 – Tourism and Recreation.

2.3 Socio-economic assessment context

The Proposed Development is part of a larger investment in northern Scotland's transmission network. These upgrades will enable the integration of renewable energy while delivering broader economic, social and environmental benefits. As with all major infrastructure developments, it is important to understand the local socio-economic impacts and enable early identification of opportunities for Community Wealth Building (see section 6.4).

Given the scale of the Proposed Development, and duration of works, the development may result in significant socio-economic, tourism and recreation impacts. Concerns were raised during consultation about the impact on the local community and rural economy, including visual and tourism impacts. The Highland Council require that a socio-economic assessment is undertaken to identify impacts and those that may be affected by the development, in all or in part.

In undertaking the socio-economic assessment, the following documents in Table 2-1, provided by SSEN Transmission, have been used as key references. Additionally, information and resources from the SSEN Transmission projects website have also been incorporated.

Table 2-1: Received documents

Recieved document reference	Document name	Document Date
1.	Proposed Alignment Consultation Booklet – Feb & March 2025	05 February 2025
2.	Proposed Alignment Consultation Banners – Feb & March 2025	05 February 2025
4.	SLBB – Section A Summary	05 February 2025
5.	SLBB – Section B Summary	05 February 2025
6.	SLBB – Section C Summary	05 February 2025
7.	SLBB – Section D Summary	05 February 2025
8.	SLBB – Section E Summary	05 February 2025

3. Legislation, Policy and Guidance

The methodology adopted for assessing the socio-economic impact of the Proposed Development is informed by a broad review of relevant legislation, policy and guidance at the UK, Scotland, Highland Council and corporate level. This review ensures that the assessment aligns with strategic objectives and regulatory requirements pertinent to the Proposed Development. Relevant strategies are outlined in Table 3-1, these are further detailed in Appendix 1. The following key documents have also been reviewed:

Scotland's Green Industrial Strategy emphasises the economic benefits of transitioning to a net-zero economy, supporting the creation of well-paid jobs and stimulating investment across Scotland. This strategy is central for understanding the broader economic context and the potential benefits of enhancing grid capacity and resilience.

The National Planning Framework 4 (NPF4) provides a strategic vision for Scotland's long-term development, promoting community wealth building and ensuring that new developments consider their impacts on employment, the green economy, and local communities. NPF4 also highlights the importance of minimising adverse effects on tourism and recreation.

Scotland's National Performance Framework sets out a vision for national wellbeing, emphasising sustainable and inclusive growth. It is relevant to this assessment as it demonstrates that the Proposed Development contributes positively to national wellbeing and economic resilience.

The National Strategy for Economic Transformation 2022 outlines priorities for economic growth, productivity, and fair economic opportunities. The calculation of GVA and employment impacts through this assessment work demonstrates alignment with this strategy and showing how the Proposed Development contributes to economic growth and opportunity.

The Scottish Government's Programme for Government 2024/25 focuses on key priorities such as eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high-quality public services. The Proposed Development is aligned strong with this programme, given its focus on net zero and contribution to growing the economy.

The Draft Energy Strategy and Just Transition Plan provides a roadmap for achieving a net-zero energy system, emphasising affordability, resilience, and clean energy. This Proposed Development is strongly aligned with this Plan, given the OHL's role in enhancing grid capacity and supporting the transition to clean energy.

The Highland-Wide Local Development Plan 2012 sets out a vision for land use and development in the Highlands over the next 20 years, supporting sustainable growth and community wellbeing. It is pertinent to the Proposed Development ensuring alignment with local priorities and contributing to the sustainable development of the Highlands.

An Action Plan for Economic Development in the Highlands (2012) focuses on building on the region's substantial employment and population growth, providing insights into industries with the greatest economic potential and strategies for sustainable economic development.

Tourism Strategy: Scotland Outlook 2030 aims to position Scotland as a world leader in 21st-century tourism, emphasising sustainable and responsible tourism that benefits local communities, businesses, and the environment.

SSEN Transmission's Pathway to 2030 outlines the infrastructure required to support the growth in renewable electricity and achieve net-zero targets, highlighting the importance of grid resilience and capacity.

This policy landscape reveals a strong consensus on the importance of transitioning to a net-zero economy, supporting sustainable economic growth, and minimising adverse impacts on tourism and recreation. These shared priorities provide a robust foundation for assessing the socio-economic impacts of the proposed OHL development, ensuring alignment with broader strategic goals and local priorities. Specific relevant guidance is detailed in Table 3-1 and further policy descriptors in Appendix 1.

SSEN Transmission's 'Housing our workers' Strategy 2024 states that temporary accommodation will be provided for workers, and this accommodation will mitigate potential negative impacts of the Pathway to 2030 projects on the Scottish rural housing crisis. The key objectives of the Housing Strategy are to:

- Enhance the delivery of projects by delivering effective accommodation solutions;
- Contribute to tackling housing challenges in rural Scotland by delivering legacy benefits; and
- Build support for projects by collaborating with housing stakeholders to deliver worker accommodation and legacy benefits.

In addition to these objectives, SSEN Transmission has pledged to build 200³ new homes in the north of Scotland. This initiative aims to support local communities and contribute to sustainable development in the region. The strategy includes plans for affordable housing, energy-efficient homes, and infrastructure improvements to enhance the quality of life for residents. This project is part of SSEN Transmission's broader commitment to social responsibility and environmental sustainability.

³ [ssent-housing-strategy-2024-](#)

Table 3-1: Relevant strategies

Strategy	Strategy element	Relevant guidance
Scotland's National Performance Framework	Economy	<p><i>'We also know that our economy must be environmentally sustainable, inclusive and benefit all our people and communities.'</i></p> <p>The project should consider how it can create local jobs and stimulate economic development, contributing positively to national prosperity.</p>
	Environment	<p><i>'Scotland is a beautiful country and we are blessed with abundant natural resources and architecture to rival the best in the world. Through this Outcome we recognise that it is our duty to protect and enhance these assets as essential to our economy, culture, way of life and the wellbeing of future generations.'</i></p> <p>The Proposed Development should consider how it can contribute to this outcome by operating with minimal environmental impact, ensuring the protection of local biodiversity, and enhancing the condition of protected nature sites. This can also be through alignment with Scotland's climate goals.</p>
Scotland's National Strategy for Economic Transformation	Green Economic Recovery	<p><i>"We will align our economic recovery with our climate and nature targets".</i></p> <p>The Proposed Development must align with sustainability goals, minimising environmental impact by reducing carbon emissions, promoting renewable energy, and protecting natural resources.</p>
	Infrastructure Investment	<p><i>"Investment in infrastructure and green technology is crucial for economic health".</i></p> <p>The Proposed Development should enhance connectivity, support innovation, and stimulate economic growth by improving infrastructure and creating jobs, all while adhering to low-carbon goals.</p>
	Just transition	<p><i>"Supporting a Just Transition to a low-carbon economy."</i></p> <p>The Proposed Development should ensure equitable distribution of benefits, create job opportunities in green industries, and provide community support to workers affected by the transition.</p>
National Planning Framework 4	Policy 1: Tackling the climate and nature crises	<p><i>'To encourage, promote and facilitate development that addresses the global climate emergency and nature crisis.'</i></p> <p>Significant weight must be given to the global climate and nature crisis in all development proposals, supporting adaptation to future climate risks.</p>
	Policy 2: Climate mitigation and adaptation	<p><i>'To encourage, promote and facilitate development that minimises emissions and adapts to the current and future impacts of climate change'</i></p>

Strategy	Strategy element	Relevant guidance
		The Proposed Development should minimise greenhouse gas emissions throughout their lifecycle, adapt to current and future climate risks, and prioritise retrofitting existing developments to reduce emissions and support climate adaptation.
	Policy 3: Biodiversity	<p><i>‘To protect biodiversity, reverse biodiversity loss, deliver positive effects from development and strengthen nature networks’</i></p> <p>Development proposals should enhance biodiversity by restoring habitats and strengthening nature networks, integrating nature-based solutions where possible. Major developments must demonstrate that they conserve, restore, and enhance biodiversity, leaving nature in a better state than without intervention. Proposals should assess the site’s ecological context, mitigate negative effects, and provide significant biodiversity enhancements, including community benefits. Local developments should also include proportional biodiversity measures, while minimising adverse impacts on the natural environment through careful planning to reverse biodiversity loss and enhance ecosystem resilience.</p>
	Policy 11: Energy	<p><i>‘To encourage, promote and facilitate all forms of renewable energy development onshore and offshore. This includes energy generation, storage, new and replacement transmission and distribution infrastructure and emerging low-carbon and zero emissions technologies including hydrogen and carbon capture utilisation and storage (CCUS).’</i></p> <p>Development proposals for renewable, low-carbon, and zero-emissions technologies will be supported, including wind farms, grid infrastructure, energy storage, and carbon capture. Proposals must maximise local socio-economic benefits like job creation and supply chain opportunities, while addressing potential impacts on communities, landscapes, and the environment. Cumulative impacts and alignment with renewable energy and emissions reduction targets will be heavily weighted, and grid capacity should not limit development.</p>
National Planning Framework 4	Policy 25: Community Wealth Building	<p><i>‘To encourage, promote and facilitate a new strategic approach to economic development that also provides a practical model for building a wellbeing economy at local, regional and national levels.’</i></p> <p>Development proposals that align with local or regional community wealth-building strategies and economic priorities will be supported. This includes improving community resilience, reducing inequalities, promoting local supply chains and job creation, and supporting community-led initiatives, such as new local firms or community ownership of assets.</p>
	Policy 25: Tourism	<p><i>‘To encourage, promote and facilitate sustainable tourism development which benefits local people, is consistent with our net zero and nature commitments, and inspires people to visit Scotland.’</i></p> <p>Proposed Developments should avoid negatively affecting communities, services, or residential areas. Additionally, they should manage traffic, promote sustainable travel, and minimise carbon emissions. The reuse of tourism facilities must demonstrate that the current use is no longer viable, and any development must avoid detracting from local amenities or housing availability unless outweighed by clear economic benefits.</p>
Draft Energy Strategy	Job creation	Promote job creation in the renewable energy sector , especially in offshore wind, hydrogen, and energy efficiency projects.
	Community benefits	Ensure local communities benefit from energy developments through community ownership schemes and local investment.

Strategy	Strategy element	Relevant guidance
	Economic growth	Drive economic growth , particularly in rural and economically disadvantaged areas, through the transition to a net-zero energy system
Action Plan for Economic Development in the Highlands	Workforce Development	Ensure the workforce has the necessary skills ; address youth unemployment; attract individuals with regional ties to fill new job opportunities.
	Job Creation	Focus on creating jobs that raise the region's average earnings , particularly in the private sector.
	Renewable Energy Development	Ensure local workforce benefits from renewable energy projects , creating jobs and economic opportunities.
	Tourism Training and Promotion	Improve tourism-related training to support job creation and economic benefits in the tourism sector.
	Local Benefit in Public Procurement	Introduce local benefit considerations into public procurement to support local businesses and communities.
SSEN Transmission Pathway to 2030	Grid Capacity and Resilience	The Pathway to 2030 outlines the infrastructure required to support the growth in renewable electricity and achieve net-zero targets. This includes significant investments in grid capacity and resilience to accommodate increased renewable energy generation
	Economic Impact	The Pathway to 2030 is expected to deliver substantial economic benefits, including job creation and GVA contributions , particularly in the North of Scotland.
	Community and Environmental Benefits	The statement of intent emphasises minimising community and environmental impacts while maximising local socio-economic benefits , such as job creation and supply chain opportunities

4. Methodology

The methodology for assessing socio-economic impact covers the construction phase, the process is shown in Figure 4-1.

- It begins with a comprehensive Assessment of Existing Socio-economic Conditions in the area.
- Following this, Proposed Development Specific Inputs — such as footprint and capital costs—were integrated, detailing the anticipated changes and investments associated with the development.
- These inputs were then used in Input/Output Modelling to analyse the economic interactions and impacts.
- Alongside this modelling, an Assessment of Tourism and Recreation was conducted to evaluate the potential effects on local tourism and recreational activities.
- The results from these analyses informed the GVA and Employment Calculations, providing a detailed understanding of the economic contributions and job creation potential.
- Finally, these findings were compiled into Assessment Outputs, offering a holistic view of the development's socio-economic impact, including its influence on tourism and recreation.

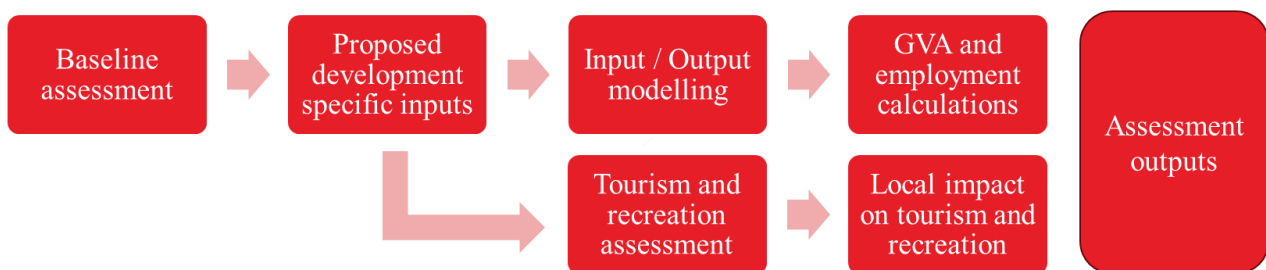


Figure 4-1: Socio-economic impact assessment methodology

4.1 Defining Impact Areas for the Assessment

The geographical scope of the socio-economic assessment is defined across three distinct scales to reflect the varying levels of impact.

The study areas are defined at three different scales to capture the varying levels of potential impact:

- **Local (Highland Council area):** This scale focuses on the immediate context of the development, providing insights into the impacts on local communities and economies within the Highland Council area.
- **Regional (Scotland):** The regional scale assesses the broader impacts across Scotland, allowing for an understanding of how the project contributes to regional economic trends, particularly in terms of employment and GVA.
- **National (UK):** At the national level, the assessment examines the project's wider socio-economic implications, considering its potential influence on national economic patterns and contributions within the UK. By incorporating both broader regional scales and detailed local data, the assessment ensures that socio-economic impacts are evaluated at the most relevant levels.

In addition to these broader geographical scales, more detailed socio-economic data is used at the Data Zone⁴ level. This granular data allows for a more focused assessment of localised impacts, considering the unique characteristics and socio-economic dynamics of this specific area. It is at this level that we expect most of the induced benefits—such as spending by workers and contractors—to occur, further stimulating economic activity within the local area.

Data Zones included in the ‘Data Zone’ level study area include:

- Caithness North West - 05
- Caithness South - 01
- Inverness West Rural - 01
- Inverness West Rural - 09
- Muir of Ord - 01
- Ross and Cromarty Central - 01
- Ross and Cromarty Central - 03
- Ross and Cromarty Central - 04
- Ross and Cromarty East - 01
- Ross and Cromarty East - 02
- Sutherland East - 01
- Sutherland East - 04
- Sutherland East - 05
- Sutherland East - 06
- Sutherland South - 01
- Sutherland South - 06
- Sutherland South - 07
- Sutherland South - 08
- Sutherland South - 09

Tourism and Recreation: For this assessment of tourism and recreation, the study area is more site-specific. This includes the land within the boundaries of the Proposed Development, as well as immediately adjacent areas where direct effects, such as visual or noise impacts, might be experienced. The study also considers a wider area extending up to 15km from the centre of the Proposed Development, to account for any indirect effects on tourism assets or recreational activities within the broader vicinity. This report draws on analysis from Volume 2: Chapter 16 Tourism and Recreation where assets impacts are assessed. The study area is shown in A.3

By tailoring the study areas to these different scales, the assessment ensures that both localised and broader socio-economic, recreational and tourism impacts are thoroughly evaluated.

4.2 Input-Output Modelling

Employment and GVA Multipliers for 2019, sourced from Scottish Supply, Use and Input-Output tables, are used to calculate direct, indirect and induced economic impacts of the Proposed Development.

- **Direct impacts** refer to the jobs and economic output created directly by the Proposed Development, such as employing contractors on-site.
- **Indirect impacts** capture the economic value generated by contractors’ spending within their supply chains. These are calculated using Type I multipliers, which apply to the direct impacts.
- **Induced impacts** arise from the spending of workers involved in the Proposed Development, both directly and indirectly. This spending boosts economic activity further and is calculated using both Type I and Type II multipliers applied to the direct impacts.

By applying these multipliers, the analysis accounts for the full economic ripple effect of the Proposed Development.

The economic impacts during the construction phase are measured in terms of employment and GVA.

Estimating Employment: To estimate employment impacts, turnover-to-employee ratios are used to calculate the direct employment generated by the project. Employment multipliers are then applied to account for indirect and induced jobs created through supply chain spending and worker spending.

⁴ Data Zones are small area geographies used in the production of official statistics in Scotland. Data Zones are designed to have roughly standard populations of 500 to 1,000 household residents and they nest within Local Authority boundaries (Scottish Government, 2024).

Estimating GVA: Data on Capital Expenditure (CAPEX) provided by SSEN Transmission including professional fees and other development costs, are used to estimate GVA. Where possible, detailed itemised data and contract details are reviewed to differentiate between equipment and labour costs. The direct economic impact is estimated by applying turnover-to-GVA ratios specific to the sectors involved. Indirect and induced GVA are then calculated using Type 1 and Type 2 multipliers from the Scottish Input-Output tables.

The economic impacts during the operational phase are not estimated in this assessment. However, it is anticipated that the ongoing operation and maintenance of the Proposed Development would support some employment within the national study area.

4.3 Impacts on Tourism and Recreation

The assessment of the Proposed Development's impacts on tourism and recreation focuses on key tourism and recreational assets in the surrounding area. This assessment is separate from that undertaken for the EIAR and follows a similar methodology. However, the most significant difference lies in the study area: this broader assessment considers assets within a 15 km radius of the proposed overhead line (OHL). This does not materially alter the overall conclusions, as the EIAR has already considered the potential for effects beyond the 5 km study area where appropriate. Given the absence of specific guidelines for OHL projects, professional judgment is applied, supported by widely recognised economic impact assessment methods. The assessment considers potential effects on recreational behaviour, such as changes to routes, access issues, reduced amenity, and changes to the landscape. The key impacts considered are:

- **Visual Impact:** Infrastructure may reduce scenic views, affecting tourist appeal.
- **Noise and Disturbance:** Construction and operational noise may disrupt visitor tranquillity.
- **Accessibility:** Infrastructure may impact access to tourist spots.
- **Perception:** Landscape changes or industrial presence may alter the area's recreational appeal.

4.3.1 Sensitivity of Receptors

To assess how sensitive different tourism and recreational assets are to potential impacts, their significance and capacity to absorb change is assessed based on factors such as:

- Its importance at a local, regional, national, or international level.
- Availability of alternative resources or routes.
- Ease of replacing the resource or adjusting behaviour.
- The asset's ability to accommodate change over time.
- The nature of its users, particularly sensitive groups (e.g., individuals with disabilities).

Table 4-1 outlines how we through professional judgement categorises the sensitivity of tourism and recreational receptors.

Table 4-1: Sensitivity of Receptors

Sensitivity of Receptor	Definition
High	The asset has limited capacity to absorb change and is of high tourism/recreational value. It may be of national or international importance, or there may be no substitutes within its catchment area. Example: remote nature reserves or scenic hiking trails where tourism is driven by natural beauty and tranquillity.
Medium	The asset can absorb some change without significantly altering its character and is of regional importance or has some substitutes within its catchment area. Example: villages with mixed cultural and natural attractions.
Low	The asset can tolerate change with minimal impact on its character and has low tourism/recreational value. It may be of local importance with multiple alternatives available. Example: areas near existing infrastructure or industrial sites.

Negligible	The asset is highly resilient to change and has little to no tourism/recreational value.
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4.3.2 Magnitude of Effect

The magnitude of effect is assessed by determining how much the baseline value of an asset changes due to the development. This provides a foundation to measure the scale of impact. The magnitude is proportional to the degree of change in the asset's baseline condition and is categorised in Table 4-2.

Table 4-2: Magnitude of Effect

Magnitude of Effect	Description
High	A major loss or improvement to key features of the baseline condition, resulting in a fundamental change to the asset. Example: substantial increase or decrease in tourism spend, or a long-term improvement of recreational assets.
Medium	A material change to key elements of the baseline condition, altering the character of the asset but not fundamentally. Example: moderate changes in tourism spend or improvement in recreational opportunities.
Low	Changes are detectable but do not significantly alter the baseline. Example: small changes to tourism spend or recreational value.
Negligible	Changes are barely distinguishable from baseline conditions and approximate a "no change" situation.

4.3.3 Significance of effect

The significance of the effect is determined by combining the sensitivity of the receptor with the magnitude of the impact. This process uses professional judgment to determine whether effects are significant or not, particularly when sensitivities or magnitudes are borderline. Table 4-3 guides this process.

Table 4-3: Framework for Assessment of the Significance of Effects

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

- **Major effects** are typically considered significant under Environmental Impact Assessment (EIA) Regulations.
- **Moderate effects** may also be significant, depending on professional judgment and specific circumstances, particularly when the impact is borderline.
- **Minor and negligible effects** are generally not considered significant.

It's important to note that significant effects are not always negative or unacceptable. Effects can be beneficial, neutral, or adverse, and each will be specified where relevant.

To support this assessment, geospatial mapping has been used to identify key tourism and recreational receptors. The mapping will estimate the value of these assets to the local and regional economy, helping assess their potential sensitivity to the Proposed Development.

The assessment process outlined here will result in a clear understanding of how the Proposed Development may impact tourism and recreation. By evaluating receptor sensitivity and the magnitude of change, and using professional judgment, we provide a balanced view of the significance of these impacts. This structured approach ensures the results of the assessment are transparent, reliable, and informative for decision-making.

It should be noted that this assessment differs from that undertaken for the EIAR, where the scope included the identification of temporary or permanent changes in the availability, accessibility and amenity of tourist attractions, including recreational assets and routes, as a result of the loss or partial loss of a resource, temporary or permanent diversions to recreational routes, or temporary or permanent land-take required for the Proposed Development (construction and operation); as well as temporary changes in access to tourist attractions and recreation assets during the construction of the Proposed Development, as a result of increased traffic movements on the local road network as well as vehicular, pedestrian and cyclist diversions that could be implemented (construction only); and temporary changes in the availability of tourist accommodation due to the influx of construction workers (construction only).

The EIAR chapter took the land within the Proposed Development Limits of Deviation (LOD) for the proposed OHL and associated access tracks to be the study area for effects arising from direct impacts such as loss of land or assets or diversion of recreational routes, and 5 km from the Proposed Alignment LOD to be the study area for indirect effects such as in-combination effects on amenity or effects on access. Therefore, the EIAR chapter baseline provides an overview of tourism and tourism accommodation in the Highlands, and a description of key tourism and recreation assets, including core paths, within the 5 km study area for each section of the proposed OHL.

4.3.4 Visual assessment methodology

To support this analysis the Tower Zone of Theoretical Visibility (ZTV) has been modelled using the 'Viewshed' tool in ESRI ArcGIS Pro software. A bare earth ZTV was prepared using the OS Terrain 50, a digital terrain model (DTM), with a resolution of 50m post spacing. This ZTV represents a worst-case scenario as it does not include features such as existing buildings or vegetation which obscures views. The assumed viewing height has been set at 1.7m above ground level to correspond to the average person's eye level. This is at the top of the range as set out in paragraph 611 of the GLVIA3 to represent the worst-case scenario.

4.4 Households and Communities

It has been determined that the Proposed Development is unlikely to significantly impact individual households and local communities. Housing assets in proximity to the Proposed Development have been identified in the assessment of existing socio-economic conditions (see section 5.2.10). The Proposed Development is located within a remote setting, more than 1km away from the nearest settlement. A settlement is defined as a contiguous group of high-density postcodes with a combined population of 500 people or more.⁵

As there are not expected to be any significant socio-economic impacts on individual households or local communities, no further assessment has been undertaken. For instance, the proposal is not anticipated to affect housing supply in a way that would influence housing costs, nor is it likely to lead to long-term population changes that could impact access to local services.

4.5 Consultations

Consultations with SSEN Transmission have been conducted to refine the assumptions used in the analysis and ensure the accuracy of the economic impact estimates. These consultations involved reviewing documents from SSEN Transmission and engaging in discussions with project managers to gather CAPEX data and worker strategy details. It is important to note that we have not directly consulted with local authorities or tourism stakeholders; instead, the analysis has relied on previous consultation documents and existing data. The objectives of these consultations are as follows:

- Validate Expenditure Data: Confirm the accuracy of CAPEX data.
- Understand Contracting Practices: Gain insights into the location and sectoral distribution of contractors.

⁵ Geography: Settlement and Localities Information Note - National Records of Scotland (NRS)

- **Assess Local Economic Contribution:** Understand the proportion of expenditure expected to benefit the local and regional economies.
- **Evaluate Tourism and Recreation Concerns:** Gather input from existing consultation documents on potential impacts and mitigation strategies.

5. Existing Socio-economic Conditions

5.1 Executive Summary

The assessment of existing socio-economic conditions provides a full overview of the current conditions in the Proposed Development study area. This assessment covers various critical aspects, including population, economic activity, employment, supply chain capacity and capability, qualifications, earnings, GVA, deprivation, land use, housing, tourism, and recreation. Spatial analysis using Geographic Information Systems (GIS) has been used to ensure accurate and detailed insights.

Population: The population analysis examines the demographic characteristics of the area. Key findings indicate that the population of the Highland Council area was 238,060 in 2021, and there is a notable trend of outward migration of under-24's in the area.

Economic Activity: This section evaluates the economic landscape, focusing on key occupations and employment rates. The analysis reveals that the primary economic activities in the Highland Council area include professional occupations, contributing significantly to the local economy.

Employment: Employment trends are assessed, including sectoral employment distribution. The findings show that the employment rate in the Highland Council area is 77%, with major employment sectors being Health, Accommodation & Food Services, and Agriculture, Forestry & fishing.

Supply Chain Capacity and Capability: Given the Highland Council area's high concentration of construction employment (7.1%), relative to the national average (5%), the Proposed Development could significantly benefit the local economy by creating supply chain opportunities, boosting local businesses and supporting employment, provided the necessary construction and maintenance skills are available locally.

Qualifications: The qualifications section examines the educational attainment levels of the local workforce. The data indicates the 49% of the Highland Council area's working-age population hold SCQF Level 7 qualifications, demonstrating the area's capacity to capitalise on skilled job opportunities.

Earnings: This part of the assessment compares average and median earnings within the study areas. The median workplace-based earnings in the Highland Council area were £33,900 in 2023, while the median residence-based earnings were £35,900, indicating that local jobs tend to pay less.

GVA: The Highland Council area generated almost £7 billion in GVA in 2022. The average GVA per worker in the Highland Council area was £55,000 in 2022, which was lower than the average for Scotland (£63,200) and the UK (£68,600).

Deprivation: The deprivation analysis uses Indices of Multiple Deprivation to identify areas of socio-economic disadvantage. The majority of the Highland Council is ranked in the 2nd, 3rd and 4th quintiles of the Scottish Index of Multiple Deprivation (SIMD) 2020, with no data zones in the lowest or highest 20% deprivation quintiles.

Land Use: Land falling within the redline boundary of the Proposed Development OHL is predominantly described as peat bog, coniferous forest, moors and heathland.

Housing: In 2023, the vacancy rate for dwellings in the Highland Council area was 5%, which is more than the figure for Scotland (3%), with a notable proportion of long-term empty dwellings.

Tourism and Recreation: The Highland area attracts 18,000 visitors annually, generating £547 million in tourism revenue, with key attractions including hill walking and mountaineering spots. Whilst the Proposed Development is not located in proximity to any of the top 5 most visited attractions in the Highlands, tourist attractions within 15km of the Proposed Development include tourist accommodations, popular fishing spots, beaches and golf courses. The tourism assets within 500 metres of the Proposed Development are primarily holiday let accommodations. The North Coast 500 (NC500), a popular route to travel amongst tourists, is located less than 100m south of the Proposed Development at its closest part near Badbea.

5.2 Socio-economics

This section provides an overview of the socio-economic characteristics of the Proposed Development study areas, where data is available, covering:

- Population
- Economic activity
- Employment
- Supply chain capacity and capability
- Qualifications
- Earnings
- GVA
- Deprivation
- Land use
- Housing

5.2.1 Population

The Highland Council area is a mainly rural region in the north of Scotland covering an area of around 26,284km². In 2021, the Highland Council had a population of 238,060, making it the 7th largest council area in Scotland (of which there are 32) in terms of population. The main settlements within the Highland Council area include Inverness, Fort William and Nairn, and the area is divided into eight city and local committees which are recognised by the Council. Population density mapping is shown A.4

Data released by the National Records of Scotland (NRS) and Office for National Statistics (ONS) shows that, in 2021 the Highland Council area had a population of 238,060 and just over half (61%) of the residents were of working age. This percentage was slightly lower than that of Scotland and the UK, where the working age population made up 64% and 63% of the total population, respectively.

Additionally, 16% of the population in the Highland Council area were aged 15 or younger in 2021, a marginally smaller figure than that of Scotland (17%) and the UK (18%). Meanwhile, residents aged 65 or over made up a greater proportion of the population in the Highland Council area (23%) than they did in both Scotland (20%) and the UK (19%). These figures, shown in Figure 5-1, indicate an aging population and a high elderly dependency ratio in the areas surrounding the Proposed Development, compared to Scotland and the UK.

The Highland Council area is experiencing considerable outward migration among the population aged 24 or younger and it has been estimated that, between 2016 and 2026, the number of people aged 16-24 in this area will decrease by 7.1%⁶.

The 16-24 age-group is an important sector of the population for future economic stability and growth, with the continued outward migration of young people from the Highland region representing a risk to the future of economic development for the region.

⁶ National Records of Scotland (2019) available at: https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/highland-council-profile.html#population_projections [accessed 23/12/2024]

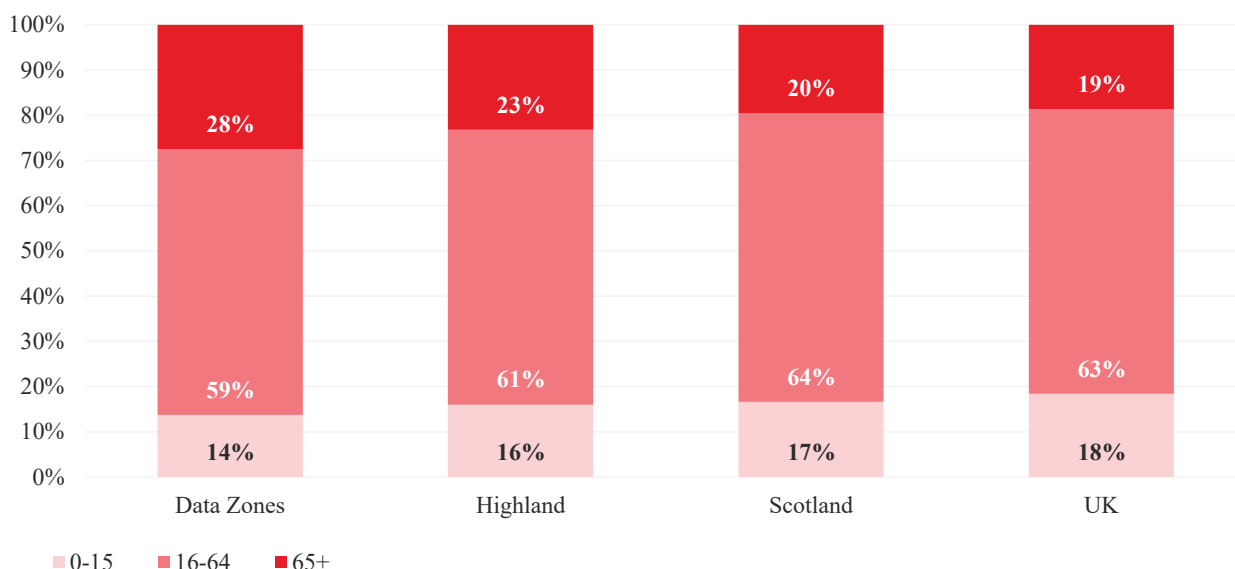


Figure 5-1: Population Structure by Study Area (NRS and ONS, 2021)

5.2.2 Economic activity

Data obtained from the Annual Population Survey (APS, 2024) and shown in Table 5-1 indicates that in the year to March 2024, the Highland Council area experienced a similar rate of economic activity to Scotland and the UK, but the local authority benefitted from a marginally higher employment rate than the wider study areas. At this time, a significant portion of the working-age population (27%) in the Highland Council area was economically inactive but wanted a job. This suggests barriers, such as a lack of suitable job opportunities and skills mismatch. While the region's economic activity rate indicates vibrancy, the high economic inactivity rate highlights underlying issues that need to be addressed to fully utilise the available workforce.

Table 5-1: Economic activity, April 2023-March 2024 (APS)

	Highland	Scotland	UK
Economic activity rate – aged 16-24	79%	77%	79%
Employment rate	77%	74%	75%
% who are employees	68%	66%	66%
% who are self employed	8%	8%	9%
Unemployment rate	*	4%	4%
% who are economically inactive – ages 16-24	22%	23%	22%
% of economically inactive who want a job	27%	17%	17%
% of economically inactive who do not want a job	73%	84%	83%

Between April 2023 and March 2024, the most popular occupations in the Highland Council area were professional occupations, followed by elementary occupations, then associate professional occupations (APS), this data is outlined in Figure 5-2. It is notable that although professional occupations accounted for a large proportion of jobs in the Highland Council area (22%), this figure is low relative to wider Scotland and the UK, at 26% and 27% respectively. The same can be said of associate professional occupations, which account for just 12% of jobs in the Highland Council area relative to 16% in Scotland and 15% across the UK. Occupations that account for a greater portion of jobs in the Highland Council area than in Scotland and

the UK are elementary occupations; skilled trades; caring, leisure and other service occupations; sales and customer service occupations; and process, plant and machine operatives.

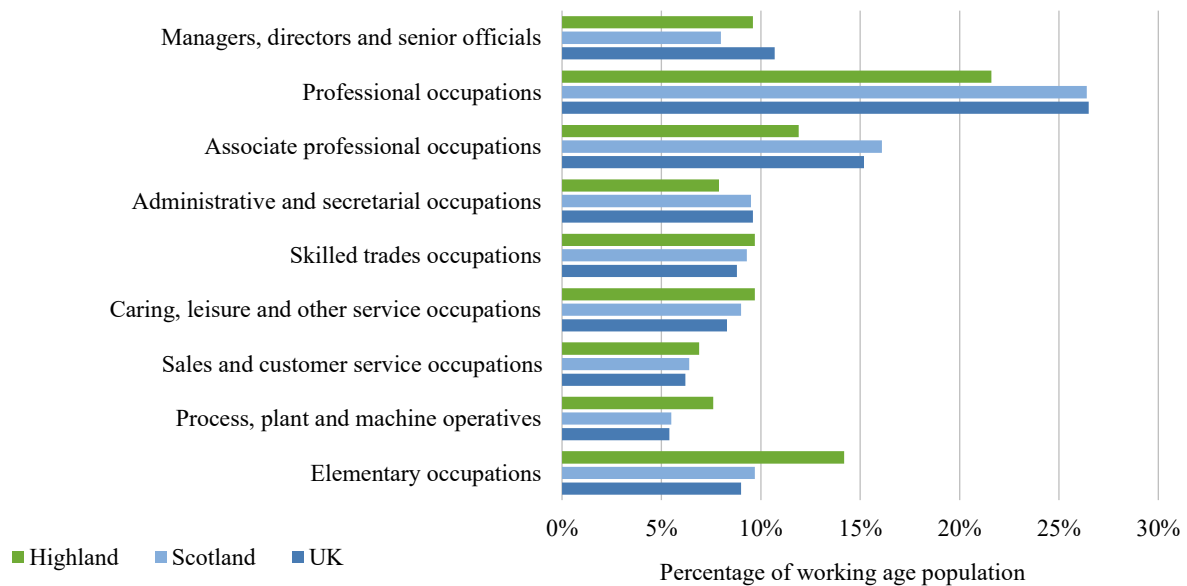


Figure 5-2: Occupations, April 2023-March 2024 (APS)

5.2.3 Employment

To understand the economic landscape of the area surrounding the Proposed Development, we can examine the key industries within the Highland Council area. Data collected from the Business Register and Employment Survey (BRES) reveals that, in 2022, the Council's largest industry was Health, accounting for 15.8% of employment. In Scotland and the UK, the Health industry employed, 15.1% and 13.2%, of the respective areas total workforce. Accommodation and food services, Agriculture, forestry and fishing, and retail also accounted for sizable portions of the workforce in the Highland Council, claiming of the workforce 11.9%, 10.3% and 9.5% respectively.

Tourism is an important component of the Scottish economy and a significant source of employment across the country⁷. The sector employs people of varying ages, abilities, skill sets and nationalities, and it encompasses a range of subsectors such as accommodation, restaurants, travel agents, museums and other recreational and cultural activities⁸. This makes tourism a flexible industry with a low barrier to entry, and employability programmes focussed on priority groups, such as young offenders, 'back to work' and young people exemplify the important role that tourism can play in ensuring inclusive growth in Scotland.

Using 14 identified Standard Industry Classification (SIC) codes for the tourism sector, as recommended by VisitScotland⁹, employment data was obtained from BRES (2022).

In 2022, the tourism sector supported 17,000 jobs in the Highland Council area and 228,000 jobs across Scotland. This translates to the tourism sector representing 13% and 9% of employment in the Highland Council area and Scotland, respectively. Furthermore, Scotland's tourism sector is larger than the Organisation for Economic Co-operation and Development (OECD) averages in terms of employment and GDP⁷. Table 5-2 illustrates that there are diverse employment opportunities within the Highland Council area.

⁷ Scottish Government (2018). 'Tourism in Scotland: the economic contribution of the sector', available at: [Foreword from the Chair of the Tourism Leadership Group - Tourism in Scotland: the economic contribution of the sector \(www.gov.scot\)](https://www.gov.scot/publications/foreword-from-the-chair-of-the-tourism-leadership-group/pages/2-to-4.aspx)

⁸ Scottish Tourism Observatory, 'Tourism Businesses in Scotland', available at: [Tourism Businesses in Scotland | Scottish Tourism Observatory](https://www.scottishtourismobservatory.org.uk/tourism-businesses-in-scotland)

⁹ VisitScotland (2024). 'TOURISM EMPLOYMENT IN SCOTLAND', available at: [Tourism Employment in Scotland - Statistics | VisitScotland.org](https://www.visitScotland.org.uk/tourism-employment-in-scotland-statistics)

Table 5-2: Employment, 2022 (BRES)

Industry	Average Across Data Zones	Highland	Scotland	UK
Agriculture, forestry & fishing	5.6%	10.3%	3.2%	1.7%
Mining, quarrying & utilities	6.6%	2.8%	2.4%	1.2%
Manufacturing	10.6%	4.7%	6.6%	7.5%
Construction	11.1%	7.1%	5.6%	5.0%
Motor trades	1.2%	2.0%	1.7%	1.8%
Wholesale	1.0%	2.0%	2.4%	3.6%
Retail	6.3%	9.5%	8.7%	8.5%
Transport & storage	4.1%	4.0%	4.0%	4.9%
Accommodation & food services	10.1%	11.9%	8.2%	7.9%
Information & communication	0.6%	2.0%	3.1%	4.4%
Financial & insurance	0.0%	0.7%	3.3%	3.2%
Property	1.8%	1.2%	1.3%	1.9%
Professional, scientific & technical	5.3%	4.7%	7.4%	9.0%
Business administration & support services	5.1%	4.7%	7.7%	8.8%
Public administration & defence	7.5%	4.7%	6.2%	4.5%
Education	7.1%	7.1%	8.4%	8.3%
Health	11.1%	15.8%	15.1%	13.2%
Arts, entertainment, recreation & other services	5.0%	4.7%	4.6%	4.4%

5.2.4 Supply chain capacity and capability

Several sectors may be impacted by construction and operation of the OHL, including construction and engineering sectors. As shown above (see Table 5-2), construction employment accounts for a relatively high proportion of jobs in the Highland Council area, and an even higher proportion of jobs in the Data Zone study area. Assuming the necessary construction and maintenance skills can be sourced from the local area and are selected by the main contractor, the Proposed Development could create economic opportunities in local supply chains and across sectors, boosting local businesses and supporting employment.

5.2.5 Qualifications

In 2023, the proportion of the working-age population with at least an SCQF level 7 qualification (equivalent to a Scottish Higher) in the Highland Council area was slightly lower than that of wider Scotland, but higher than the national (UK) level. This indicates that the Highland Council area has a workforce that is well-qualified and shows potential for upskilling. The APS data is shown in Figure 5-3

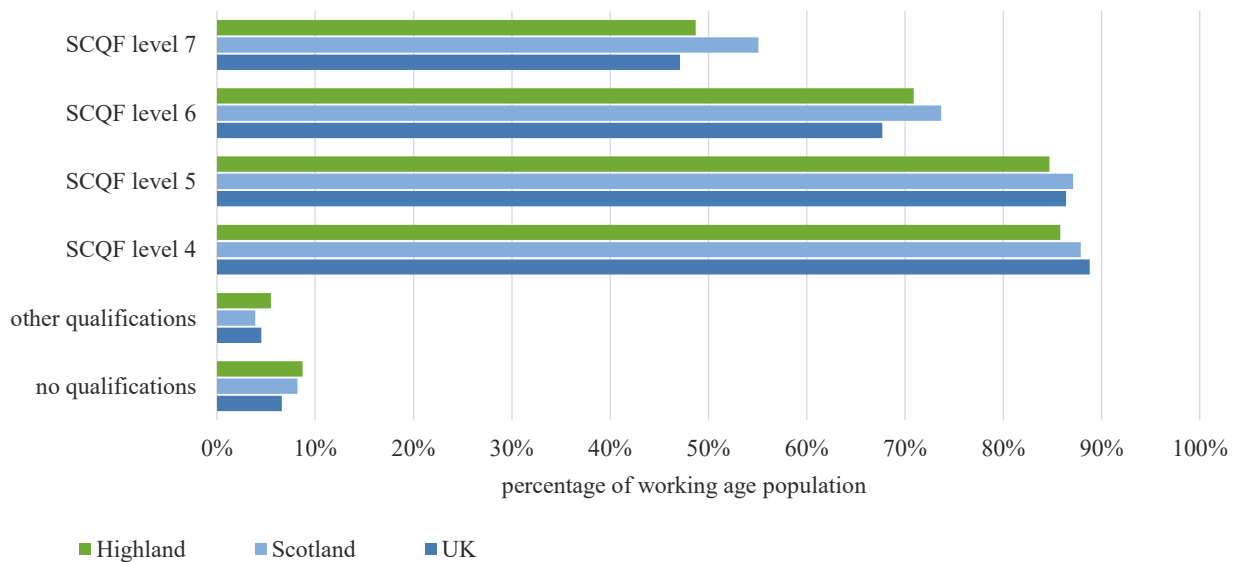


Figure 5-3: Qualifications by study area, 2023 (APS)

5.2.6 Earnings

The mean gross pay for full-time workers in the Highland Council area is slightly lower than in both Scotland and the UK, with the UK having the highest mean gross pay (Annual Survey of Hours and Earnings, 2023). However, the median gross pay is highest in the Highland Council area and lowest at the UK level. As the size of the study area decreases, the mean and median pay figures converge. This indicates that at larger geographical levels, the mean gross pay is skewed by a few highly paid individuals. Therefore, incomes are more evenly distributed at the local level than at the national level. Resident based pay is shown in Figure 5-4

Similarly, the mean workplace-based gross pay of full-time workers is higher at wider geographical levels, with the Highland Council area claiming the lowest mean pay and the UK the highest. This is expected given that the Highland Council area is more rural, with less industry, while wider Scotland and the UK benefit from economic hotspots such as Glasgow and London where there are greater economic opportunities and more highly paid, skilled jobs.

The median workplace-based pay of full-time workers appears to be highest at the regional level, with Scotland claiming the highest pay; the UK follows closely behind, and the Highland Council area has the lowest gross pay. It is worth noting that, again, the discrepancy between mean and median pay is largest at the UK level and lowest at the Highland level. Workplace-based pay is shown in Figure 5-5.



Figure 5-4: Resident-based Gross Annual Pay of Full Time Workers, 2023 (ASHE)



Figure 5-5: Workplace-based Gross Annual Pay of Full Time Workers, 2023 (ASHE)

5.2.7 GVA

GVA is a productivity metric that measures the value generated by any unit engaged in the production of goods and services. It provides a currency value for outputs less the cost of inputs directly attributable to that production, such as raw materials and labour contracts. Therefore, GVA per worker represents the average economic contribution made by an individual worker to a region, sector or economy.

In 2022, the total GVA in the Highlands Council area was around £6.96 billion, and the GVA per worker stood at £55,000 (ONS and BRES). The GVA per worker was slightly higher across Scotland and the UK, at £63,200 and £68,600 respectively, indicating that the Highland Council area has a relatively low level of GVA per worker for Scotland and the UK. However, the average GVA per worker in the Data Zone study area is £70,300, meaning that the GVA per worker in areas surrounding the OHL is, on average, higher than that of the UK.



Figure 5-6: GVA per worker, 2022 (ONS and BRES)

5.2.8 Deprivation

The Scottish Index of Multiple Deprivation (SIMD) 2020 ranks each of Scotland's 6,976 Data Zones from 1 (most deprived) to 6,976 (least deprived). This ranking is based on over 30 indicators of deprivation, such as pupil attainment and travel time to a GP, grouped into seven domains: Income, Employment, Education, Health, Access, Crime, and Housing. Quintiles split the ranked Data Zones into 5 groups, each containing 20% of Scotland's Data Zones. Data Zones in the 1st quintile fall within the 20% most deprived in Scotland.

The Proposed Development runs through several Data Zones that fall within the 2nd, 3rd and 4th quintiles of the SIMD, indicating that there are no areas within the most 20% deprived or 20% least deprived areas in Scotland. This is shown in A.5

5.2.9 Land use

As shown in the map, A.6 land within the redline boundary of the Proposed Development OHL is predominantly designated as peat bog, coniferous forest, moors, and heathland (CORINE Land Cover). Within 15km of the OHL, land cover also includes mixed forest, land principally occupied by agriculture, with significant areas of natural vegetation, and small pockets of urban fabric and water bodies.

5.2.10 Housing

In the Highland Council area, 5% of dwellings were vacant, which is significantly more than that across Scotland. The proportion of dwellings that were long-term empty was higher in the Highland Council area than in Scotland as a whole.

Table 5-3: Dwellings by occupancy, 2023 (NRS, 2024)¹⁰

Study Area	Total dwellings	% Occupied dwellings	% Vacant dwellings	% Long-term empty dwellings	% Second homes
Highland	123,568	93%	5%	3%	1%
Scotland	2,721,225	96%	3%	2%	3%

A Housing Needs Assessment for the Highland Council Area has estimated that 24,000 new houses will be required in the Highland Council Area in the next decade, meaning around twice as many homes must be built per year compared to the current trend in housing delivery¹⁰. This poses a challenge that could require as much as £2.8 billion in investment to solve.

¹⁰ The NRS has stated that figures have been rounded to the nearest whole number. Therefore, totals may not equal the sum of their parts.

Housing statistics from Scottish Government (2022) suggest that almost 9,000 dwellings in the Highland Council area are vacant and more than 8,000 of them are second homes. The proportion of total dwellings which are vacant private dwellings, and second homes make up 7% of the housing stock in the Highland Council area. This figure is 3 percentage points higher than the figure for Scotland.

5.3 Tourism

This section offers an overview of tourism activities in the immediate area, establishing the existing socio-economic conditions for the assessment of the Proposed Development's impacts. Additionally, it reviews the economic value of tourism within the Highlands and more broadly across Scotland.

5.3.1 Tourism in Scotland

Scotland's Tourism Strategy sets out plans to deliver an additional £1 billion growth or more in visitor spend to £5.5-6.5 billion by 2020¹¹. The Strategy highlights potential assets that could be developed in Scotland, including walking and cycling routes, adventure tourism, food and drink experiences and local history and culture in rural areas. Other identified growth opportunities include activities related to adventure tourism, business tourism, cruises, golf, mountain biking and sailing.

Tourism significantly contributes to the economy at the national, regional, and local level. The sustainable tourism sector supports approximately 206,600 jobs, with many positions in beverage services, hotels, recreation, and amusement fields. In 2017, the tourism industry generated around £4.13 billion in GVA¹².

Neither Scotland's Tourism Strategy nor the Tourism Scotland 2020 Yearly Review suggests that energy projects are viewed as obstacles to tourism growth. A review of the Tourism Scotland 2020 Strategy indicates that total overnight visitor spending, growth in overnight spend in key markets, and overall tourism turnover generally increased between 2012 and 2017.

Prior to the COVID-19 pandemic, the GVA from tourism was increasing year on year. However, in the Highlands, this growth has stagnated since 2008.

¹¹ Scotland Outlook 2030 - Scotland's tourism strategy (scottishtourismalliance.co.uk)

¹² Chapter 4: The Contribution of Tourism in Scotland - Tourism in Scotland: the economic contribution of the sector - gov.scot (www.gov.scot)

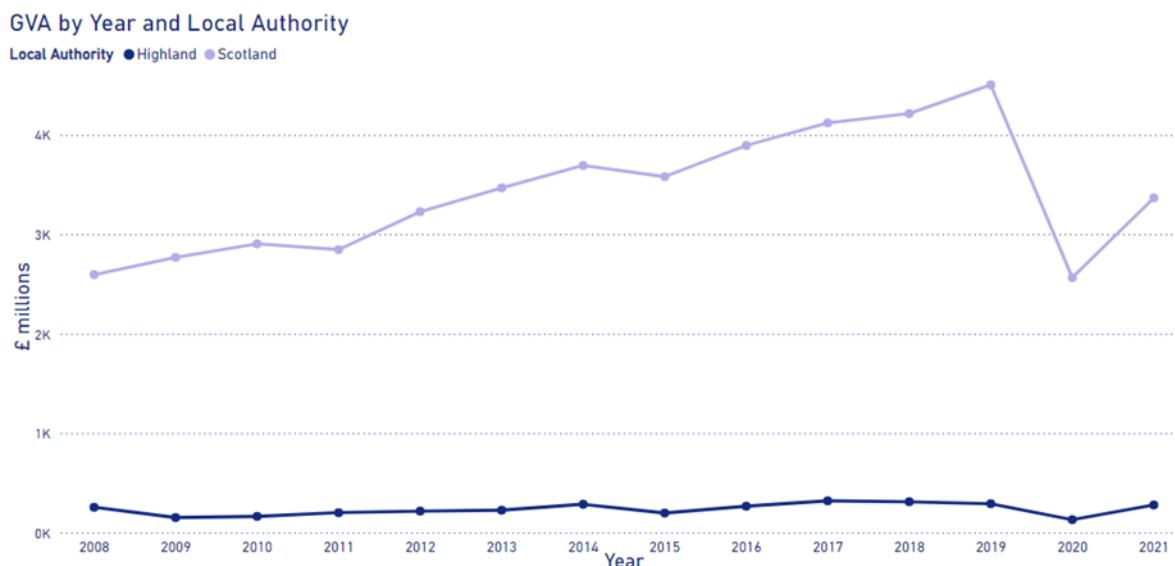


Figure 5-7: Tourism GVA by year for the Highlands and Scotland¹³

5.3.2 Tourism in the Highlands

As shown in Table 5-4, in 2022, 18,000 jobs in the Highlands were in the tourism sector, making up 14.8% of total employment in the area.

Table 5-4: Tourism in the Highlands - Employment and economic performance

Local Authority	Tourism employment in 2022	Tourism employment as a % of all employment	Tourism businesses in 2023	Tourism businesses as a % of all businesses	Tourism turnover in 2021	Total tourism GVA per head in 2021
Highland	18,000	14.8%	1,455	13.6%	£547 million	£18,558

According to VisitScotland's 2023 tourism survey¹⁴, 85% of visitors cited the region's scenery and landscape as their main reason for visiting. The top three reasons for tourists visiting the Highlands are the scenery and landscape, the history and culture, and the outdoor activities available. The top five attractions or activities undertaken in the Highlands include hill walking, mountaineering, hiking, and rambling; visiting a castle or fort; exploring a nature reserve; visiting a visitor or heritage centre; and shopping.

5.3.3 Tourism in the Study Area

For the Proposed Development, tourism receptors within a 15km radius of the proposed OHL route have been identified using AddressBase Core data. These receptors are shown in A.7. These receptors will be assessed for their sensitivity to the Proposed Development and the magnitude of its impact on them. The Highlands offer a diverse range of attractions, ample accommodation choices and have a well-developed infrastructure for tourism. According to Visit Scotland, the top 5 most visited attractions in the Highlands are:

- Urquhart Castle (~550,000 annual visitors)
- Glenfinnan Monument (~450,000 annual visitors)

¹³ Scottish Tourism Observatory (2023), Tourism Businesses in Scotland, available at: [Tourism Businesses in Scotland | Scottish Tourism Observatory](#)

¹⁴ [Scotland Visitor Survey - Domestic & International | VisitScotland.org](#)

- Glencoe Visitor Centre (~430,000 annual visitors)
- Glenmore Forest Park (~430,000 annual visitors)
- Loch Ness by Jacobite (~320,000 annual visitors)

The Proposed Development is not located in proximity to any of the top 5 most visited attractions in the Highlands. The Proposed Development lies 12km southeast of Loch Ness by Jacobite, whilst the four other popular tourist attractions lie further beyond the 15km buffer. Loch Ness by Jacobite offers popular cruises and tours exploring the legendary Loch Ness, known for its mythical creature, Nessie.

The tourism assets within 500 metres of the Proposed Development are predominantly holiday let accommodations. The nearest holiday lets include Lochend Cottage, Star Cottage, and Balcraggie Lodge, situated 250m, 350m, and 400m from the Proposed Development, respectively. There is a notable concentration of tourist assets along the north coast, particularly accommodation providers, many of which emphasise their coastal views in advertisements. Tourism in the vicinity of the Proposed Development is highly seasonal, with numerous hotels closing during the winter months.

The North Coast 500 (NC500) is a 516-mile route that circumnavigates Scotland's northern coastline, starting and ending in Inverness¹⁵. This network of pre-existing routes showcases the dramatic landscapes of the northern Highlands. Since its launch in 2015 by the North Highland Initiative, the NC500 has significantly boosted tourism by attracting visitors to the region's stunning scenery and cultural attractions¹⁶. In recent years, it has gained widespread recognition, enhancing the Highlands' profile within Scotland, the UK, and internationally. The NC500 is less than 100m south of the Proposed Development at its closest point near Badbea.

National Cycle Network (NCN) Route 1 runs to the east of the Proposed Development between Inverness and Tain¹⁷. This 2,034km route extends from Dover to the Scottish Highlands, following the east coast of England and Scotland. As the longest NCN Route, it features both on-road and traffic-free tarmac paths. The closest point to the Proposed Development is in Dingwall, approximately 7.5km to the east. This segment of the Route is popular with tourists due to its coastal scenery.

The Proposed OHLs traverse the Flow Country near Creag Thoradrigh and remain in proximity to the Site towards the northernmost half of the Proposed OHLs. The Flow Country, a UNESCO World Heritage Site, spans parts of Caithness and Sutherland within the Highlands¹⁸. Covering 4,000km², it is the largest expanse of blanket bog in Europe, playing a crucial role in carbon storage, biodiversity, and climate regulation. While the Flow Country attracts tourists interested in birdwatching, photography, conservation tourism, and walking, it is not considered a mainstream tourist destination.

The Highland Clearances, a series of forced evictions in Scotland during the 18th and 19th centuries, significantly shaped the landscape and cultural identity of the region¹⁹. These events left a lasting legacy of displacement and migration. Today, the impact of the Clearances continues to resonate, particularly among descendants of those who were forced to emigrate. Many visitors from Canada, the United States, Australia, and New Zealand travel to the Highlands to reconnect with their ancestral roots and explore the history of their ancestors.

Within the Study Area, settlements such as Strathpeffer, Dingwall, Beaulieu, Resolis, Thurso, and Lairg were directly affected by the Clearances. These communities still bear the marks of this turbulent period, with historical sites and local histories serving as significant tourism assets. These assets attract visitors interested in the heritage and cultural narratives of the Highlands. Further details relating to the Highland Clearances can be found in the Cultural Heritage chapter of the EIA.

¹⁵ [About NC500 - North Coast 500](#)

¹⁶ [Highlands and Islands Enterprise \(2017\), NC500 Economic Baseline Study Highlands and Islands Enterprise | HIE](#)

¹⁷ [Route 1 - Sustrans.org.uk](#)

¹⁸ [Scotland's Flow Country secures World Heritage status - The Flow Country The Flow Country](#)

¹⁹ [Britannica \(2025\), Highland Clearances, available at: Highland Clearances | Scottish History & Impact on Society | Britannica](#)

As shown below in Appendix A.7, there are a wide range of tourist attractions within 15km of the Proposed Development, including tourist accommodation, popular fishing spots, beaches and golf courses.

5.3.4 Tourism Assets in Section A: Spittal to Brora

Section A of the Proposed Development runs from Spittal to Kintradwell, north of Brora, and follows the A9 road along the coast before turning inland at Rumster and Ousdale. This largely rural area includes settlements such as Halkirk, Dunbeath, and Helmsdale.

Helmsdale, a coastal town on the A9 and part of the NC500 route, offers several attractions including the Timespan Heritage and Art Centre, which features a local history museum and contemporary art program. Tourist accommodation is primarily found in Helmsdale and along the NC500 route. Other notable visitor attractions in Section A include:

- Laidhay Croft Museum and Café
- Clan Gunn Museum and Heritage Centre
- Dunbeath Heritage Museum
- Badbea Historic Clearance Village, accessible via a footpath from a car park on the A9
- Dunbeath Castle, a privately owned estate, opens its gardens by appointment and offers lodges for sports such as stalking and fishing.

Parts of Section A fall within the boundary of the Flow Country World Heritage Site (WHS), a blanket bog habitat across Caithness and Sutherland. Designated by UNESCO in 2024 as the world's first peatland WHS, the Flow Country is recognised for its vital natural ecosystems. It is also being promoted as a visitor destination, with aspirations that its WHS status will bring benefits to the north of Scotland, including green jobs.

5.3.5 Tourism Assets in Section B: Brora to Loch Buidhe

Section B of the Proposed Development runs south-west from Kintradwell, moving inland from Brora and further away from the A9/NC500 route. This area is predominantly rural, with most tourism receptors clustered around Brora and Golspie.

In Brora, key attractions include:

- Brora Golf Club
- Clynesh Distillery
- Brora Beach

In and around Golspie, notable attractions are:

- Dunrobin Castle and Gardens
- Golspie Golf Club
- Golspie Beach

5.3.6 Tourism Assets in Section C: Loch Buidhe to Dounie

Section C of the Proposed Development is the shortest section, crossing over the Kyle of Sutherland inland from the villages of Invershin and Culrain. The main tourism receptors in this area include self-catering and bed and breakfast accommodations.

5.3.7 Tourism Assets in Section D: Dounie to Near Strathpeffer

Section D of the Proposed Development passes through remote upland areas to the south of Ardgay and Dounie, before skirting the town of Dingwall. Attractions located between Ardgay and Dingwall include Ardross Distillery and Glen Wyvis Distillery, to the north of Dingwall. Ardross Castle is a privately owned

events venue and filming location, and is not currently open to the public. The NC500 is within the study area where it follows the route of the A862 between Cromarty Bridge and Dingwall.

The majority of tourism receptors in this section are clustered around Dingwall, providing a range of facilities for visitors. Receptors include larger hotels, self-catering, and bed and breakfast accommodations.

5.3.8 Tourism Assets in Section E: Near Strathpeffer to Beaully

Section E of the Proposed Development is the most southerly section, running from Strathpeffer, crossing over the River Conon and River Beaully, and finishing at Fanellan near Aigas. Tourism receptors in this area are clustered around the towns of Muir of Ord, Strathpeffer and Beaully, and along the A862 road, which is part of the NC500 route between Conon Bridge, Muir of Ord, and Beaully.

Key tourism attractions in this section include:

- Singleton Distillery in Muir of Ord
- Belladrum Tartan Heart Music Festival: Held annually in July/August on the Belladrum Estate, attracting up to 20,000 attendees
- Black Isle Agricultural Show: Held annually at Muir of Ord on the first Thursday in August, attracting around 20,000 visitors
- Attractions include the Highland Museum of Childhood.

Tourist accommodations in this section include self-catering and bed and breakfast options, as well as several larger hotels.

5.4 Recreation

Informal recreational assets include walking routes and open spaces that are not commercial in nature. The Proposed Development study area is predominantly rural. While the area immediately surrounding the Proposed Development is relatively remote from major population centres, there are numerous towns and villages within a 15km radius

Recreational assets such as community centres, places of worship and sports grounds are typically clustered within the settlements. These recreational assets are shown in Appendix A.7.

A popular recreational activity in the Highlands is fishing. Within 15km of the Proposed Development are a number of rivers, notably: the River Glass, the River Conon System, River Alness and River Thurso and Lochs such as Achilty Loch and Loch Horn, home to an abundance of Salmon and Trout and popular amongst Anglers.

There are numerous Core Paths located within the 15km Study area. The Proposed Development crosses eleven of these Core Paths. These are:

- Orrin Dam Track (RC30.01)
- Mains of Coul (RC10.03)
- Kinellan Link Path (RC10.07)
- River Carron (SU03.06)
- Cornhill (SU03.01)
- Carbisdale (SU08.02)
- Lochcoire (SU08.03)
- Torboll – Eiden (SU20.10)
- Loch Brora – West Track (SU06.02)

- The Drove Road (SU06.03)
- Achnaclyth track by Toutnagoul (CA04.04)

5.4.1 Recreation Assets in Section A: Spittal to Brora

Section A of the Proposed Development boasts a variety of recreational activities. Walking, angling, and golf are popular in the area. Fishing is available at several lochs, including Toftingall, Watten, and Rangag, as well as salmon fishing on the River Helmsdale. Achnaharras Quarry Nature Reserve and Rumster Forest provide woodland walks.

5.4.2 Recreational Assets in Section B: Brora to Loch Buidhe

Section B is popular for outdoor activities. Ben Bhraggie, located above Golspie, is a favoured spot for hillwalking, with paths leading to the Duke of Sutherland Monument and viewpoint, as well as Golspie Burn Waterfall and Gorge. The area also features several privately-operated graded trails for mountain biking, including the Highland Wild Cat Trails. The core path network links Brora to the relatively isolated Loch Brora and Carrol Rock. Additionally, trout fishing is available on lochs in the study area, including Loch Brora and Loch Horn.

5.4.3 Recreational Assets Section C: Loch Buidhe to Dounie

Balblair Wood, managed by Forestry and Land Scotland (FLS), offers walking routes and graded mountain bike trails. The Falls of Shin and Shin Forest provide additional walking trails, a café, a visitor centre, car parking, and a picnic area. Fishing enthusiasts can enjoy salmon fishing on the River Shin, the River Carron, and the Kyle of Sutherland, as well as trout fishing at Loch Laro.

The Far North Way cycle route runs between Inverness and John O’Groats, previously part of National Cycle Network (NCN) Route 1 from Dover to John O’Groats (now Dover to Tain). This route follows the A836 along the Dornoch Firth and Kyle of Sutherland, diverting along the B864 at Invershin. A branch of the route runs along local roads, including the Inveroykel Culrain road between Ardgay and Invershin, crossing the Kyle of Sutherland between Culrain and Invershin.

5.4.4 Recreational Assets Section D: Dounie to Near Strathpeffer

Section D is popular for hillwalking and mountaineering. The summit of Ben Wyvis is outside the study area, however parts of the Ben Wyvis National Nature Reserve are within the study area. The Fyrish Monument and the hills above Alness and Evanton are popular walking locations.

5.4.5 Recreational Assets Section E: Near Strathpeffer to Beaully

Section E offers a variety of recreational activities. The Fairburn Activity and Conference Centre, located south of Contin, provides outdoor activities and accommodation, including for school residential trips. Activities available at the centre include canoeing, bushcraft, and archery. There are walking and mountain bike trails available to the public at Torrachilty Woods. Salmon and trout fishing is available, including on the rivers Conon and Blackwater.

Other sports and outdoor activity receptors in Section E include:

- **Golf clubs**
- **Shinty club**
- **Aigas Gorge:** Used for canoeing and kayaking
- **Salmon fishing** on the River Beaully

Additionally, Strathpeffer, a Victorian spa town, offers various facilities for visitors, including larger hotels, self-catering, and bed and breakfast accommodations. Attractions in Strathpeffer include the Strathpeffer Spa Pavilion, which is also used as an events venue, and the Highland Museum of Childhood. Sports facilities in Strathpeffer include a golf club, bowling club, cricket club, and shinty club. The Strathpuffer 24-hour mountain bike race is held annually at this location in winter and attracts hundreds of competitors.

6. Assessment of Potential Effects

This section sets out the potential socio-economic, recreation and tourism impacts arising from the construction, operation and maintenance of the Proposed Development. The impacts are measured across the construction and operations and maintenance phases of the Proposed Development. The areas of focus are within the Highlands Council as well as Scotland and the UK as a whole. These include:

- Direct impacts arising from the investment, in terms of employment and GVA impact;
- Indirect impacts using economic multipliers, in terms of employment and GVA;
- Induced impacts through the wider economic effects of increased spending in the local economy;
- Net economic impact through the sum of the direct, indirect, and induced impacts;
- Assessment of impacts on tourism and recreation assets during construction and qualitative assessment on tourism economy..

6.1 Construction Impacts

The capital expenditure will generate socio-economic benefits for the Local (the Highland Council area), Regional (Scotland) and National (UK) study areas, particularly in terms of employment and GVA. It is important to note that the employment and GVA figures for each area cannot be aggregated, as the impacts within the Highlands are included in the overall impacts for Scotland, and similarly for the UK.

A key assumption in the socio-economic assessment methodology for the Pathway to 2030 Substation and Hub projects is that 60% of the capital expenditure is retained within the UK, based on SSEN Transmission's past procurement experience. However, for OHLs, it is assumed that 68% of the capital expenditure will be retained within the UK. This higher percentage is due to the UK's greater capacity to produce components required for OHLs compared to substations. Consequently, this project will have a relatively greater impact on employment and GVA within the national study area. With the accelerated construction pipeline, including ASTI works expected to be completed before 2030, there is a possibility that less of the expenditure will be retained within the UK. Supporting evidence for this figure has not been received, so it is recommended that results are viewed as being at the upper limit of potential benefits.

The total employment and GVA generated in each study area are disaggregated to reflect the direct, indirect and induced impact of the Proposed Development. Where direct impacts refer to the jobs and economic output created directly by the Proposed Development; indirect impacts are generated by contractors' spending within their supply chains; and induced impacts arise from the discretionary spending of both direct and indirect jobs supported by the Proposed Development.

Table 6-1 and Table 6-2 present the estimated direct, indirect and induced economic (GVA and employment) impacts during construction of the Proposed Development for the Local, Regional and National study areas.

To demonstrate the total employment impact of the Proposed Development during construction, impacts have been expressed both as jobs (profiled over time) and in job years, where one job year represents one year of continuous employment. Job years provide a useful metric for employment as the construction phase is a relatively short period of time, and job years demonstrates the total employment impact.

A significant proportion of the direct benefits associated with the Proposed Development is expected to be concentrated during the construction phase, as this will generate the highest increase in economic activity. These direct benefits could present substantial economic opportunities for local workers, businesses, and supply chains. The extent to which these benefits are realised locally will depend on the capability of local infrastructure and supply chains to support the construction activities required for the Proposed Development.

Tourism in the Highland Council area supported 17,000 jobs in the local authority (around 13% of total employment) in 2022, and it is therefore important to consider the trade-offs between positive local

economic effects and the potential for construction activity to disrupt local tourism assets. Owing to the Highland Council areas' relatively strong tourism sector, tourism infrastructure and recreational assets in the area surrounding the Proposed Development have been accounted for and factored into the economic assessment. Where assets may be temporarily damaged or blocked from use during construction, the Proposed Development could be responsible for a temporary decrease in employment and GVA. This report provides a qualitative assessment of the potential for such temporary effects – see section 6.1.3.

6.1.1 GVA

Cost estimate modelling indicates that the Proposed Development could contribute £20.2 million to the total GVA in the Highland Council area during the construction period. At the regional level, the Proposed Development could contribute up to £269m in GVA, and for the UK economy this number could be as much as £745m.

A summary of the GVA results is shown in Table 6-1 below.

Table 6-1: Estimated direct, indirect and induced economic impact at the local, regional and national level (GVA, £)

GVA	Direct GVA	Indirect GVA	Induced GVA	Total GVA
Highland Council area	13,200,000	4,680,000	2,270,000	20,200,000
Scotland	154,000,000	77,100,000	37,800,000	269,000,000
UK	301,000,000	302,000,000	141,000,000	745,000,000

When a contract is secured, jobs and economic output will be directly generated. During the construction phase, it is estimated that £13.2 million in GVA will be directly generated as a result of contracts being secured in the Highland Council area. The spending by contractors within their supply chains is expected to generate a further £4.68m indirect GVA, and together the direct and indirect effects are expected to generate £2.27m in induced GVA through the discretionary spending of direct and indirect jobs.

The total estimated GVA supported by the Proposed Development at the UK level is £745 million. The results at local authority, Scotland and UK level are also depicted in Figure 6-11 below.

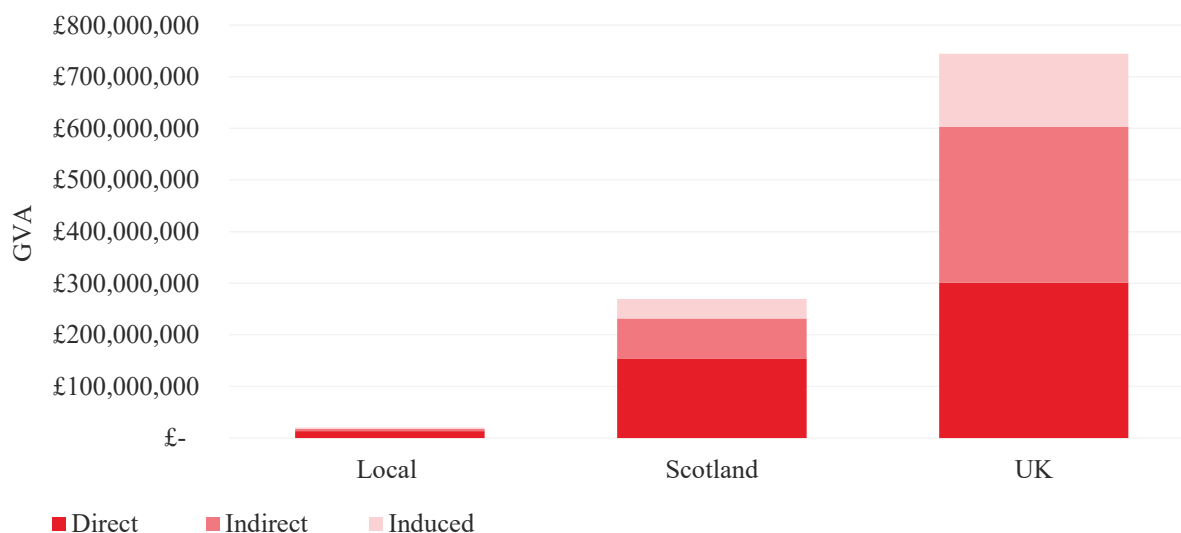


Figure 6-1: Estimated direct, indirect and induced GVA impact at the local, regional and national level

6.1.2 Employment

Estimates indicate that the Proposed Development could support 173 job years in the Highland Council area, where one job year represents one year of continuous employment. Additionally, employment impact modelling suggests that the Proposed Development could support 2,346 job years across Scotland. On a

national scale, the Proposed Development could support 6,849 job years. Estimates indicate that the Proposed Development could directly support 105 job years in the Highland Council area. This is conditional on commitment by the supply chain to employing local labour as far as possible.

Table 6-2: Estimated direct, indirect and induced economic impact at the local, regional and national level (job years)

Employment	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Highland Council area	105	36	32	173
Scotland	1,226	594	525	2,346
UK	2,479	2,405	1,966	6,849

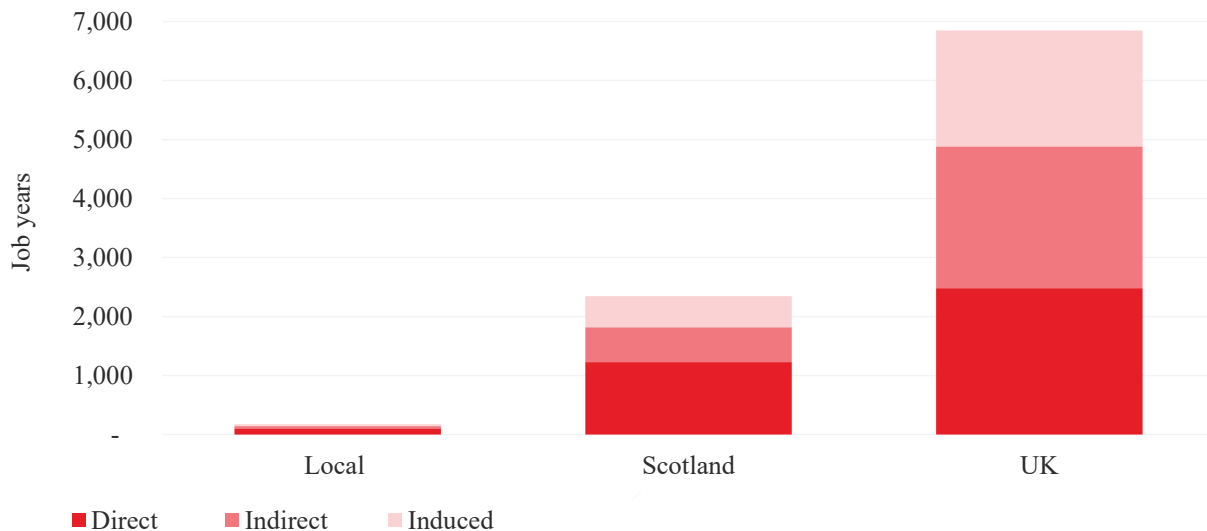


Figure 6-2: Estimated direct, indirect and induced economic impact at the local, regional and national level (job years)

6.1.3 Tourism

This section assesses whether the Proposed Development would be expected to result in a change in visitor behaviour, leading to a reduction in tourism spend.

The Scottish and Southern Energy Plc Tourism Impact Study²⁰ evaluated the effects of the Scotland/Northern Ireland Interconnector on tourism businesses in Ayrshire and Arran. While the study identified concerns regarding the visual impact of overhead transmission lines, the overall effect on tourism businesses was not found to be significantly negative. Some businesses reported minor impacts, but these were not substantial enough to deter tourists. Additionally, the development of transmission infrastructure was noted to bring economic benefits to local communities, including job creation and increased economic activity – as discussed in the socio-economics impact section of this report. A similar study on the tourism effects of renewable energy in Wales²¹, also found there to be no evidence suggesting that existing National Grid Infrastructure, which is concentrated in North and South Wales often located in popular scenic areas discourages visitors.

²⁰ Biggar Economics (2006) Scotland/Northern Ireland Interconnector Ex Post Tourism Impact Assessment. Scottish and Southern Energy Plc. Available at: <https://biggareconomics.co.uk/wp-content/uploads/2024/10/Scotland-NI-Interconnector-Ex-post-Tourism-Impact-Assessment-November-2006.pdf>

²¹ Regeneris Consulting and the Tourism Company (2014) Study into the Potential Economic Impact of Wind Farms and Associated Grid Infrastructure on the Welsh Tourism Sector. Available at: https://www.gov.wales/sites/default/files/publications/2019-06/potential-economic-impact-of-wind-farms-on-welsh-tourism_0.pdf

The proposed development lies in proximity to a number of tourism assets that are highlighted separately in each section of the report. The following assets are highlighted due to their cultural importance or because they span multiple sections of the development.

Scheduled Ancient Monuments within the study area are considered to have high cultural and amenity value, contributing significantly to the heritage tourism offer of the region. These assets attract visitors interested in history and archaeology, and their preservation is essential to maintaining the area's cultural identity. However, due to their distance from the Proposed Development and the limited intervisibility, the magnitude of visual and experiential impact is assessed as negligible. As such, the potential for disruption to visitor experience or reduction in tourism-related economic activity is minimal, resulting in a minor adverse effect.

The Flow Country WHS is internationally recognised for its ecological and landscape value, offering a unique visitor experience tied to its remote, unspoiled character. Its designation enhances the region's tourism profile and supports nature-based tourism. Although the WHS is highly sensitive to change, only a small portion of the area falls within the study area, resulting in an overall medium sensitivity rating. The negligible magnitude of impact ensures that the site's amenity value and ecological integrity, as experienced by visitors, remain unaffected. Consequently, the effect on tourism activity associated with the WHS is assessed as negligible.

The Belladrum Tartan Heart Festival is a major seasonal event with high amenity and economic value, drawing significant visitor numbers and supporting local businesses. The festival's success relies on its rural setting, accessibility, and uninterrupted visitor experience. While temporary construction activities could introduce minor disruptions, these are expected to be short-term and manageable through the Outline Construction Environmental Management Plan (OCEMP). Given the festival's resilience and the low magnitude of potential impact, the overall effect is considered minor adverse, not significant.

The Black Isle Agricultural Show is another high-sensitivity, seasonal tourism asset that contributes to the local economy through agricultural tourism and community engagement. The amenity value of the event is tied to its open-air setting and rural character. Similar to the Belladrum Festival, any potential disruption from the Proposed Development would be temporary and can be mitigated through appropriate planning and communication. The magnitude of impact is low, and the resulting effect on tourism activity is assessed as minor adverse, not significant.

NCN Route 1 is a nationally significant cycle route that supports active travel and rural tourism. Its amenity value is derived from scenic views, tranquillity, and access to local heritage and hospitality services. Although the route passes within 100m of the Proposed Development at its closest point, the key visual and experiential qualities—such as coastal views and village landscapes—remain unaffected. As a result, the magnitude of impact is negligible, and the effect on tourism use of the route is assessed as negligible.

Table 3 Tourism impact assessment

Receptor	Highest Level of Sensitivity	Highest Magnitude of Impact	Highest Level of Significance
Scheduled Ancient Monuments	High	Negligible	Minor
Flow Country World Heritage Site (WHS)	Medium	Negligible	Negligible
Belladrum Tartan Heart Festival	High	Low	Minor
Black Isle Agricultural Show	High	Low	Minor
NCN Route 1	Medium	Negligible	Negligible

Across all assessed tourism assets, the Proposed Development is not expected to result in any significant adverse effects. Effects on the tourism economy have been considered qualitatively, taking into account the

nature of the development, the characteristics of the local tourism offer, and the likely visitor response. Given the low or negligible magnitude of impact and the resilience of the tourism offer in the region, no change in visitor behaviour or tourism spend is anticipated.

6.1.4 Tourism Impacts Section A: Spittal to Brora

Visitors to the scheduled ancient monuments such as Loedebest and Achnaclyth, may experience minor, short-term disruptions. Alternative paths, like CA04.01 (Dunbeath Strath), are available in the area.

The Flow Country World Heritage Site (WHS) is within the OHL boundary at Achavanich and Helmsdale. Given the scale of the impact and the small proportion of the WHS that would be affected, the magnitude of the impact is assessed as negligible. This results in a **negligible** effect that is **not significant**.

6.1.5 Tourism Impacts Section B: Brora to Loch Buide

While some tourist accommodation providers may experience significant effects, no significant adverse visual effects are predicted in Brora or Golspie, where most tourist accommodations are located.

The sensitivity of receptors is assessed as medium due to the scarcity of alternative viewpoints like the Duke of Sutherland Monument. The magnitude of the impact on tourism activity across Section B is assessed as low, resulting in a **minor adverse** effect that is **not significant**.

6.1.6 Tourism Impacts Section C: Loch Buidhe to Dounie

The proposed OHL route crosses the Kyle of Sutherland at Invershin. Significant adverse visual effects during construction are reported for outdoor locations including Carbisdale Castle, Dounie Estate, and angling locations on the Kyle of Sutherland and Loch Laro. The settlement of Culrain, where several tourism accommodation providers are located, may also experience significant visual effects.

The noise assessment concludes that, with the implementation of a Construction Noise Management Plan (CNMP), there will be no significant effects on noise-sensitive receptors (NSRs) during construction. Although the noise methodology does not assess outdoor areas or recreational receptors, any construction noise impact in these areas would be temporary and short-term, reducing sensitivity to noise impacts.

Alternative tourism accommodations are available in the wider area, in locations that are not expected to experience significant effects. This reduces the sensitivity of tourism receptors in Section C, which is assessed overall as low.

While significant adverse visual effects associated with construction activity could reduce the attractiveness to tourists of some specific receptors in and around Culrain during the construction phase, the overall impact on tourism activity across Section C is assessed as low. This results in a **minor adverse** effect that is **not significant**.

6.1.7 Tourism Impacts Section D: Dounie to Near Strathpeffer

Construction of the proposed OHL may cause temporary disruption to several core paths and heritage routes due to access restrictions, visual impacts, and traffic-related effects. Notable areas affected include SU03.06 (River Carron), the Glen Calvie Lodge to Braeantra Track, and Dounie Estate, where significant adverse visual effects are anticipated. The overall impact on tourism activity across Section D is assessed as low. This results in a **minor adverse** effect that is **not significant**.

6.1.8 Tourism Impacts Section E Near Strathpeffer to Beaully

Significant adverse visual effects are anticipated during the construction phase for several residential properties and settlements, including Contin, Marybank and Jamestown. Outdoor locations such as Coul House Hotel, the Falls of Orrin, and Fairburn Activity Centre are also expected to experience notable visual impacts. The highest concentration of tourism receptors within Section E is located at Strathpeffer, however, no significant adverse visual effects are predicted in that area.

While construction-related visual impacts may reduce the attractiveness of specific tourism receptors in and around Contin, Strathpeffer, and Beaulieu during the construction phase, the overall impact on tourism activity across Section E is assessed as low. Effects on the tourism economy have been considered qualitatively, and due to the limited scale and temporary nature of the impacts, no significant changes in visitor behaviour or tourism spend are anticipated.

Significant adverse visual effects, in combination with potential disruption to popular walking routes, as highlighted in 6.1.10 in the Strathpeffer and Contin area during construction, could reduce the attractiveness to tourists of the area and of some specific tourism and recreation receptors. Given the scale of direct and indirect impacts on the core path network in this area, the magnitude of the impact on tourism and recreation activity in Strathpeffer and Contin is assessed as medium. This results in a **moderate adverse** effect that is **significant**.

However, across Section E as a whole, the magnitude of the impact on tourism and recreation activity is assessed as low. This results in a **minor adverse** effect that is **not significant**.

6.1.9 Recreation

As shown in the Section 5.4, the Proposed Development lies within a 15km radius of many recreational receptors. It is anticipated that there would be no significant effects on visual amenity, air quality, or noise impacts beyond approximately 15km from the Proposed Development. Therefore, recreational receptors located further than 15km from the Proposed Development are anticipated to experience negligible effects or less and are not considered further in this assessment.

Indoor recreational assets such as places of worship and community centres are not anticipated to be impacted by the Proposed Development during the construction or operational phase. Any noise, air quality, or visual impacts are not expected to affect indoor recreational assets. There may be some temporary access, noise, and air quality impacts during construction; however, due to the short construction period in any given location, these impacts have been determined as negligible at worst.

Although there are other recreational interests such as birdwatching within 15km of the Proposed Development, these are seasonal and are not expected to be affected once the Proposed Development is operational. Any potential impact would be short-term and temporary during maintenance activities. While OHLs are likely to result in some noise pollution in the form of a slight buzzing or crackling sound and may impact visual amenity, the distance between the OHLs and these recreational assets means the impact has been determined as negligible.

Similarly, the review of Core Paths, rights of way, and hill tracks/mountain routes has shown that these would be largely unaffected by the Proposed Development, both during construction and operational stages. However, eleven Core Paths intersect with the OHL routing. During construction, it is likely that access to these routes will be temporarily impacted. Once constructed, the OHLs may cause slight noise and visual impacts; however, access to the paths will remain, and therefore the impact on these routes has been determined as moderate at worst.

Overall, the recreational assets within 15km of the Proposed Development are not anticipated to be significantly impacted by the construction or operation of the Proposed Development. While there may be minor impacts along the eleven Core Paths that the Proposed Development passes through, access to these routes will be maintained, making a reduction in use unlikely.

The assessment of recreational assets along the route of the Proposed Development indicates that while there may be temporary disruptions during construction, the overall effect on recreational activities is expected to be minor. Core paths and fishing locations are assessed as medium sensitivity, with medium impact magnitude, leading to minor adverse effects. Walking trails and mountain biking trails are also sensitive, but the impacts are low, resulting in minor adverse effects. Fairburn Activity and Conference Centre, golf clubs, and shinty clubs are assessed as medium sensitivity, with low impact magnitude, leading to minor adverse effects. Aigas Gorge and Ben Wyvis National Nature Reserve are sensitive recreational assets, but the impacts are low, resulting in minor adverse effects. Torrachilty Woods is assessed as medium sensitivity, with low impact magnitude, leading to minor adverse effects. Overall, the impact on recreational activity

across the sections of the Proposed Development is assessed as low, with minor adverse effects that are not significant.

Table 4 Recreation impact assessment

Receptor	Highest Level of Sensitivity	Highest Magnitude of Impact	Highest Level of Significance
Core Paths (various)	Medium	Medium	Moderate
Fishing Locations (various)	Medium	Low	Minor
Walking Trails (e.g., Ben Bhraggie)	Medium	Low	Minor
Mountain Biking Trails (e.g., Highland Wild Cat Trails)	Medium	Low	Minor
Fairburn Activity and Conference Centre	Medium	Low	Minor
Golf Clubs (various)	Medium	Low	Minor
Shinty Clubs (various)	Medium	Low	Minor
Aigas Gorge (canoeing and kayaking)	Medium	Low	Minor

6.1.10 Impacts on Core Paths

The design of the Proposed Development has sought to avoid locating infrastructure such as towers directly on core paths. However, during construction, there may be temporary closures and disruptions to core paths, affecting users. The Outdoor Access Management Plan (OAMP) sets out measures to manage interactions with access routes, aiming to reduce potential impacts on recreational users.

Key areas where disruption to core paths will matter most include:

- **Section A:** Core path CA04.04 (Achnaclyth track by Toutnagoul) near Dunbeath Water, where Tower 83 is located within 100 meters of the path. This area may experience temporary closures and disruptions, affecting tourists visiting scheduled ancient monuments along the path. Upgrades to these routes may result in permanent improvements.
- **Section B:** Core paths SU06.02 (Loch Brora – West Track), SU06.03 (the Drove Road), and SU20.10 (Torboll – Eiden) at Strathfleet, with tower locations (217, 221, and 266) within 100 meters of these paths. Users of these paths may experience temporary disruptions, particularly SU20.10, which is proposed to be upgraded for use as a temporary access route during construction.
- **Section C:** Core paths near the Kyle of Sutherland at Invershin, including SU08.02, SU08.03, and SU03.01, with tower locations in within 100m (Towers 28,30 and 31 respectively). Significant adverse visual effects are reported for outdoor locations such as Carbisdale Castle and angling spots on the Kyle of Sutherland.
- **Section D:** Core Path SU03.06 (River Carron) at Cornhill lies within close proximity to the Proposed Development, with Tower 39 located approximately 100 metres from the path. The route also intersects the Glen Calvie Lodge to Braeana Track, a recognised heritage path, with Tower 79 similarly situated within 100 metres. Core Path SU03.03 (Badvoon Forest, Forest Road) is located around 2 km east of the overhead line route and is proposed for temporary upgrade to facilitate construction access. While some disruption to path users is anticipated during the construction phase, the proposed upgrades may result in lasting improvements to the path's condition and usability.

- **Section E:** Proposed tower locations (Towers 39, 163, 168, and 187) lie within 100 metres of several core paths, including RC10.07 (Kinellan Link Path) west of Strathpeffer, RC10.03 (Mains of Coul) east of Contin, and RC30.01 (Orrin Dam Track) west of Marybank. The route also passes within 100 metres of core path RC45.01 (Loch Kinellan Circuit) near Strathpeffer.

Measures set out in the OAMP will reduce potential direct impacts on users of paths during construction. Additionally, the Outline Construction Environmental Management Plan (OCEMP) will mitigate environmental impacts, including noise and air quality. Despite these measures, some significant adverse effects are likely to remain, particularly in areas with high sensitivity and limited alternative routes.

6.2 Operational Impacts

6.2.1 Socio-economics

When considering the cumulative impacts of all the projects under the Pathway to 2030 SSSEN Transmission programme, the overall socio-economic benefits become more apparent. Collectively, these projects will create more jobs in maintenance, monitoring, and support services across the network.

While the OHL may not significantly impact local employment or economic activity, the combined effect of multiple substations and related infrastructure projects will contribute to sustained job creation and economic growth on a broader scale.

6.2.2 Tourism

There is minimal evidence to suggest that tourism will be impacted on an ongoing basis due to the operation of the Proposed Development. The potential effects on tourist attractions are expected to be minimal once construction is complete.

The tourism assets are not expected to be significantly affected by the Proposed Development once operational. Research has found no evidence to suggest that overhead transmission lines have a significantly negative impact on the visual amenity of tourist assets.

Any potential noise and visual impacts to tourism receptors during operation, while permanent, would not be significant. More detail on potential noise and visual amenity impacts are provided in the EIA Noise and Vibration assessment (Chapter 13) and Landscape and Visual Impact Assessment (Chapter 8).

6.2.3 Recreation

There is minimal evidence to suggest that recreation will be impacted on an ongoing basis due to the operation of the Proposed Development. The potential effects on recreation assets, including places of worship, community centres and beaches are expected to be minimal once construction is complete. During the construction of the Proposed Development, it is likely that access to several Core Paths may be temporarily impacted, with the impact of the OHLs on these recreational assets deemed as moderate at worst.

More detail on potential noise and visual amenity impacts is provided in the EIA Noise and Vibration assessment and Landscape Visual Impact Assessment.

6.3 Cumulative Effects

There is potential for cumulative effects to arise from various projects included in the Pathway to 2030. These effects could impact GVA, employment, tourism, and recreation. The impacts on GVA and employment are likely to be more significant at a regional level, particularly during the construction phase of these projects no formal assessment of cumulative effects on jobs and GVA has been conducted. Additionally, tourists and recreational users, especially those on long-distance routes, may experience effects if they encounter multiple overhead lines in succession. This sequential visibility could affect their overall experience and perception of the landscape.

Among the significant cumulative projects considered are the Banniskirk 400 kV Substation and HVDC Converter Station, Fanellan 400 kV Substation and Converter Station, and Carnaig 400 kV Substation, as well as unrelated third-party developments such as the Lairg II Wind Farm Redesign, Acheilidh Wind Farm

(Lairg III), and Garvary Wind Farm. While these projects have the potential to contribute to cumulative effects—particularly in terms of visual amenity and temporary accommodation demand—the overall anticipated impact on tourism is assessed as not significant.

6.4 Community Wealth Building opportunities

Community Wealth Building (CWB) is a method chosen by the Scottish Government to deliver a fairer, more equal society as part of a National Strategy for Economic Transformation. CWB seeks to retain and reinvest wealth in local communities. This not only strengthens community ties, but also promotes sustainable development, equitable economic opportunities and long-term business resilience.

The Five Pillars of Community Wealth Building are:

1. Inclusive Ownership - developing more local and social enterprises that generate community wealth.
2. Spending - maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
3. Workforce - increasing fair work and developing local labour markets.
4. Land and property - growing the social, ecological, financial and economic value that local communities gain from land/property assets.
5. Finance - ensuring that flows of investment and financial institutions work for local people, communities and businesses.

SSEN Transmission is part of the SSE Group - a champion of clean energy. SSE Group, and SSEN Transmission specifically, support CWB and recognise the potential benefits the approach can bring to local communities in Scotland. SSEN Transmission's Sustainability Strategy commits to sharing benefits with communities and to working with partners to support local projects, supply chains and housing solutions.

Great care is taken to ensure that local communities benefit from SSEN Transmission's projects. It is understood that SSEN-T's work can create opportunities and have impacts in the areas where they operate, and believe it is their responsibility to create lasting positive effects. To achieve this, SSEN-T work closely with local stakeholders and community groups to identify their needs and priorities and strive to incorporate these into their project planning and implementation. By working collaboratively and transparently with local communities, SSEN-T aims to create a legacy of sustainable benefits.

In September 2024, SSEN Transmission launched their Community Benefit Fund with an initial value of £10 million. This fund is designed to support projects that create a positive impact in communities and over the coming years it is anticipated that significant funding will support local economic development, community, and wellbeing economy projects. The fund can be used by communities and the third sector to support CWB projects across the north of Scotland.

The SSE Group is a long-standing supporter of the Just Transition, which correlates closely with the pillars of CWB. SSE's latest Just Transition Strategy was published in 2024. It builds upon SSE's world first Just Transition Strategy 2020. SSEN Transmission's Sustainability Strategy commits to creating a Just Transition Workforce Plan which will contribute to the CWB workforce pillar.

To enable a Just Transition, SSE Group has established a framework of 20 principles to guide decision-making, with ten KPIs to track and evidence progress, and a commitment to move to a place-based approach, ensuring work in impacted areas is rooted in local context and communities. SSEN Transmission is engaged in delivery of this.

7. Conclusions

The Proposed Development is poised to deliver moderate socio-economic benefits across multiple regions, including the Highland Council area, Scotland, and the UK. These benefits will manifest through direct

impacts, such as job creation and increased GVA, as well as indirect and induced impacts. Indirect impacts will arise from economic multipliers and employee spending within supply chains, while induced impacts will stem from the broader economic effects of increased local spending by employees.

During the construction phase, the Proposed Development will generate moderate economic activity. The Highland Council area is expected to see a direct GVA contribution of £13.2 million. When combined with indirect and induced impacts, the total GVA contribution rises to £20.2 million. This phase will also support a total of 173 job years in the Highland Council area. At the regional level, Scotland will benefit from a total GVA impact of £269 million and 2,346 job years, while the UK will see a GVA contribution of £745 million, and 6,849 job years supported during the construction phase.

In the immediate area (i.e., the Data Zone study area), the construction sector is significant, accounting for 11.1% of employment. This sector may experience a substantial boost from the Proposed Development's construction activities, potentially representing a significant portion of local construction jobs. This influx of economic activity could enhance the area's comparative advantage in related sectors, further strengthening the local economy. The development will provide moderate opportunities for local workers, businesses, and supply chains, reinforcing the region's economic resilience and growth.

Construction activities might temporarily disrupt tourism assets, particularly nearby accommodation due to increased road traffic, potentially leading to a short-term decrease in tourism-related employment and GVA. However, these effects are expected to be minor and short-term and therefore not significant in the context of the overall tourism economy.

The net economic impact of the Proposed Development is expected to be overwhelmingly positive. The combination of direct, indirect, and induced effects will generate significant economic opportunities for local workers, businesses, and supply chains. The extent of these benefits will depend on the capability of local infrastructure and supply chains to support the construction activities. Strategic planning and investment in local capabilities will be essential to fully realise these benefits and mitigate any potential adverse effects.

Appendices

A.1 Policy review

A.1.1 National Strategic Context (Scotland)

A.1.1.1 Scotland's National Performance Framework

The National Performance Framework aims to create a successful, sustainable, and inclusive society by achieving 11 national outcomes. These outcomes focus on improving well-being, reducing inequalities, and ensuring environmental sustainability. The Proposed Development must demonstrate its positive contribution to these outcomes, particularly in fostering economic growth, promoting resilient infrastructure, and tackling climate change. This aligns with social value by enhancing community well-being and environmental sustainability.

A.1.1.2 Scotland's National Strategy for Economic Transformation (2022)

This strategy outlines how Scotland aims to achieve economic growth over the next decade by collaborating with businesses and leveraging strengths in energy, technology, space, and decarbonisation. The Proposed Development should align with these objectives, contributing to job creation and economic growth. It supports community wealth building by fostering local economic opportunities and enhancing Scotland's energy infrastructure.

A.1.1.3 National Planning Framework 4

Adopted in February 2023, NPF4 integrates national policy into planning decisions and guides spatial development until 2045. It designates significant national developments, including renewable electricity generation and transmission infrastructure. The Proposed Development is part of this strategic infrastructure, supporting national and regional spatial priorities. This development is crucial for economic growth, job creation, and ensuring resilient energy infrastructure, while also considering its impact on tourism and recreation.

A.1.1.4 Scottish Governments Programme for Government 2024/25

This programme outlines impactful measures for 2024/25, focusing on eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high-quality public services. It includes significant investments in regional economic development and renewable energy. The Proposed Development aligns with these priorities by contributing to economic growth, job creation, and environmental sustainability. It must also consider its impact on tourism and recreation, ensuring it supports community wealth building and does not negatively affect natural spaces.

A.1.1.5 Green Industrial Strategy 2024

The Green Industrial Strategy, published on 11 September 2024, aims to position Scotland as a leader in clean energy industries during the transition to net zero. It focuses on electrifying existing industries and attracting new investments through enhanced renewable electricity production. The strategy emphasises creating well-paid jobs in green industries, workforce development, and skills training to benefit local communities. It also promotes innovation and local supply chains to stimulate economic development. The Proposed Development should align with this strategy by supporting renewable energy integration, creating local jobs, and ensuring long-term socio-economic benefits for surrounding communities, contributing to a just transition to net zero.

A.1.1.6 Tourism Strategy: Scotland Outlook 2030

Scotland Outlook 2030 is a national tourism strategy that aims to ensure tourism benefits Scotland's communities, economy, and international profile. It focuses on developing a skilled workforce, creating sustainable destinations, providing memorable experiences, and supporting diverse, resilient businesses. Given tourism's significant role in Scotland's economy, the Proposed Development should consider its impact on local tourism, ensuring it contributes positively to communities and aligns with sustainability goals.

A.1.1.7 Draft Energy Strategy and Just Transition Plan

The Draft Energy Strategy and Just Transition Plan outlines Scotland's vision for transforming its energy system to meet net zero targets. It focuses on expanding renewable energy, improving energy efficiency, and reducing reliance on fossil fuels, while ensuring a just transition that supports workers and communities. The strategy emphasises creating green jobs, fostering innovation, and ensuring fair distribution of benefits from the energy transition, particularly for communities historically dependent on fossil fuels. The Proposed Development should align with this strategy by supporting renewable energy expansion and ensuring socio-economic benefits for local communities.

A.1.2 Regional Strategic Context

A.1.2.1 Highland-Wide Local Development Plan

The Highland-wide Local Development Plan outlines the vision for sustainable growth and investment in the Highlands by 2030. It aims to balance population growth, economic development, and environmental protection. The Proposed Development should contribute to renewable energy growth while protecting the area's environmental quality. It should also support local economic development by creating jobs and enhancing infrastructure necessary for long-term growth in the Highlands.

A.1.2.2 Action Plan for Economic Development in the Highlands

The Action Plan for Economic Development in the Highlands focuses on generating new employment in the private sector and social economy to offset the impacts of national public sector cuts. The Proposed Development should align with this plan by stimulating local economic growth, creating jobs, and ensuring community benefits.

A.1.2.3 Highland Renewable Energy Strategy (HRES) and Planning Guidance

The Highland Renewable Energy Strategy aims to harness the energy and economic potential of renewable technologies in the Highland area. It emphasises the economic opportunities from transitioning to a low-carbon economy and the critical role of the renewables sector. The Proposed Development should maximise local economic opportunities while balancing social and environmental considerations, contributing to both the global environment and local communities.

A.2 Proposed OHL

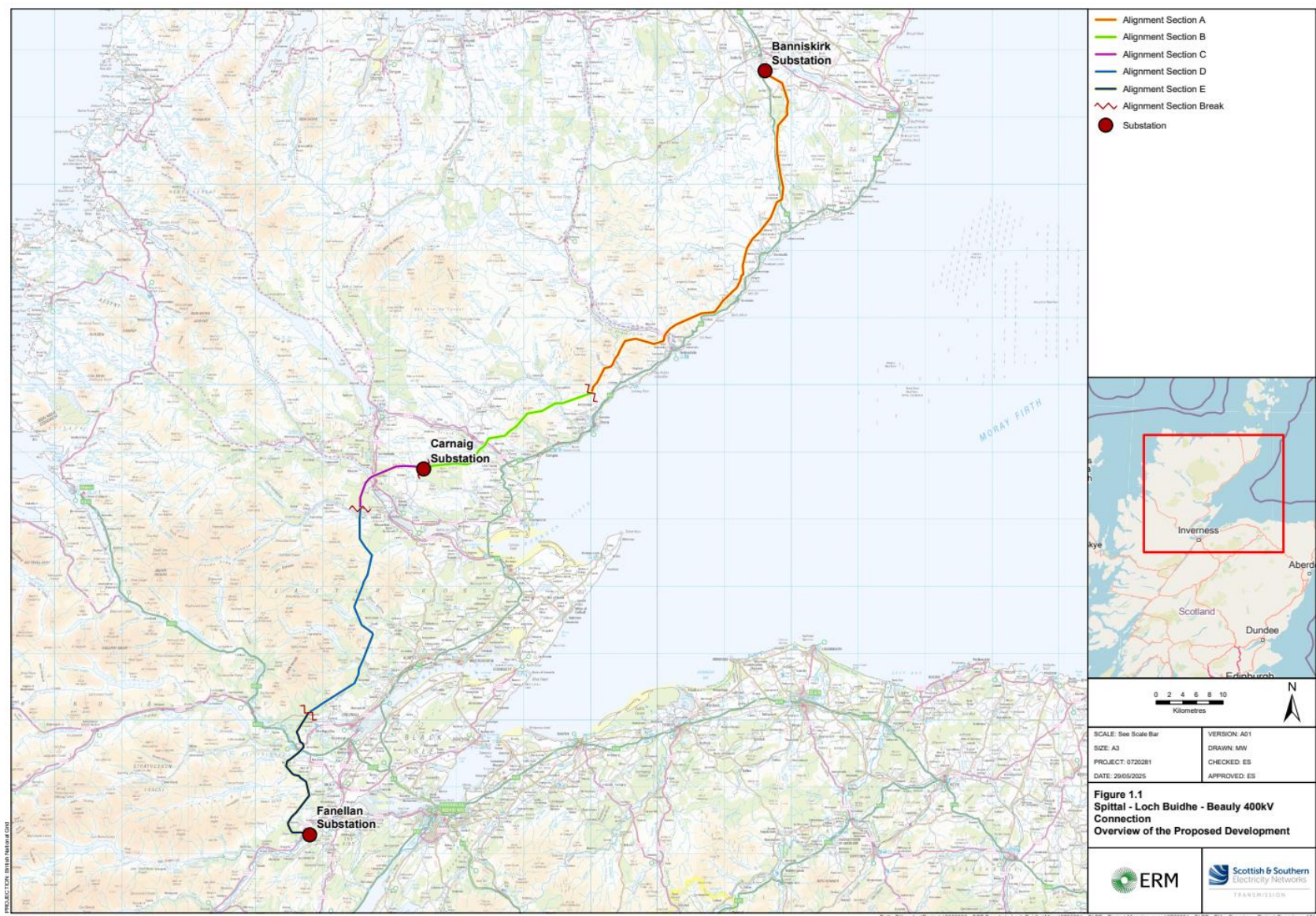


Figure 7-1 Proposed OHL

A.3 Study area

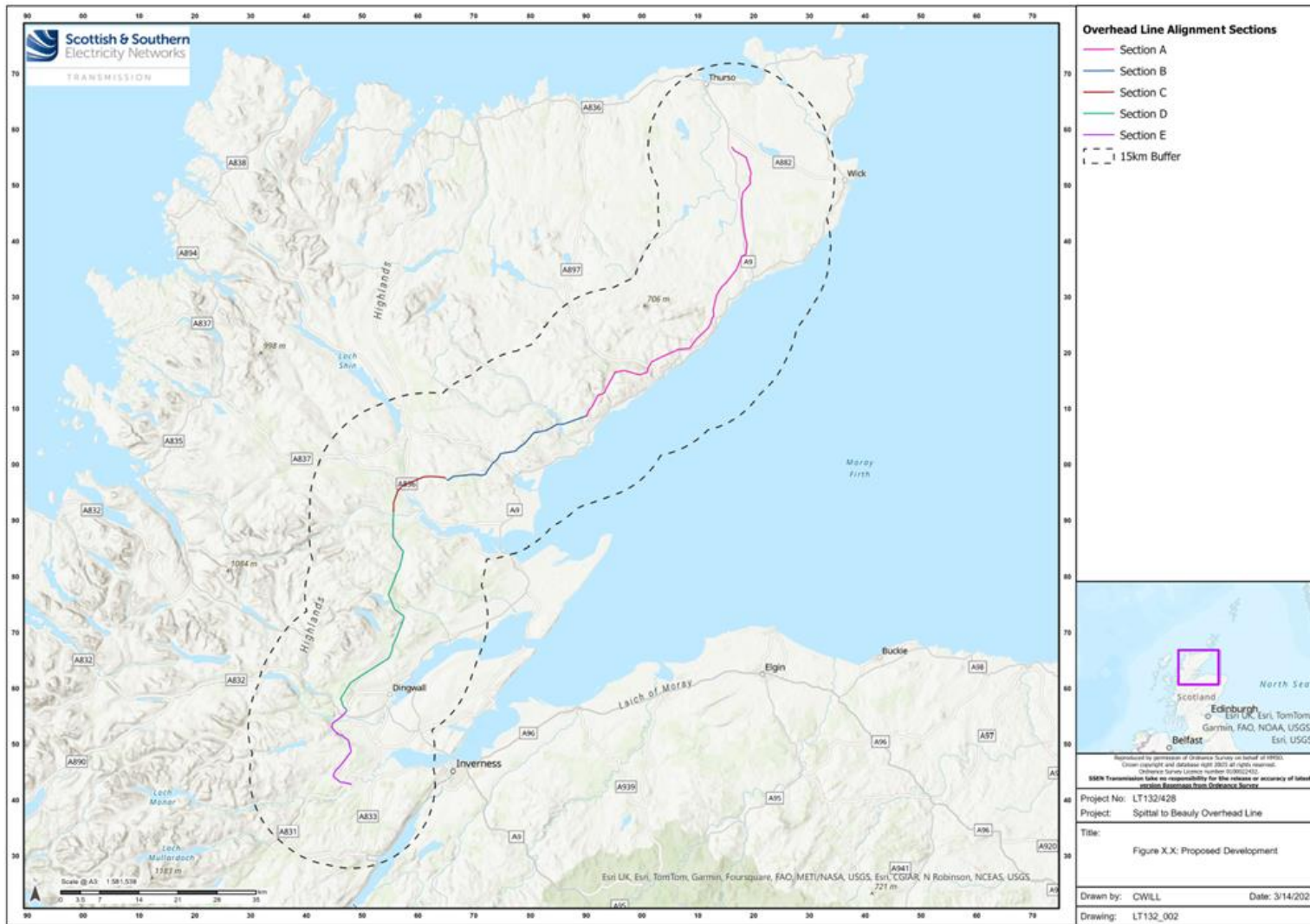


Figure 7-4 15km Study area

A.4 Population Density

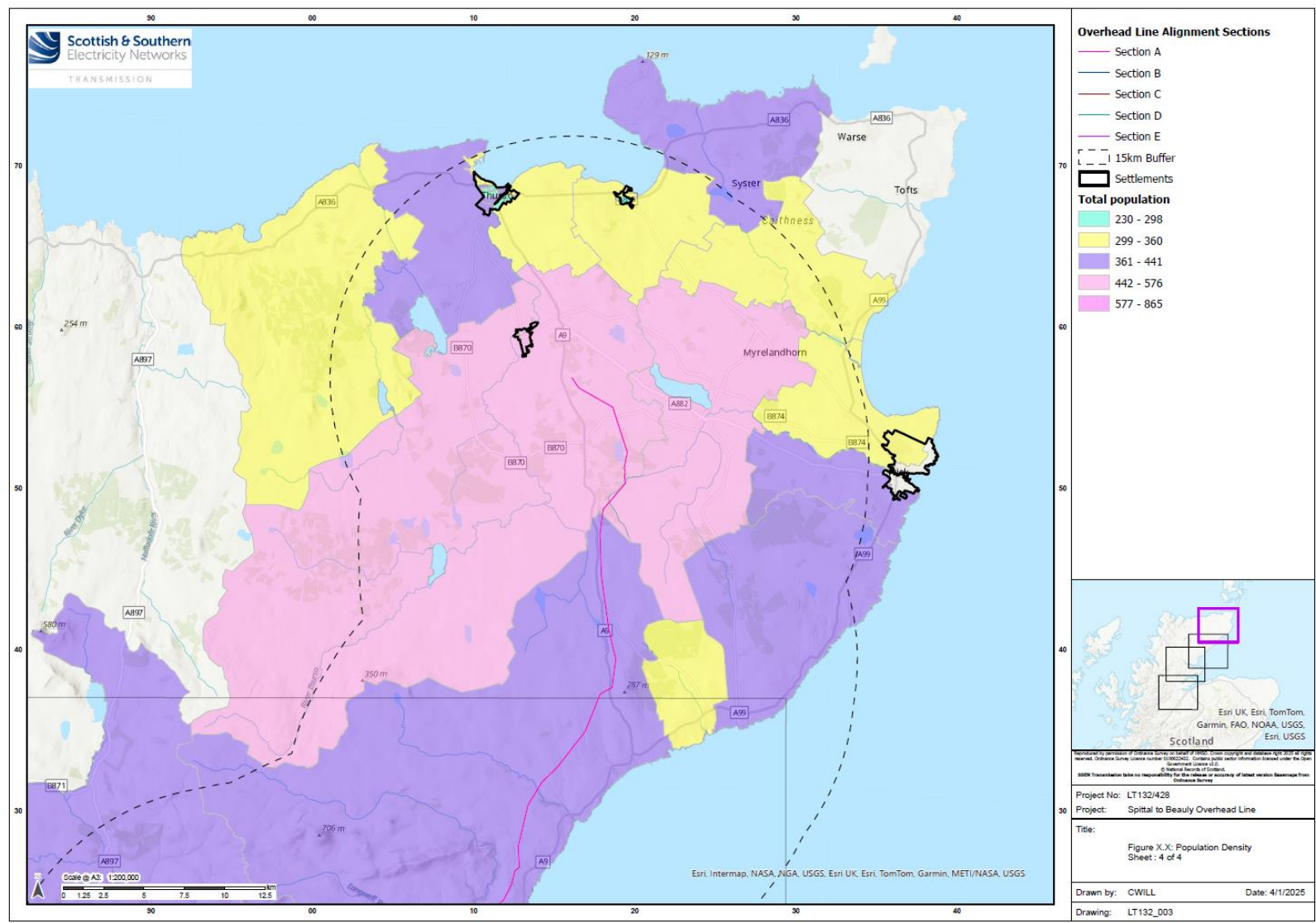


Figure 7-5: Population density mapping ¼

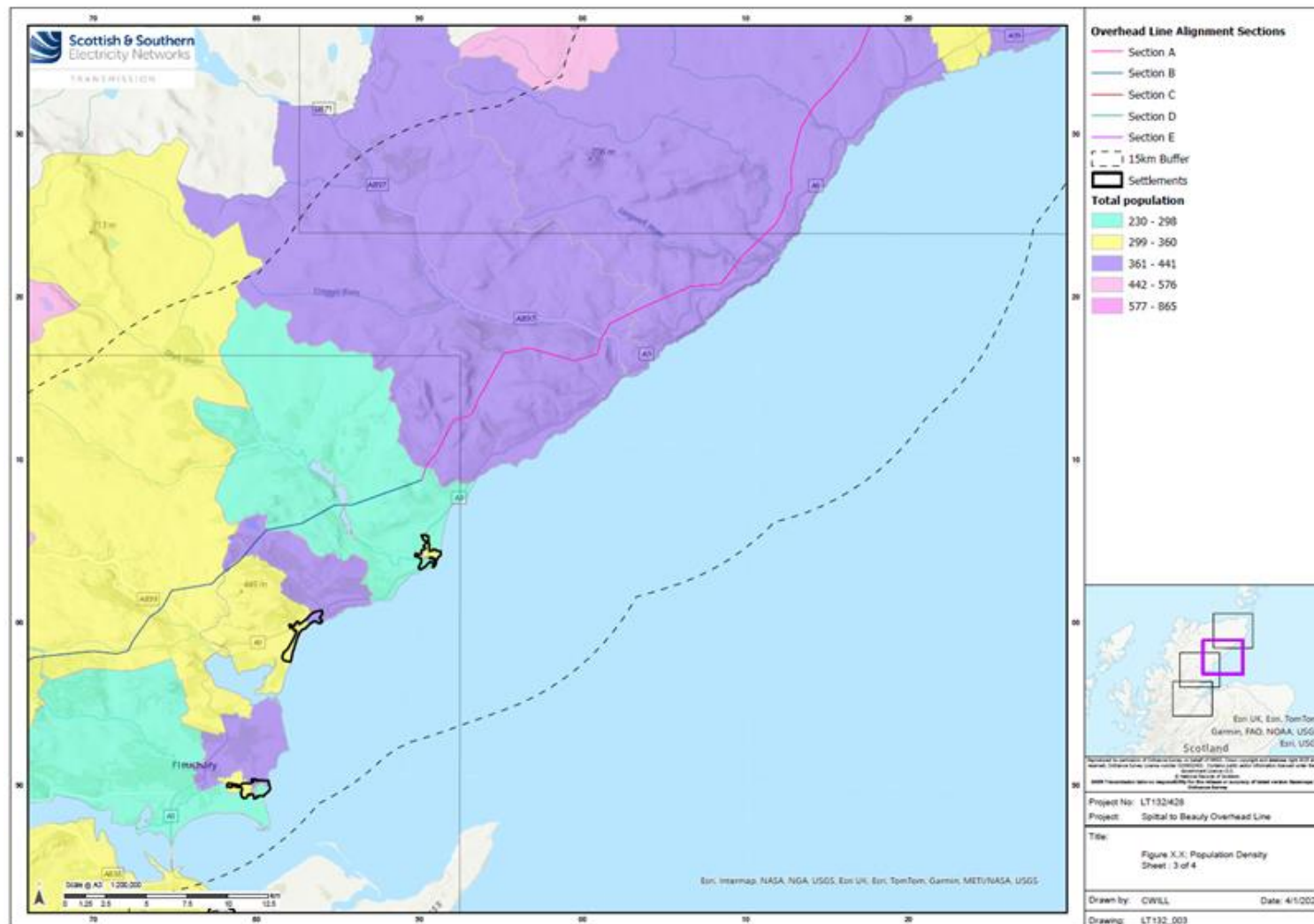


Figure 7-6: Population density mapping 2/4

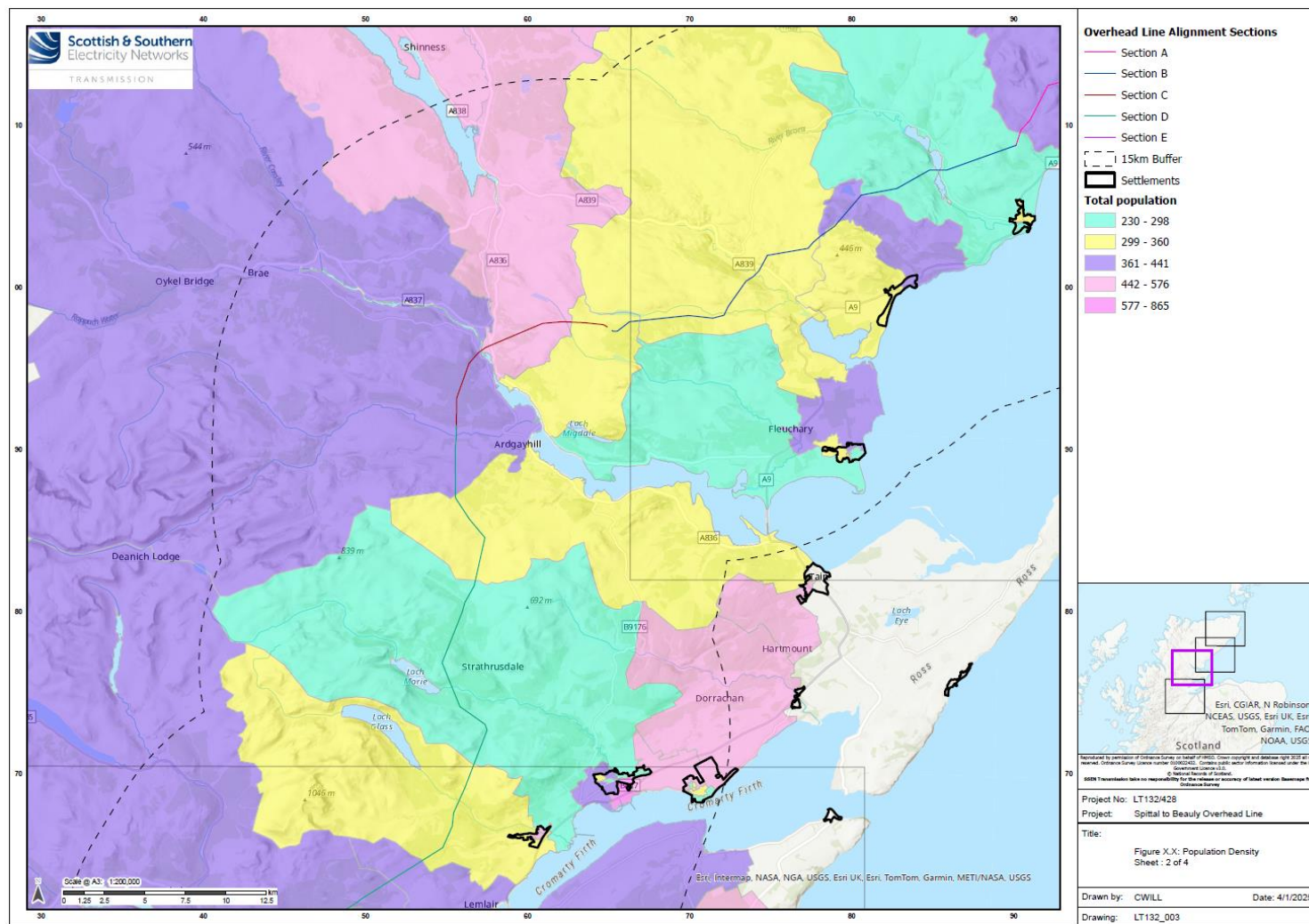


Figure 7-7: Population density mapping 3/4

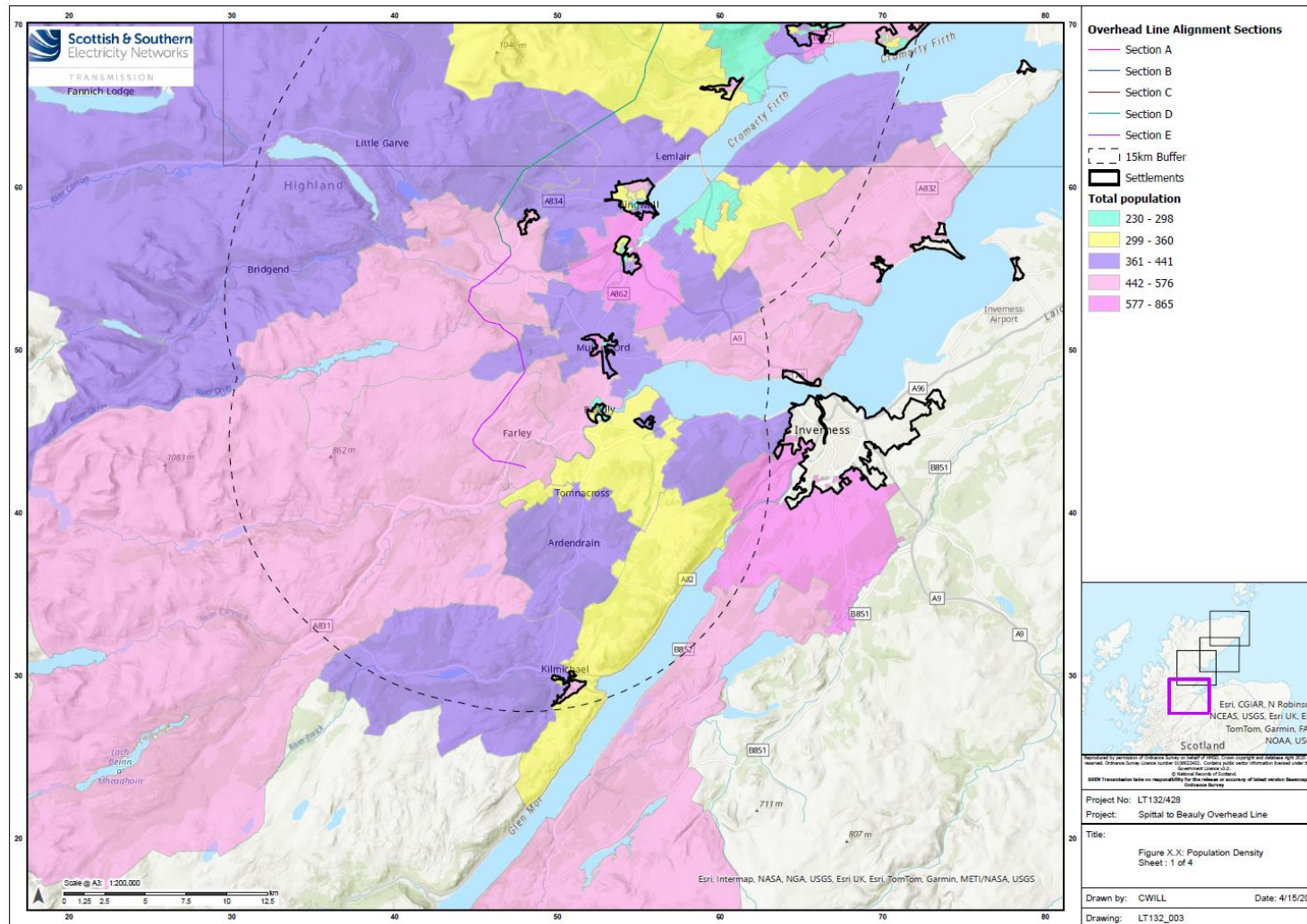


Figure 7-8: Population density mapping sheet 4/4

A.5 SIMD mapping

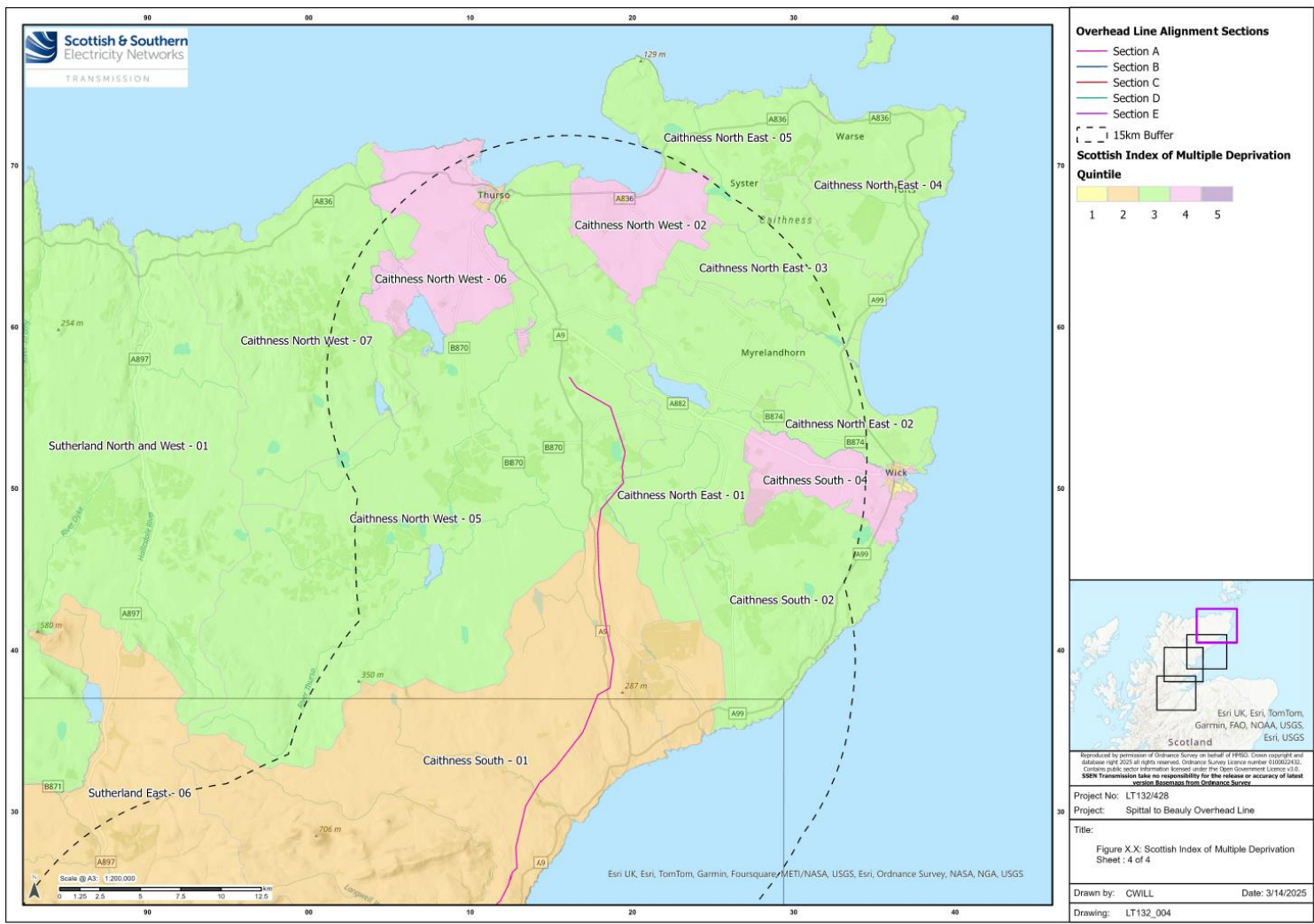


Figure 7-9: SIMD 1/4

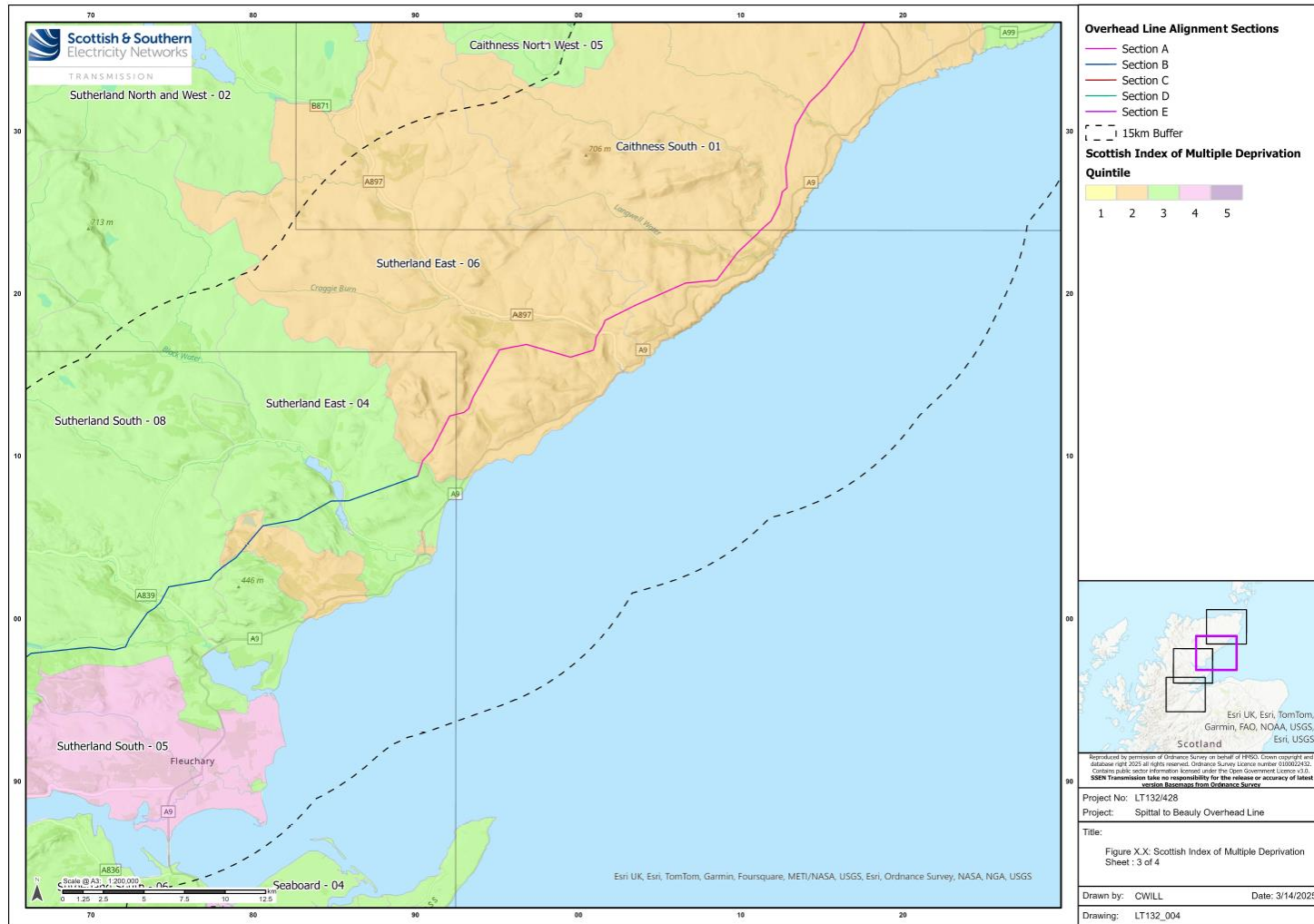


Figure 7-10: SIMD 2/4

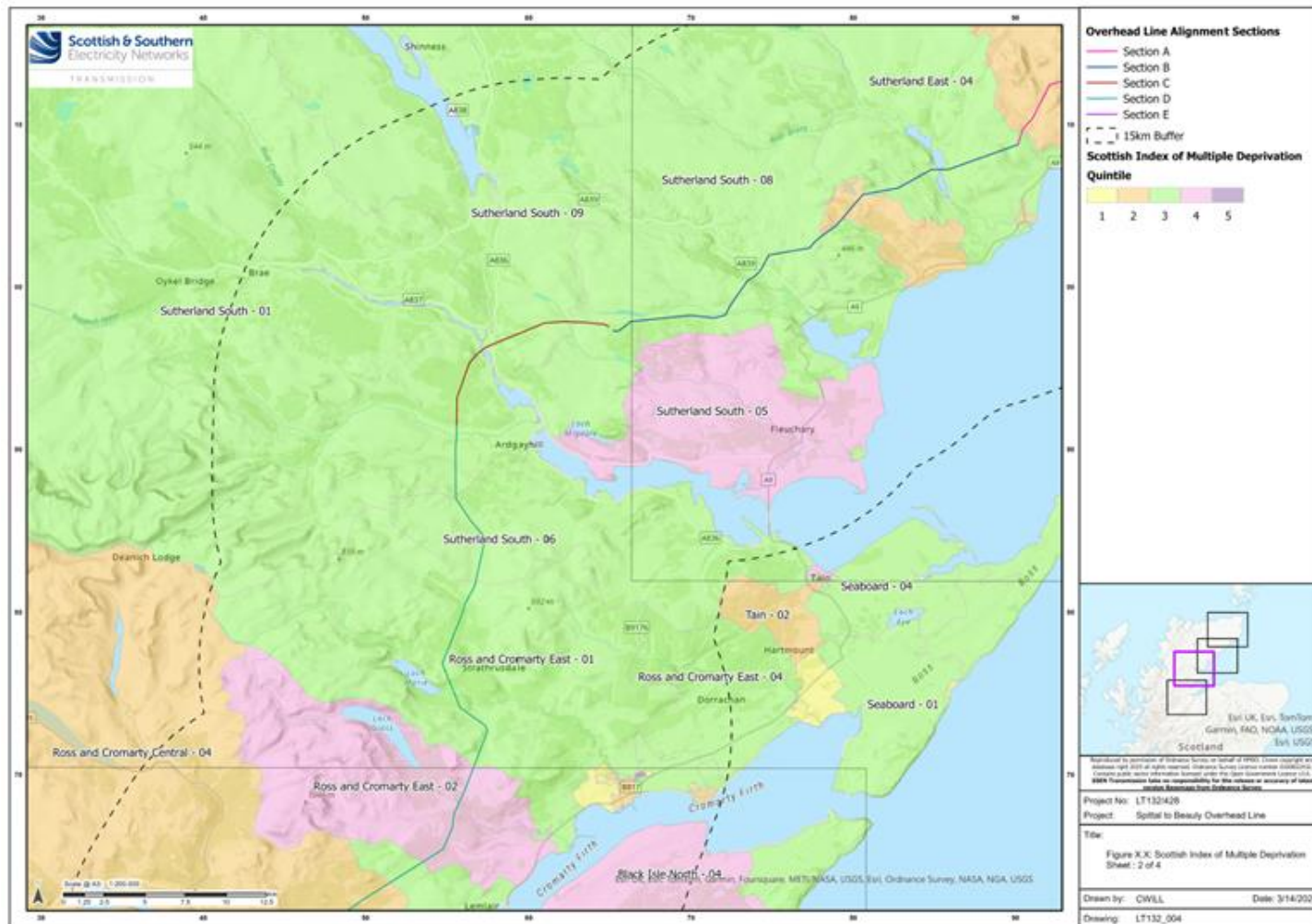


Figure 7-11: SIMD 3/4

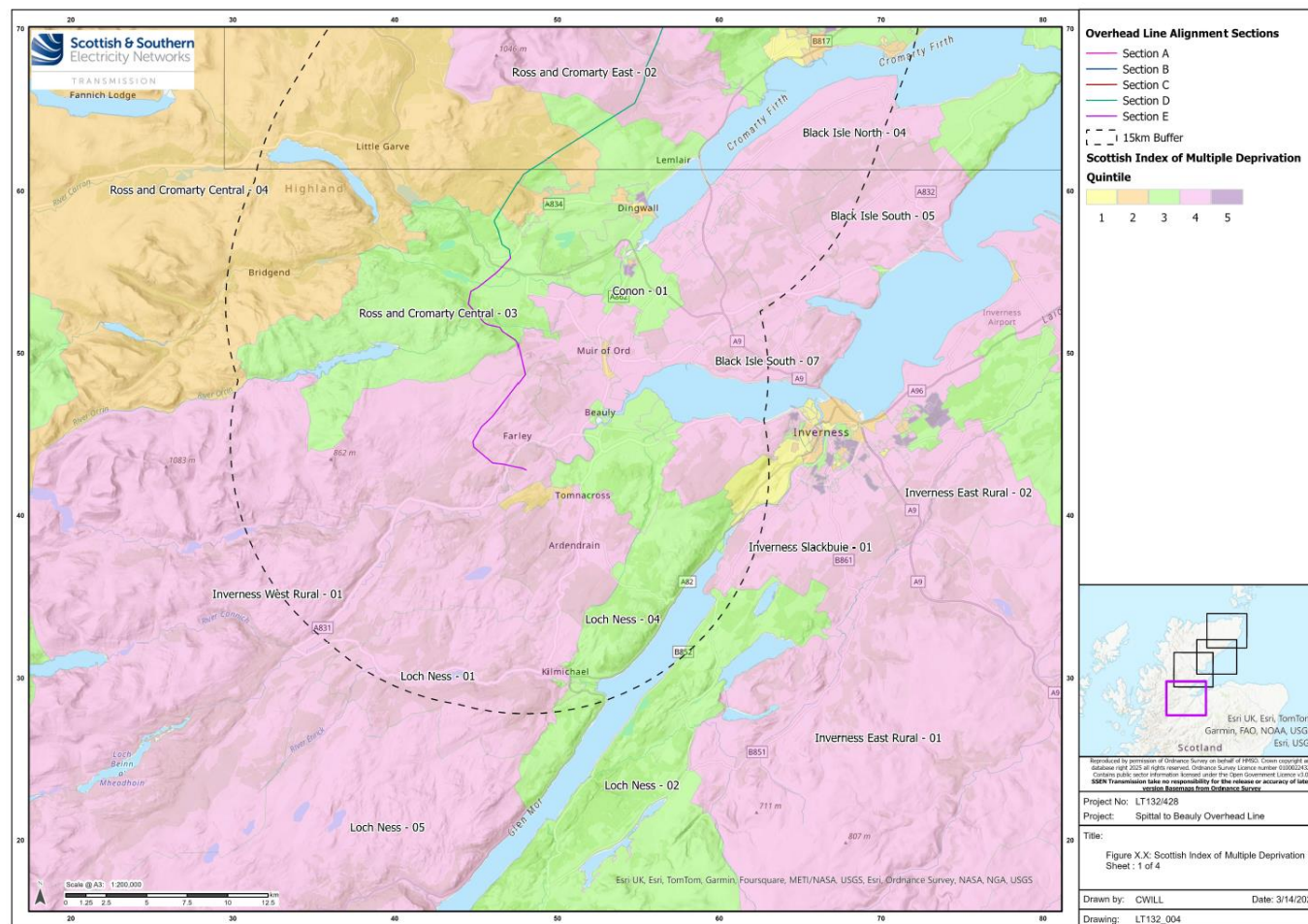


Figure 7-12: SIMD 3/4

A.6 Land Use Mapping

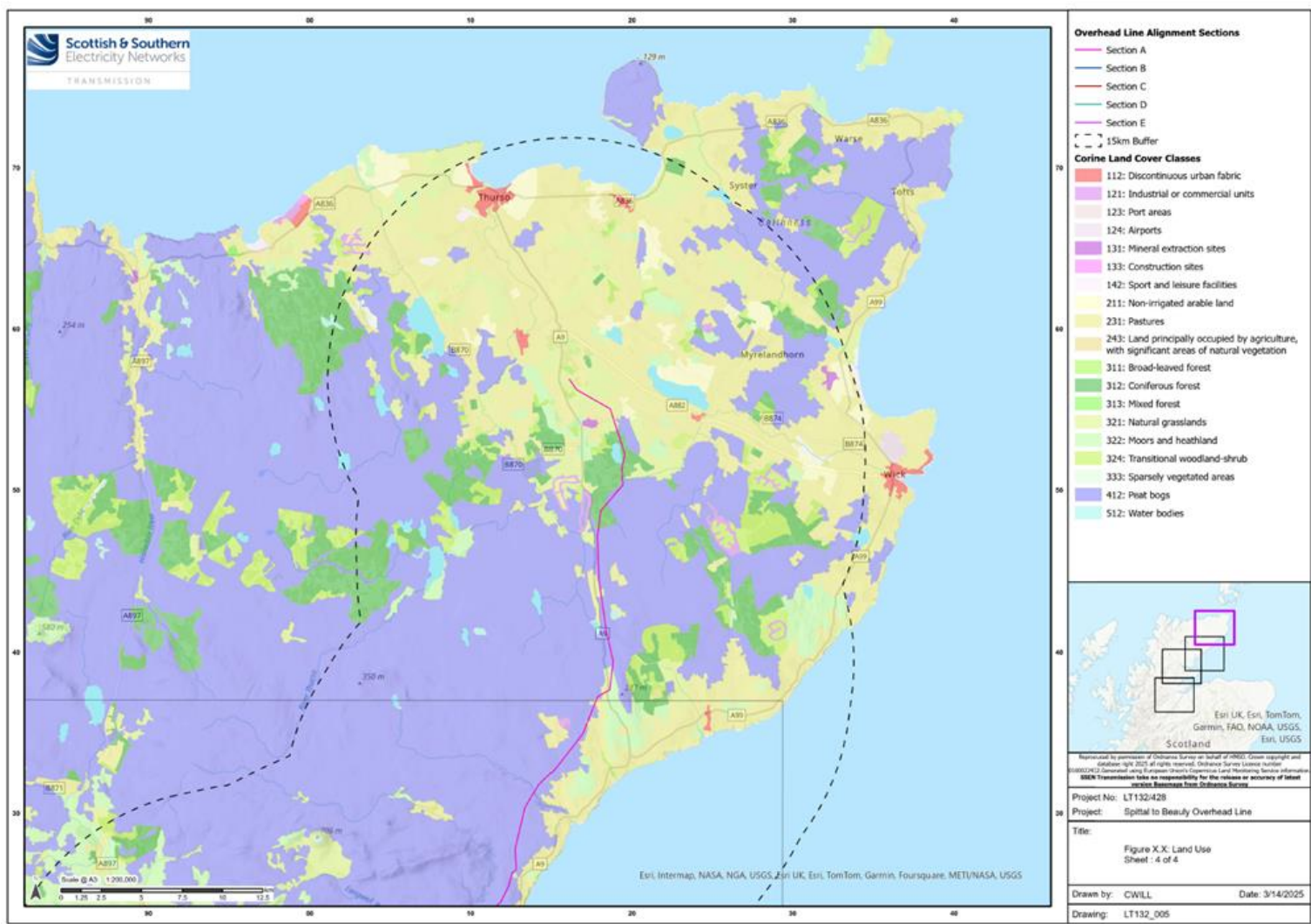


Figure 7-13: Land-use mapping 1/4

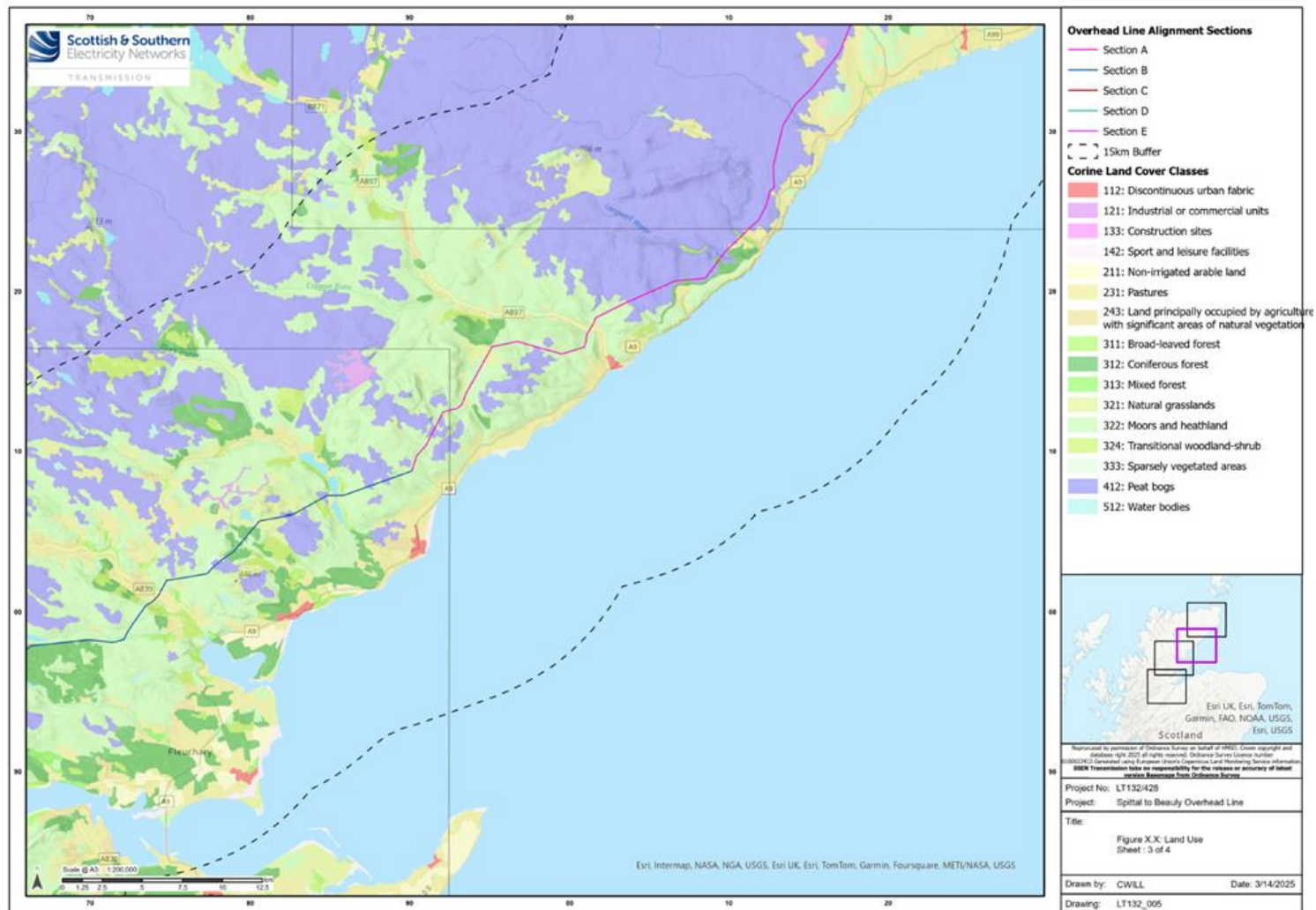


Figure 7-14: Land-use mapping 2/4

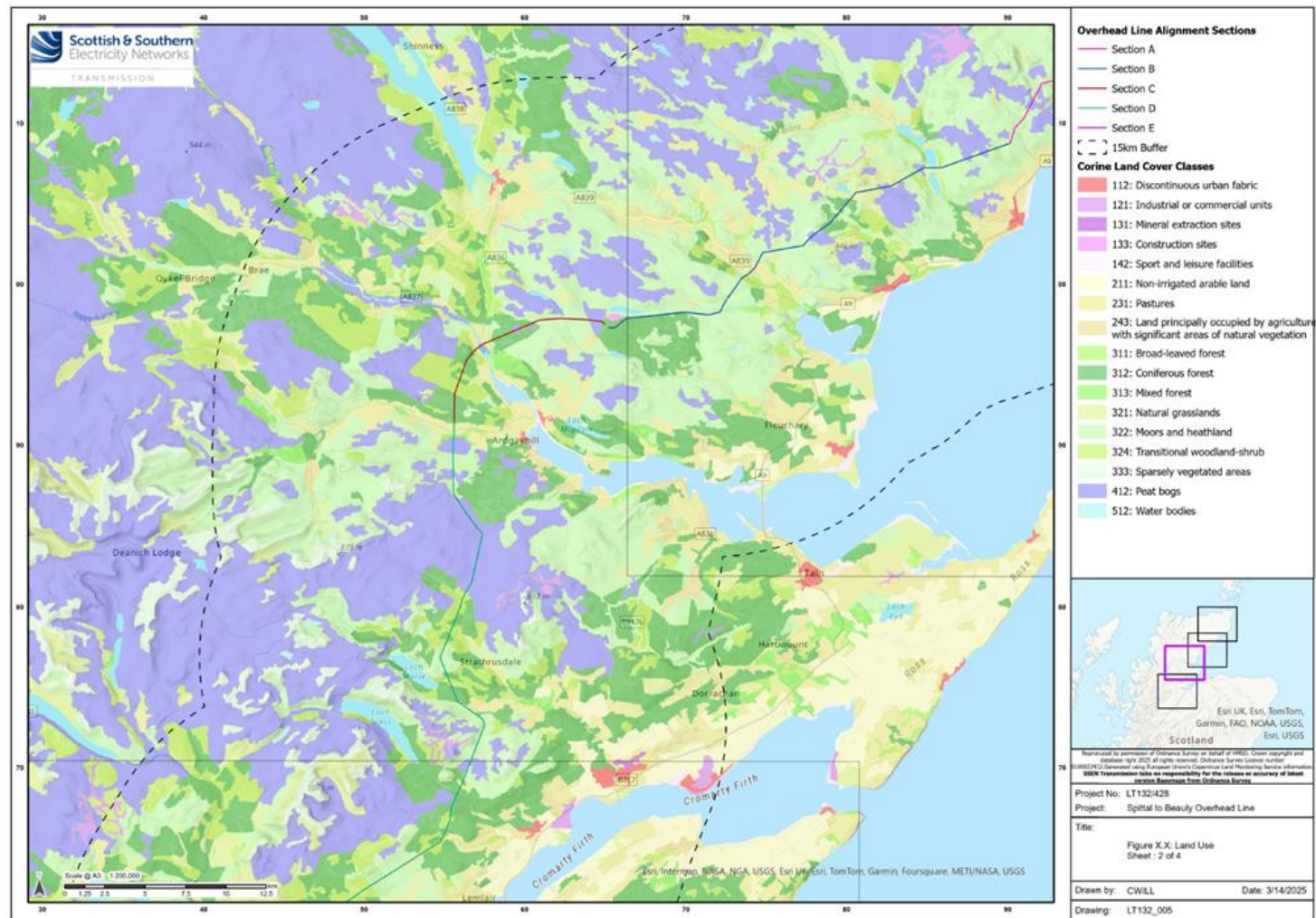


Figure 7-15: Land-use mapping 3/4

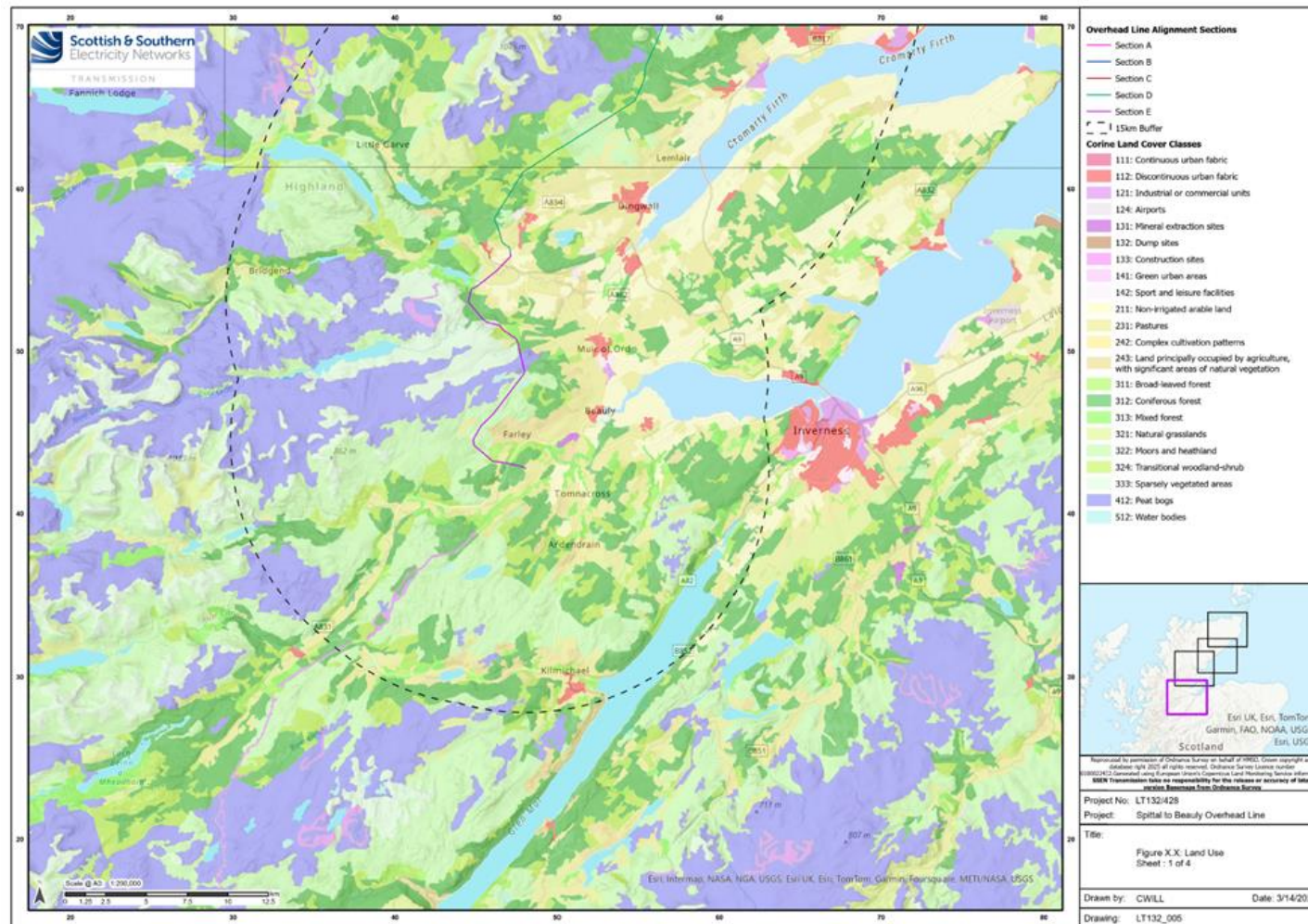


Figure 7-16: Land-use mapping 4/4

A.7 Tourism mapping

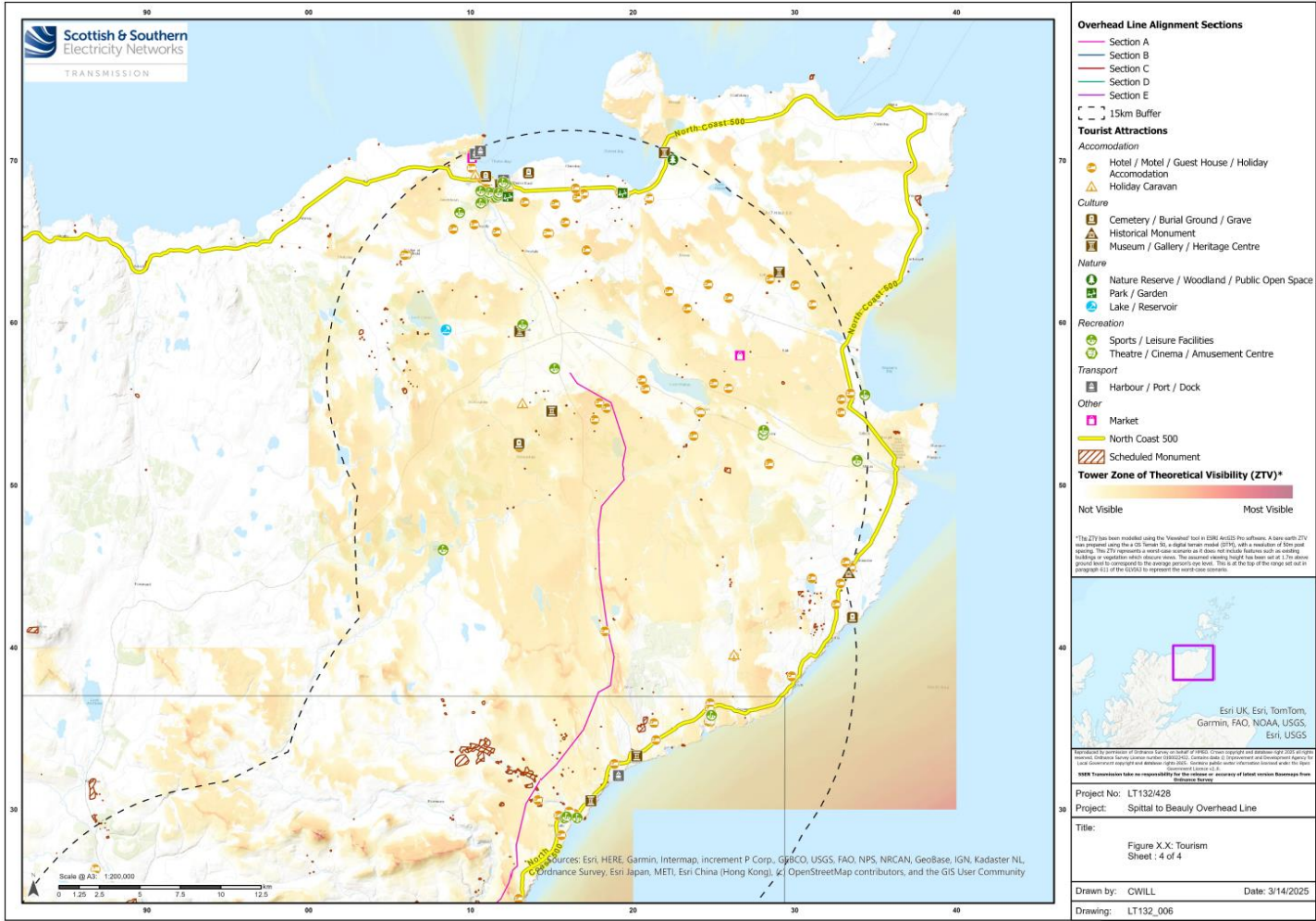


Figure 7-17: Tourist attractions 1/4

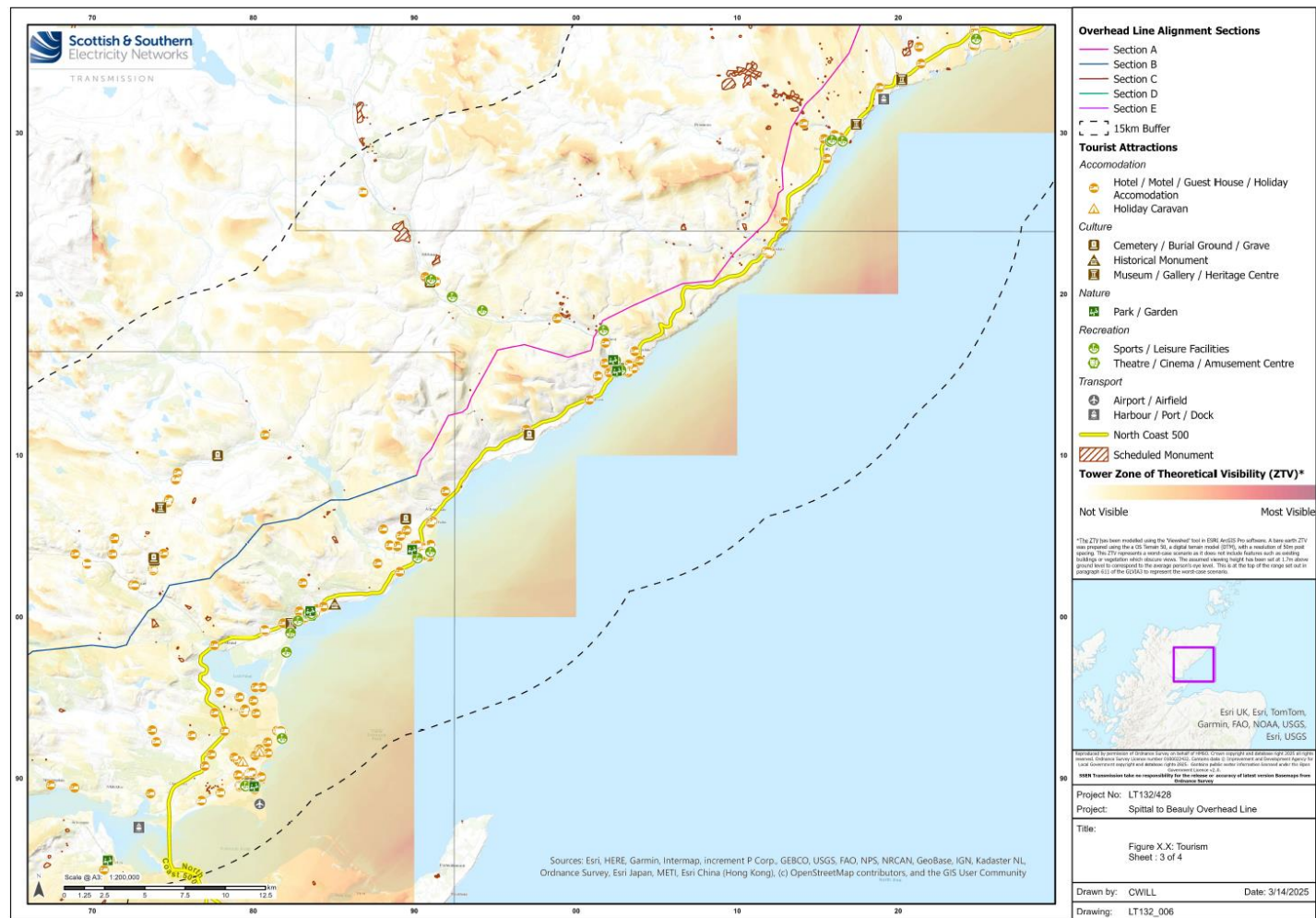


Figure 7-18: Tourist attractions 2/4

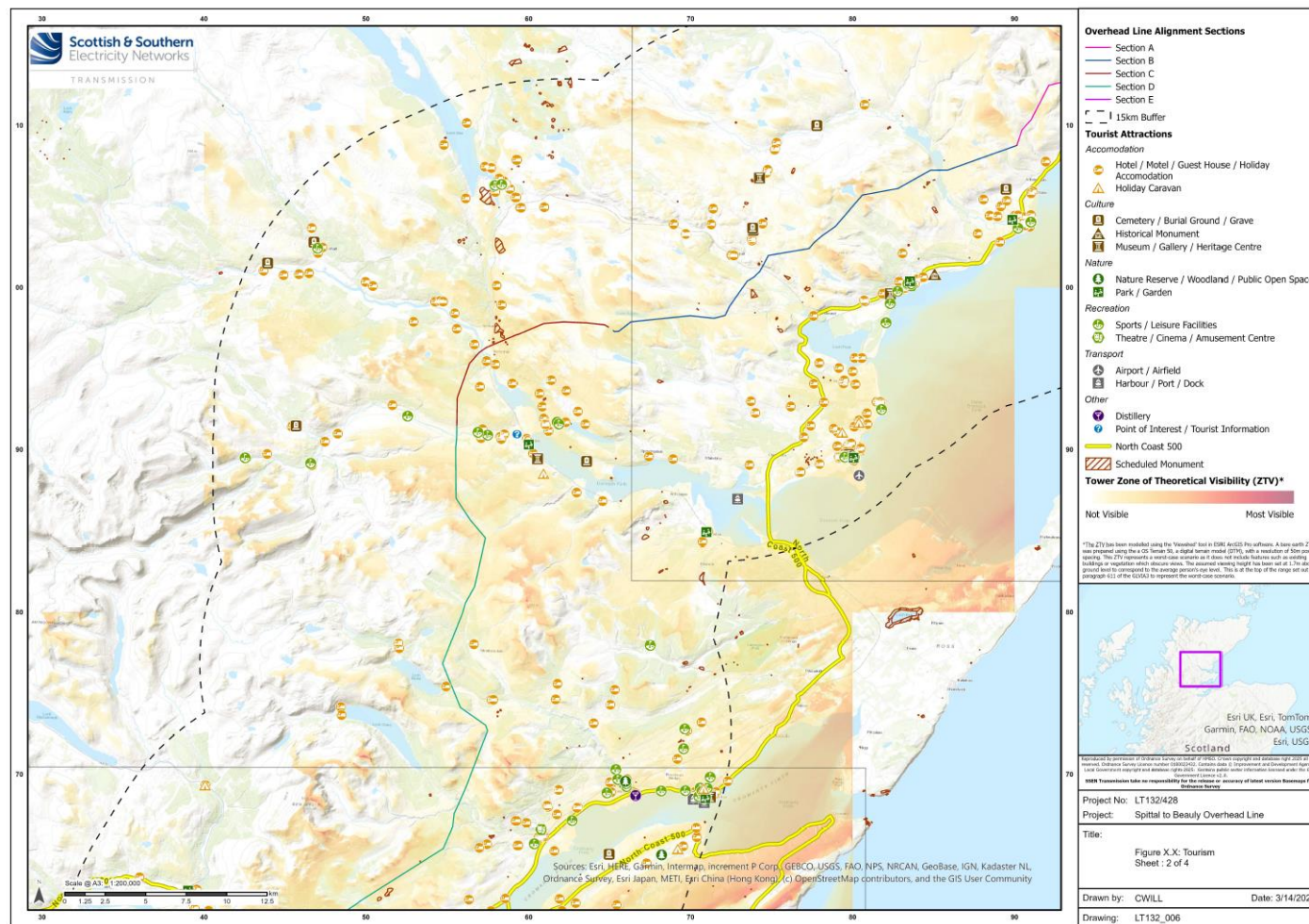


Figure 7-19: Tourist attractions 3/4

Socio-Economic Assessment Addendum

July 2025

Energy Consents Unit Reference Number: ECU00006008

Section 37 consent application (Electricity Act 1989) including a request for a direction that planning permission be deemed to be granted under section 57(2) of the Town and Country Planning (Scotland) Act 1997 for:

- The installation and operation of approximately 96 km of new double circuit 400 kV OHL on steel lattice towers between the proposed Banniskirk (ND 15905 56823) and Carnaig (NH 65053 97458) 400 kV substations;**
- The installation and operation of approximately 77 km of new double circuit 400 kV OHL on steel lattice towers between the proposed Carnaig and Fanellan (NH 48534 43208) 400 kV substations; and**
- Permanent diversion works required to existing 132 kV and 275 kV OHLs of approximately 18 km in total to enable the construction of the Proposed Development, including the temporary diversion works required to construct the permanent diversions.**



Introduction

This Statement sets out Scottish Hydro Electric Transmission plc's (operating and known as SSEN Transmission) further information in relation to socio-economic matters.

This is in relation to a Section 37 Consent application for: Spittal to Loch Buidhe to Beauly 400 kV OHL Connection.

A socio-economic assessment has been prepared by Arup to accompany this application. This Addendum Statement is intended to amplify SSEN Transmission's adopted position in relation to socio-economic and related matters taking into account recently published documents by The Highland Council (THC).

These documents are:

- THC Social Value Charter for Renewables Investment (June 2024); and
- THC Community Wealth Building Strategy (September 2024).

This document will address SSEN Transmission's approach to these matters generally, before addressing the specifics of the aforementioned THC documents.

Community Wealth Building

SSEN Transmission takes the role of Community Wealth Building (CWB) in society seriously, although it should be acknowledged that many of the elements of Community Wealth Building fall outwith the remit of the planning system.

CWB seeks to retain and reinvest wealth in local communities, strengthening community ties, and promoting sustainable development, enabling equitable economic opportunities and long-term business resilience.

Our approach to CWB is based on the Scottish Government's approach to CWB as a method chosen by the Scottish Government to deliver a fairer, more equal society as part of a [National Strategy for Economic Transformation](#).

SSEN Transmission has adopted the following Five Pillars of CWB:

1. Inclusive Ownership - developing more local and social enterprises that generate community wealth.
2. Spending - maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
3. Workforce - increasing fair work and developing local labour markets.
4. Land and property - growing the social, ecological, financial and economic value that local communities gain from land/property assets.
5. Finance - ensuring that flows of investment and financial institutions work for local people, communities and businesses.

For more information on the commitments made by SSEN Transmission, please see below a link to our corporate web page on Community Wealth Building.

[Communities - SSEN Transmission](#)

Community Benefit Fund

In September 2024, SSEN Transmission launched a Community Benefit Fund with an initial value of £10 million. This fund is designed to support projects that create a positive impact in communities, and over the coming years it is anticipated that significant funding will be available through the fund to support local economic development, community, and wellbeing economy

projects. The fund can be used by communities and the third sector to support CWB projects across the north of Scotland.

A Regional Fund has been created to support strategic projects in the region focusing on the following themes:

- People: Focusing on skills, training and employability;
- Place: Emphasising the community and culture of the north of Scotland; and
- Alleviating fuel poverty: looking at strategic ways to help people across the region.

The first funds have been allocated, and the fund will reopen this summer for applications. Details of [funded projects](#) are available on the website. More information on the Community Benefit Fund is available on the link below, including the purpose of the fund, fund structure, how it is financed, governance, and more.

[Community Benefit Fund](#)

SSEN Transmission Housing Strategy

In November 2024, SSEN Transmission published its housing strategy in relation to the delivery of the Pathway to 2030 projects. As the strategy notes, it is crucial to capture opportunities to create public benefit from this investment efficiently and with a strong balance between cost and benefit. With this in mind, we are committed to creating housing legacies from our worker accommodation investments. The goals of leaving a community legacy from worker housing solutions are:

- Preventing Exacerbation of Rural Housing Challenges;
- Building Institutional support;
- Contributing to Local Communities; and
- Supporting a just transition.

The delivery of the housing strategy will itself bring socio economic benefits to local communities. There are ongoing discussions between SSEN Transmission, local authorities and other key stakeholders in relation to the identification and delivery of housing sites.

[ssent-housing-strategy-2024-](#)

Socio Economic Assessments and NPF 4 Policy 11

This document seeks to provide a summary of the potential economic impacts generated by the proposed development and construction of the project. We would suggest that more detailed employment related matters are a post-consent issue for the principal contractor and could be considered further through a pre-commencement condition, worded along the following lines:

Prior to the Commencement of Development, a Local Employment Scheme for the construction of the development shall be submitted to and agreed in writing by the Planning Authority. The Scheme shall include the following:

- a) details of how the initial staff/employment opportunities during construction of the development will be advertised and how liaison with the Council and other local bodies will take place in relation to maximising the access of the local workforce to information about employment opportunities;*
- b) details of how training opportunities will be provided for those recruited to fulfil staff/employment requirements including the provision of apprenticeships or an agreed alternative;*

- c) a procedure setting out criteria for employment, and for matching of candidates to the vacancies;
- d) measures to be taken to offer and provide college and/or work placement opportunities at the development to students within the locality;
- e) details of the promotion of the Local Employment Scheme and liaison with contractors engaged in the construction of the development to ensure that they also apply the Local Employment Scheme so far as practicable having due regard to the need and availability for specialist skills and trades and the programme for constructing the development;
- f) a procedure for monitoring the Local Employment Scheme and reporting the results of such monitoring to the Council; and
- g) a timetable for the implementation of the Local Employment Scheme. Thereafter, the development shall be implemented in accordance with the approved scheme.

Reason: In order to ensure compliance with NPF4 Policy 11c) and to maximise the local socio-economic benefits of the development to the wider community. To make provision for publicity and details relating to any local employment opportunities.

THC Social Value Charter for Renewables Investment (June 2024)

This document was published by THC in June 2024 and sets out the community benefit expectations from developers wishing to invest in renewable developments in the area.

It is important to note that the proposed development is not a renewables development, but indeed an 'electricity transmission' development.

However, the Charter has been reviewed and the table below provides a summary of the commitments and measures which are considered to meet the Charter.

Theme	SSEN Response
Community Fund	<p>Our Community Benefit Fund is designed to bring substantial benefits and a positive, lasting legacy through local and regional initiatives across the north of Scotland.</p> <p>This Fund is designed to support projects that create a positive impact in communities, and over the coming years, it is anticipated that significant funding will become available to support local economic development, community, and wellbeing economy projects.</p> <p>It is considered that the desired commitment to £5000k per MW is not applicable to Transmission development.</p>
Strategic Fund	<p>Our Community Benefit Fund is designed to bring substantial benefits and a positive, lasting legacy through local and regional initiatives across the north of Scotland.</p>

	<p>This Fund is designed to support projects that create a positive impact in communities, and over the coming years it is anticipated that significant funding will be available through the fund to support local economic development, community, and wellbeing economy projects.</p> <p>It is considered that the desired commitment to £7500k per MW is not applicable to Transmission development.</p>
Housing	<p>Our Housing Strategy aims to optimise long-term value for communities, and a commitment to leave a positive community legacy by delivering hundreds of homes by 2030.</p>
Supporting Development of Highland Investment Plan	<p>Our CWB Strategy seeks to retain and reinvest wealth in local communities, strengthening community ties, and promoting sustainable development, equitable economic opportunities and long-term business resilience.</p> <p>This is reflected in our Five Pillars of CWB:</p> <ol style="list-style-type: none"> 1. Inclusive Ownership; 2. Spending; 3. Workforce; 4. Land & Property; and 5. Finance <p>More specifically, SSEN Transmission Principal Contractors are obliged to target and consider local supply chain opportunities (wherever possible)</p> <p>Our adopted Supplier Diversity Scheme sets out how SSE aims to support local economies and use suppliers with diverse ownership models. The Strategy summarises our definition of supplier diversity, the value of supplier inclusion, our efforts to create an inclusive and varied supply chain, as well as our future plans to achieve these objectives.</p>
Shared Investment into Renewables	<p>It is considered that this theme is not applicable or relevant to transmission development.</p>
Skills & Training – Workforce for the Future	<p>Our CWB Strategy seeks to retain and reinvest wealth in local communities, strengthening community ties, and promoting sustainable development, equitable economic opportunities and long-term business resilience.</p> <p>This is reflected in our Five Pillars of CWB:</p> <ol style="list-style-type: none"> 6. Inclusive Ownership;

	<p>7. Spending; 8. Workforce; 9. Land & Property; and 10. Finance</p> <p>More specifically, SSEN Transmission Principal Contractors are obliged to target and consider opportunities for the local supply chain (wherever possible).</p> <p>Our adopted Supplier Diversity Scheme sets out how SSE aims to support local economies and use suppliers with diverse ownership models. The Strategy summarises our definition of supplier diversity, the value of supplier inclusion, our efforts to create an inclusive and varied supply chain, as well as our future plans to achieve these objectives.</p> <p>Since 2015, SSEN Transmission has been a Living Wage Friendly Funder to support the roll-out of fair pay to organisations it supports.</p> <p>SSEN Transmission's Sustainable Workforce Strategy embeds inclusion and diversity into the business.</p> <p>SSEN Transmission run an independent annual survey to capture and respond to employee feedback.</p>
Match Funding for Local Projects	<p>Our Community Benefit Fund is designed to bring substantial benefits and a positive, lasting legacy through local and regional initiatives across the north of Scotland.</p> <p>This Fund is designed to support projects that create a positive impact in communities, and over the coming years it is anticipated that significant funding will be available through the fund to support local economic development, community, and wellbeing economy projects</p>
Fast-Track for Grid Connections	<p>SSEN Transmission are committed to working with renewable developers for connection applications and fulfilling our licence obligations in terms of connections.</p>
Maximising socio-economic prosperity through the planning system	<p>It is considered that the response to the other themes in this addresses this theme in tandem at the same time.</p>

THC Community Wealth Building Strategy (September 2024)

This document was approved in September 2024 and sets out THC's approach to CWB in the area.

To summarise, this strategy looks to deliver a vision through 5 objectives that align with the pillars of CWB. These are:

- Objective 1) Spending;
- Objective 2) Fair Employment;
- Objective 3) Land and Property;
- Objective 4) Financial Power; and
- Objective 5) Inclusive Ownership.

It is important to note that this statement has already provided an extensive overview of the community benefit and CWB initiatives of SSEN Transmission.

As such, it is considered that the information from earlier in this statement can be applied to this CWB strategy.

However, for clarity the relevant points are again set out below.

Our CWB Strategy seeks to retain and reinvest wealth in local communities, strengthening community ties, and promoting sustainable development, equitable economic opportunities and long-term business resilience.

This is reflected in our Five Pillars of CWB:

1. Inclusive Ownership;
2. Spending;
3. Workforce;
4. Land & Property; and
5. Finance.

SSEN Transmission is committed to CWB and sharing benefits with communities; and to working with partners to support local projects, supply chains and housing solutions (where applicable).

Conclusion

This information document has addressed a request by THC to provide information on socio-economic benefits as a result of proposed replacement transmission development in THC area.

Sufficient information has been provided to show how the business is working in the area and takes into consideration recent documents & strategies prepared by THC.

Overall, there is a clear demonstration of the business and applicant commitment to Community Benefits and CWB.

