VOLUME 1: CHAPTER 13: SOCIO-ECONOMIC, TOURISM AND RECREATION

Figures (Volume 2 of this EIA Report)

There are no figures associated with this Chapter

Appendices (Volume 4 of this EIA Report)

Appendix 13.1: Overview of SSEN Transmission

13. SOCIO-ECONOMIC, TOURISM AND RECREATION

13.1 Executive Summary

13.1.1 This Chapter considers the predicted effects on socio-economic, tourism and recreation activity during the construction and operation of the Strathy Wood Wind Farm Grid Connection (the Proposed Development).

13.1.2 The Proposed Development would help support the Scottish target of reaching net zero by 2045, not only transporting renewable energy, but unlocking local and national economic benefits. Construction of the Proposed Development, which is expected to commence in November 2025 for twelve months is anticipated to cost £145 million. The following effects are predicted:

- Supporting 51 person years of employment over the 12 month construction programme, providing a GVA (Gross Value Added) injection of £3.8 million to the local economy;
- Further local benefits from workers staying and spending locally during the construction programme;
- Supporting existing operational employment at the SSEN Transmission headquarters in Perth, with other regional offices in Inverness and Wick; and
- Facilitating the delivery of the predicted economic impacts (jobs and GVA) of Strathy Wood Wind Farm (and eventually Strathy South Wind Farm).

13.1.3 In addition, there would be potential community benefits through the SSEN Transmission Community Benefit Fund which was launched in September 2024 and through which requests for local goodwill funding will be considered.

13.1.4 The assessment demonstrates that there are beneficial socio-economic effects across the construction and operational phases of the Proposed Development. For example, the local economy would be supported by the Proposed Development through direct and indirect employment and expenditure opportunities. As no specific mitigation measures are proposed in relation to potential socio-economics effects during the construction or operational phase, the residual construction effects of the Proposed Development on the economy are deemed to be **Moderate Beneficial** (significant) at the regional level and **Minor Beneficial** (not significant) at the national level. These effects would be temporary during the construction period. The residual operational effects of the Proposed Development on the economy are deemed to be **Negligible** (not significant) at both the regional and national level.

13.1.5 The main benefits will be associated with the construction phase, as the Proposed Development is not expected to generate any direct full-time employment onsite during its operation. There would however be regular ad hoc maintenance, as required.

13.1.6 The review of the tourism and recreational asset base found that all the main tourist attractions as reported by VisitScotland[1] in the Highlands are more than 100 miles from the Proposed Development. The North Coast 500 route has driven an increase in visitor numbers in recent years, but the stretch of the route in proximity to the Proposed Development is known for its coastal views. It is considered that the Proposed Development, which is located inland, would not change the attractiveness of this route. The main access track to be used by the Proposed Development forms part of Scottish Hill Track 344: Strath Halladale, which travels between Strath Halladale (Trantlebeg) and Strathy. Measures present in an Outdoor Access Management Plan (see **Appendix 11.2: Draft Outdoor Access Management Plan**) would be implemented by the Principal Contractor, which would set out how existing public access would be managed during construction of the Proposed Development. The mitigation proposed and the review of secondary research into tourists attitudes to renewable developments confirms that visitors are not dissuaded from visiting an area where there is electricity

[1] Tourism in the Highlands, VisitScotland, 2019

transmission infrastructure, including overhead lines (OHL) and steel lattice towers. This confirms there would be no adverse effects on these assets as a result of the Proposed Development.

13.1.7 The residual construction and operational effects of the Proposed Development on tourism and recreational receptors are deemed to be **Negligible** (not significant).

13.1.8 In terms of cumulative effects, the predicted residual cumulative effect in relation to socio-economic activities during construction are deemed to be the same as those predicted for the Proposed Development. The residual cumulative effects during the operational phase are predicted to result in **Minor Beneficial** (not significant) effects on the economy in Highland (regional) and on the economy in Scotland (national). The predicted cumulative residual effect in relation to construction and operational activities on tourism and recreational receptors are deemed to be **Negligible**.

13.1.9 The Applicant brings a track record in supporting local good causes and community investments through their investments and operation and this would be the case at the Proposed Development. As noted, SSEN Transmission recently launched a new Community Benefit Fund[2] and eligible organisations in the north of Scotland will be able to apply for an initial share of £2m, which is part of SSEN Transmission's opening £10m Community Benefit Fund. This initial funding aims to kickstart impactful projects or initiatives that will bring meaningful benefits to communities. Local community groups will be encouraged to apply for community funds through this new funding programme.

13.1.10 Further information on the Applicant's commitments to local communities can be accessed on their website[3].

13.2 Introduction

13.2.1 This Chapter reports on the assessment of the potential and likely predicted effects, including cumulative effects, of the Proposed Development on socio-economics, tourism and recreation during construction and operation.

13.2.2 The Proposed Development is described in detail in **Chapter 3 – The Proposed Development**. The Proposed Development would commence from a cable sealing end (CSE) compound in the vicinity of the Strathy Wood Wind Farm on-site substation. From there, approximately 4.5 km of 132 kV double circuit OHL supported by steel lattice towers would be constructed and would join the existing Strathy North trident 'H' wood pole 132 kV OHL circuit for onward transmission to Connagill 275/132 kV substation. Two trident 'H' wood poles would be constructed to complete what is known as a 'T-in' connection where the new line meets the existing Strathy North trident 'H' wood pole 132 kV OHL.

13.2.3 This assessment has been carried out in line with Scottish Government guidance on 'Net Economic Benefit and Planning'[4] and in line with the National Strategy for Economic Transformation (NSET)[5]. The guidance highlights how the net economic benefit generated by a proposed development can be assessed as a material consideration in the decision-making process. The assessment has also been carried out in line with National Planning Framework 4 (NPF4)[6], in particular Policy 11 (Energy) and Policy 25 (Community Wealth Building). The socio-economic effects have also been assessed to inform how they contribute towards The Highland Council's (THC) Community Wealth Building Strategy[7] and their Social Values Charter for Renewables Investment[8].

[2] https://www.ssen-transmission.co.uk/information-centre/Community-Benefit-Fund/
[3] https://www.sse.com/sustainability/social/
[4] Scottish Government (2016): Net Economic Benefit and Planning
[5] Scottish Government (2022) National Strategy for Economic Transformation
[6] Scottish Government (2023) National Planning Framework 4
[7] The Highland Council (2024) Community Wealth Building Strategy
[8] The Highland Council (2024) Social Values Charter for Renewables Investment

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

13.2.5 The assessment describes the methods used to assess impact, the socio-economic and tourism baseline conditions, and the potential and predicted effects of the Proposed Development during the construction and operational phases.

13.2.6 This Chapter has been compiled by MKA Economics, who specialise in appraising the economic viability, socio-economic value, and, advising on the delivery of, economic development projects. Based at the Innovation Park at the University of Stirling the company works across sectors and geographies and has been retained by Highlands and Islands Enterprise (HIE) on their Economic Impact Assessment Framework since 2013. A table presenting relevant qualifications and experience is included in **Appendix 5.1: EIA Team**, contained within Volume 4 of this EIA Report.

13.3 Scope of Assessment

13.3.1 In terms of economic effects, this assessment has employed appraisal techniques consistent with those outlined in the Scottish Government's guidance on 'Net Economic Benefit and Planning'[4], and also Scottish Enterprise's Impact Appraisal and Evaluation Guide for the appraisal of economic development initiatives[9]. Importantly these set out the estimated economic effects of the Proposed Development on the regional economy.

13.3.2 This assessment outlines the role the Proposed Development can play in supporting national and regional economic development policies and strategies. It presents an overview of the local economic conditions to set the socio-economic and visitor context for the Proposed Development. It outlines the potential benefits of the Proposed Development on employment, investment, local spending, community development and the local business base, during construction and operation at the regional level. This includes an assessment of the effects on the tourism asset base and draws on the findings from a review of secondary data sources and a mapping of these assets in relation to the Proposed Development. Finally, it provides an assessment of the residual effects of the Proposed Development at construction and operational phases on the economy and the tourism asset base.

13.3.3 For the purposes of this Chapter, both the baseline and impact assessments define the regional area as The Highland Council (THC) area (as the local planning authority). The national level impacts are presented for Scotland.

13.4 Consultation

13.4.1 The scope of the assessment has been determined through a combination of professional judgement, reference to relevant guidance documents and consultation with stakeholders through a formal EIA scoping process and pre-application advice and is based on the formal Scoping Opinion provided by Scottish Ministers in August 2024.

13.4.2 **Table 13.1** summarises the relevant socio-economic and tourism responses as part of the Scoping Opinion.

[9] Scottish Enterprise (2024) Impact Appraisal and Evaluation Guidance

Table 13.1: Scoping Responses

Organisation & Date	Summary of Consultation Response	EIA / Design Response to Consultee
Scottish Government, Energy Consents Unit 27th August 2024	The Scottish Hill Track (344, Strath Halladale (Trantlebeg)) above runs along an existing track that will be affected by the proposed development. In addition, it appears that the part of this route north of the application site will be used as to access the site.	This Chapter includes an assessment of the socio-economic value of the Proposed Development, including the tourism and recreational assets in the study area. It outlines any effects and sets out mitigation measures, as required.
The Highland Council 27th June 2024	The EIAR should estimate who may be affected by the development, in all or in part, which may require individual households to be identified, local communities or a wider socio-economic groupings such as tourists and tourist related businesses, recreational groups, economically active, etc. The application should include relevant economic information connected with the project, including the potential number of jobs, and economic activity associated with the procurement, construction, operation and decommissioning of the development.	This Chapter includes completion of a socio-economic and tourism assessment, in line with best practice and relevant guidance, to outline the socio-economic conditions, presenting effects as a result of the Proposed Development, and any required mitigation measures.

13.5 Legislation, Policy and Guidance

13.5.1 This assessment has been completed in line with NPF4, the national spatial strategy for Scotland. The strategy sets out spatial principles, regional priorities, national developments and national planning policy and replaces NPF3 and Scottish Planning Policy. The policies from NPF4 which are relevant to the Proposed Development in socio-economic terms are Policy 11 and Policy 25.

13.5.2 Policy 11 (Energy) states:

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

13.5.3 Policy 25 (Community Wealth Building) states:

'Development proposals which contribute to local or regional community wealth building strategies and are consistent with local economic priorities will be supported. This could include for example improving community resilience and reducing inequalities; increasing spending within communities; ensuring the use of local supply chains and services; local job creation; supporting community led proposals, including creation of new local firms and enabling community led ownership of buildings and assets.'

13.5.4 The assessment has also taken cognisance of the NSET, which sets out the priorities for Scotland's economy as well as the actions needed to maximise the opportunities of the next decade to achieve our vision of a wellbeing economy. This sets out a range of action areas, including entrepreneurial people and culture, new market opportunities, productive businesses and regional and a skilled workforce. It aims to create a *'fairer and more equal society'*, and it endorses the community wealth building principles as a *'practical approach to local economic development that supports a wellbeing economy.'*

13.5.5 The assessment also sets out how the Proposed Development addresses the aims of THC's Community Wealth Building Strategy 2024 - 2027 and their Social Values Charter for Renewables Investment.

13.5.6 The Community Wealth Building Strategy sets out a three year vision for taking forward and embedding a THC approach to Community Wealth Building in all aspects of the Council's activities and investments. The vision is to:

'*Retain greater wealth and maximise spending within and for the communities of the Highlands.'*

13.5.7 The more recent Social Values Charter for Renewables Investment sets out the community benefit expectations Highland has for companies wishing to invest in renewables in the Highlands. This Charter is designed to set out what the area expects from renewables investment alongside what the public / private / community sector partners will do to support and enable this contribution. It aims to:

'Embed an approach to community wealth building into Highland. Maximise economic benefits from our natural environment and resources. Engage and involve relevant stakeholders to understand how we can continually improve our impact. Unlock economic opportunities for the area'

13.5.8 The central focus of NPF4 and NSET at the national level and the Community Wealth Building Strategy and Social Values Charter at the local level, is community wealth building. All projects seeking planning in local areas should embrace and help facilitate community wealth building. This assessment has been completed to set out how the Proposed Development can help deliver community benefits and embraces community wealth building principles.

13.6 Methodology

13.6.1 There are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic or tourism impacts of green energy proposals and grid connection projects. However, there are a series of commonly used methodologies and recognised approaches to quantifying economic impacts both during the construction of a development and following their completion.

13.6.2 In terms of economic impacts, this assessment has employed appraisal techniques consistent with those outlined in the Scottish Enterprise Impact Appraisal and Evaluation Guidance[9]. The assessment is also consistent with the latest Scottish Government's Draft Advice Note on Net Economic Benefit and Planning[4].

13.6.3 The socio-economic and tourism assessment has been undertaken in line with the advice note, presenting the baseline position in socio-economic terms and the predicted outcomes in both employment and gross value added (GVA) terms.

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

13.6.5 The assessment considers potential impacts across the construction and operational phases of the Proposed Development. The long-term impacts associated with the decommissioning phase of the Proposed Development are not assessed.

13.6.6 As there are no published standards or technical guidelines that set out a preferred methodology for assessing the likely socio-economic, recreation or tourism impacts of a project of this nature, professional judgement, with reference to commonly used methodologies and recognised approaches to quantifying economic impacts, is used to determine the significance criteria, as set out in **Table 13.2**.

Table 13.2: Significance Criteria

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

13.6.7 In assessing significance, consideration is given to the national and regional baseline situation. The magnitude of the effect is determined in proportion to the area of effect relevant to each receptor. For the purpose of the assessment, a Moderate or Major effect is deemed to be 'significant' in terms of the EIA Regulations. This is consistent with guidance set out by the Institute of Environmental Management and Assessment (IEMA)[10] and NatureScot[11].

13.6.8 In terms of socio-economic factors, potential effects would be significant if the Proposed Development resulted in fundamental or material changes in population, structure of the local community or local economic activity.

13.6.9 The effect of the Proposed Development on tourism and recreation is closely related to public attitudes on green energy technologies, however, a negative opinion does not necessarily result in a material change in recreational patterns. The relevant conclusions from the most recent studies are discussed later in this Chapter.

13.6.10 The impacts draw on information supplied by the Applicant and verified by MKA Economics. The calculation of effects are based on professional judgement, appraising them against other related developments and calculating them through the use of industry proxies.

13.7 Baseline Conditions

13.7.1 A desk-based review of publicly available information has been undertaken to identify the key characteristics of the local economy, existing land use and tourism and recreational facilities in the study area. The study area for the socio-economic baseline condition is deemed as the Highland area as statistics are available at this level and can be compared to the national (Scotland) level. Where available a review of socio-economic statistics for the Caithness and Sutherland UK Parliamentary Constituency are reviewed and presented. For recreation and

[10] Institute of Environmental Management and Assessment (2009) Environmental Impact Guide
[11] NatureScot (2018) Environmental Impact Assessment Handbook

tourism, the study area is more local, in terms of assessing some of the key tourism and recreational assets and activities which are in close proximity to the Proposed Development.

Socio-Economic Baseline

13.7.2 The headline socio-economic baseline findings are presented below. This is based on a review of datasets from the Office of National Statistics (ONS) as presented on Nomisweb[12]. The summary findings include:

- The population of Highland in mid 2021 was 238,060, the 7th largest of 32 Council areas in Scotland;
- Between 2001 and 2021 the Highland population increased by 13.9%, compared to a Scotland-wide increase of 8.2%;
- People aged 65 to 74 years in Highland increased by 57.3% in the 20 years between 2001 and 2021;
- People aged 75+ in Highland increased by 60.6% in the 20 years between 2001 and 2021;
- The Highland population is forecast to decrease by 1.0% over the period to 2043, compared to a predicted 2.5% growth nationally;
- Highland is expected to see a 78.3% increase in the number of people aged over 75 years in the period to 2043, compared to 70.6% nationally;
- 60.6% of the regional population is of working age, compared to 63.5% and 62.9% at the Scottish and Great Britain (GB) levels respectively;
- The region has a higher proportion of people who 'want a job' (27.4%) compared to the Scottish (16.5%) and the GB (17.3%) levels;
- Unemployment (August 2024) in Highland is lower (2.3%) than both the Scottish (3.4%) and the GB (4.3%) levels;
- Wages are lower in Highland, with a gross weekly pay of £664, compared to £703 at the Scottish level and £683 at the GB level;
- The region has a higher proportion of skilled trade; caring, leisure and service; process plant and machine operatives; and elementary occupations than the Scottish and GB levels;
- Regionally there are fewer people employed in professional, associate professional, technical, sales and customer service occupations than the national level;
- Highland was one of only six local authorises to witness a worsening deprivation level, and this continues to be a worrying trend for the Highlands. There are wards in Inverness which are in among the most deprived 5% in Scotland;
- Caithness and Sutherland has experienced high levels of population and working age population decline. It has one of the oldest age structures in Scotland with a dependency ratio of 69.4; and
- Claimant count unemployment rate of the Caithness, Sutherand and Ross Constituency was 3.6% in August 2024, this is higher than the regional and Scottish levels.

Local Economic and Tourism Baseline

13.7.3 An overview of the Highland tourism economy, drawn from the Scottish Government's Growth Sector Database[13], is summarised below:

- Sustainable tourism (which is one of the six growth sectors defined in the Scottish Government's Growth Sector Database) employed 18,000 people across the Highlands in 2022 and the sector generated £278 million in GVA in 2021. These figures are likely to have been adversely affected by the Covid-19 pandemic, with GVA still around 10% below that reported in 2019. The statistics for 2022 and 2023 are not available, however, it has been reported by third party sources that tourism continues to recover from the Covid-19 pandemic;

[12] https://www.nomisweb.co.uk/

[13] Scottish Government (2024) Growth Sector Database

- GVA generated by sustainable tourism in the Highlands was approximately 8.3% of the value added by the sustainable tourism sector in Scotland (£3.4 billion) and employment was 7.9% of total employment in the sustainable tourism sector (229,000). The tourism sector is relatively more important in Highland than on average in Scotland and the GVA per head is also higher at the Highland level (£18,558) compared to the Scottish level (£16,165);
- The tourism sector is an important employer in Highland as a whole. All of the largest tourist attractions, as reported by VisitScotland[14], in the Highlands are more than 100 miles from the Proposed Development. This includes Urquhart Castle and Loch Ness by Jacobite, which are the most popular attraction in the Highlands, both located on Loch Ness.
- The area immediately surrounding the Proposed Development is relatively distant from other population centres with only a small number of visitor attractions in proximity to the Proposed Development. These are either related to the heritage and history of the area (such as the Strathnaver Museum, 15 miles by road from Proposed Development, which focuses on the Highland Clearances), the natural environment (Forsinard Flows, 22 miles by road from the Proposed Development) or local farming practices, the environment and local history (Kirkton Farm Buggy Tours, 8 miles by road from the Proposed Development).
- The North Coast 500 (NC500) is a 516-mile scenic route around the north coast of Scotland, starting and ending at Inverness Castle. It is not a single road, but a series of existing roads that form a loop around the northern Highlands. The route was launched in 2015 and links many features in the north Highlands of Scotland in one touring route has driven an increase in visitor numbers in recent years. NC500 is an important driver of tourism in the local area, increasing its profile across Scotland, the UK and internationally. The stretch of the route in proximity to the Proposed Development is known for its coastal views as well as its mountainous scenery and the small, local villages.
- The majority of accommodation providers within 15 km of the Proposed Development are situated on the north coast in the settlements of Bettyhill, Strathy or Melvich. They are advertised based on their coastal views, setting and history, as well as their location on the NC500.
- The tourism sector near the Proposed Development is seasonal with many of the hotels closed over the winter months. Outdoor pursuits are a major driver for tourism activities, as well as being used by local residents.

Local Recreational Baseline

13.7.4 An overview of the local recreational assets is summarised below:

- The main access track to be used by the Proposed Development is featured within the guidebook 'Scottish Hill Tracks'. This is a joint publication between the Scottish Rights of Way and Access Society and The Scottish Mountaineering Trust. The track forms part of Scottish Hill Track 344 which passes between Strath Halladale (Trantlebeg) and Strathy.
- The A836 is part of Sustrans 'National Cycle Route' (NCR) 1 which connects Dover to John O'Groats and continues to the Orkney and Shetland Isles. It is 2,793 km long.
- The NC500, which is outlined above, passes through the village of Strathy which is four miles north of the Proposed Development.
- The River Strathy is a spate Salmon River which is fished as part of Bowside Fisheries based at Bowside Lodge. A number of tributaries feed into this river from some small lochans and it enters the Pentland Firth at Strathy Bay after 19 km.
- Estates within the vicinity of the Proposed Development are managed for sporting activities (mainly grouse shooting and deer stalking).

[14] Tourism in the Highlands, VisitScotland, 2019

13.8 Assessment of Likely Significant Effects

13.8.1 This part of the Chapter sets out the predicted socio-economic, recreation and tourism impacts arising from the construction and operation of the Proposed Development.

Socio-economic Effects

Construction Effects

13.8.2 In terms of capital expenditure, the Applicant and their technical advisers have estimated the total investment of the Proposed Development to be in the region of £145 million. Subject to the granting of the section 37 consent, the current estimate is for construction of the Proposed Development to commence in November 2025 and to run for 12 months. This is a large package of complex civil works, and the tender list would depend on the availability of suitable contractors and sub-contractors. It is difficult to accurately assess what value would benefit local, national and non-UK firms, however, SSEN Transmission has provided a breakdown on the anticipated level of staff resource that would be deployed over the 12 month construction period.

13.8.3 The Applicant has estimated that in total there would be a requirement for ten full time SSEN Transmission staff employed over the 12 month construction phase, up to 20 main contractor staff and up to 125 operatives, a total of 155 people, over 12 months. Approximately one third of these posts (51 people) would be employed for the one year construction programme, or 51 person years.

13.8.4 In terms of the GVA effect of this level of employment, the Scottish Annual Business Statistics[15] reports a GVA per head for the Civil Engineering sector in The Highland Council area as £75,185. This suggests a GVA impact of at least £3.8 million.

13.8.5 These should be seen as conservative estimates as they do not include multiplier effects, which would result from wider expenditure by businesses and workers linked to this activity. For example, the workers onsite are likely to stay locally and spend locally and this would bring a further added impact to the local area. This is unlikely to displace tourists, as part of the construction programme will take place outwith the main summer season. During the summer season the demand for accommodation may create unmet demand which will result in construction workers and tourists having to stay further afield as well as being offset by an increase in accommodation prices. Similarly, the jobs and GVA associated with the development of the Strathy Wood Wind Farm can indirectly be associated with the Proposed Development.

13.8.6 Construction is predicted to result in a temporary **Moderate Beneficial** (significant) effect on the economy in Highland (regional level), and a temporary **Minor Beneficial** (not significant) effect on the economy in Scotland (national level).

Operational Effects

13.8.7 In general, OHLs require very little maintenance. Regular inspections are undertaken to identify any unacceptable deterioration of components, so that they can be replaced. From time to time, inclement weather, storms or lightning can cause damage to either the insulators or the conductors on OHLs. If conductors are damaged, short sections may have to be replaced. During the operation of the Proposed Development, it may be necessary to manage vegetation to maintain required safety clearance distances from infrastructure. This work is periodic, so it would be very hard to say any of this would be sufficient to fully support and / or sustain additional employment from these activities; essentially, only ad hoc visits to local facilities and occasional accommodation nights. The Proposed Development is not expected to generate any full time employment onsite during its operation, as it will be controlled centrally from the Applicant's Perth headquarters. There is likely to be maintenance contracts but as a new investment these are not expected to be required in the initial period of operation. Therefore, there are no operational impacts to be presented in this assessment.

[15] Scottish Government (2022) Scottish Annual Business Statistics

13.8.8 It should be noted that the Proposed Development would unlock operational benefits outlined in the consented Strathy Wood Wind Farm Environmental Statement[16] which stated there would be 10 local jobs and 14 jobs across Scotland. The Proposed Development would therefore indirectly support these operational jobs.

13.8.9 The operation phase is predicted to result in a **Negligible** (not significant) effect on the economy in Highland (regional level), and a **Negligible** (not significant) effect on the economy in Scotland (national level).

Tourism and Recreation Effects

13.8.10 The baseline assessment outlined an overview of the recreational and tourism asset base. This includes a review of all the notable visitor attractions within the general vicinity of the Proposed Development.

13.8.11 All of the main tourist attractions as reported by VisitScotland[1] in the Highlands (Urquhart Castle, Glenfinnan Monument, Loch Ness by Jacobite, Glenmore Forest Park and Glencoe Visitor Centre) are more than 100 miles away and would not be affected by the Proposed Development. The area immediately surrounding the Proposed Development is relatively distant from other population centres with a small number of visitor attractions, as listed in paragraph 13.7.3. These local visitor attractions are not expected to be affected by the Proposed Development because it would not change the nature of the attractions.

13.8.12 In terms of recreation, one of the popular local recreational activities is fishing, such as that based at Bowside. However, subject to the application of construction best practice through a site-specific Construction Environmental Management Plan (CEMP) and SSEN Transmission's General Environmental Management Plans (GEMPs), there is not considered to be any pathway for direct or indirect effects on aquatic species including fish, as set out in **Chapter 7 - Ecology**.

13.8.13 The majority of accommodation providers within 15 miles of the Proposed Development are situated on the north coast in the settlements of Bettyhill, Strathy or Melvich. They are advertised based on their coastal views, setting and history, as well as their location on the NC500. These features would not be affected by the Proposed Development as it would be located inland to the south, with coastal views being to the north.

13.8.14 This stretch of the NC500 route in proximity to the Proposed Development is known for its coastal views as well as its mountainous scenery and the small, local villages. These factors would not change and so the attractiveness of the route is not expected to be affected by the Proposed Development.

13.8.15 Review of a recent study by BiGGAR Economics[17] found that there is no relationship between tourism employment and wind farm development, at the level of the Scottish economy, across local authority areas nor in the locality of wind farm sites. A similar study of the tourism effects of renewable development in Wales[18] backs up the evidence from Scottish research which concluded that wind farms and pylons / steel lattice towers have a limited impact on tourism. It did state that the evidence base for tourism impacts of associated infrastructure is far less developed than that for wind farms. The few studies which have addressed the subject have focused on visitors' opinions of pylons / steel lattice towers, which consistently found that reactions are more negative than toward wind turbines. However, there is no evidence that the existing National Grid infrastructure, which is concentrated in North and South Wales, often in popular scenic areas, discourages visitors. A more recent survey, carried out by polling company Survation for Aberdeen and Grampian Chamber of Commerce[19], shows net support by 57% of the Scottish population for new steel lattice towers to distribute clean energy across the country – with only 16% of people, less than one in five, opposed. When asked whether they would be more or less likely to support the rollout of new transmission infrastructure if there was

[16] Atmos Consulting (2019) Strathy Wood Wind Farm - Further Environmental Information
[17] BiGGAR Economics (2021) Wind Farms and Tourism Trends in Scotland
[18] Welsh Government (2014) Study into the Potential Economic Impact of Wind Farms and Associated Grid Infrastructure on the Welsh Tourism Sector
[19] Aberdeen and Grampian Chamber of Commerce (2024) Energy Voice Research into Pylons

community benefit offered to local residents through compensation, people support such a suggestion by a factor of five-to-one.

13.8.16 The Department for Energy Security and Net Zero's Public Attitudes Tracker[20] reported in July 2024 that 84% of people said they supported the use of renewable energy such as wind power, solar energy and biomass to provide electricity, fuel and heat. This has increased slightly from 82% in winter 2023 but remains below the autumn 2022 peak (88%).

13.8.17 The existing track to be used to access the Proposed Development during construction and operation forms part of Scottish Hill Track 344: Strath Halladale (Trantlebeg) to Strathy. This track would not need to be upgraded to accommodate the Proposed Development, as this is currently being upgraded for construction of the consented Strathy Wood and Strathy South wind farms. While recreational access could be disrupted by construction activity, any restrictions would be short term and temporary, as outlined in **Chapter 6 – Landscape and Visual.**

13.8.18 In line with criteria set out in **Table 13.2**, research and review suggest that there would be **Negligible** (not significant) impacts on the tourism and recreational sectors of Highland, Caithness and Sutherland, and the local area or recreational users and tourists, as a result of the construction and operation of the Proposed Development.

13.9 Cumulative Effects

13.9.1 This part of the Chapter provides an assessment of the potential cumulative effects with other consented and proposed developments (this includes elements not yet in the planning system associated with the Connagill Cluster Grid Connections) during construction and operation, in accordance with the effects criteria outlined in **Table 13.2**.

13.9.2 The following developments have been considered:

- Wind Farms
  - Strathy Wood Wind Farm (consented) (62.4 MW)
  - Strathy South Wind Farm (consented) (208 MW);
  - Melvich Wind Energy Hub (including on-site substation) (proposed) (57.6 MW and 42 MW of battery storage); and
  - Kirkton Energy Park (including on-site substation) (proposed) (52.8 MW plus 20 MW of battery storage).
- Grid Infrastructure
  - Strathy South Wind Farm 'Southern Section' Grid Connection;
  - Strathy South Wind Farm 'Northern Section' Grid Connection (Proposed or Alternative Alignment) (scoping);
  - Melvich Wind Energy Hub Grid Connection (pre-scoping);
  - Kirkton Energy Park Grid Connection (pre-scoping); and
  - Strathy Switching Station (pre-scoping).

Socio-economic Cumulative Effects

13.9.3 The cumulative effects of the construction phase of the Proposed Development along with those sites listed above that are yet to be constructed, would generate additional construction related spend, employment and GVA. It should be noted that there would be an element of displacement, as outlined in the effects assessment

[20] Department for Energy Security and Net Zero (2024) Public Attitudes Tracker

(Section 13.8), where there would be competition for labour at various stage of the Proposed Development. However, this is expected to be minimal, with most jobs being genuinely new to the area.

13.9.4 The addition of the Proposed Development would positively contribute to this and could result in increased beneficial effects in terms of job creation and opportunities for local businesses. As such, construction of the Proposed Development is predicted to result in a temporary **Moderate Beneficial** (significant) cumulative effect on the economy in Highland (regional level), and a **Minor Beneficial** (not significant) cumulative effect on the economy in Scotland (national level).

13.9.5 The cumulative effects of the operational phase of the Proposed Development along with cumulative sites as listed above, would generate additional operation related spend, employment and GVA. As such, the operational phase is predicted to result in a **Minor Beneficial** (not significant) cumulative effect on the economy in Highland (regional level), and a temporary **Minor Beneficial** (not significant) cumulative effect on the economy in Scotland (national level).

Tourism and Recreation Cumulative Effects

13.9.6 Both construction and operational activity is predicted to result in a **Negligible** (not significant) cumulative effect on the tourism and recreational sectors in Highland (regional level), and a **Negligible** (not significant) cumulative effect on the tourism and recreational sectors in Scotland (national level).

13.10 Mitigation

13.10.1 This assessment demonstrates that there are beneficial socio-economic effects across the construction and operational phases of the Proposed Development. For example, the local economy would be supported by the Proposed Development through direct and indirect employment and expenditure opportunities. Similarly, the tourism economy will benefit from the influx of temporary construction workers during the construction period.

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

13.10.3 Where there are short term and temporal effects as a result of the construction of the Proposed Development on tourism and recreational receptors, measures present in an Outdoor Access Management Plan would be implemented by the appointed Principal Contractor (see **Appendix 11.2: Draft Outdoor Access Management Plan**) which would set out how existing public access would be managed during the construction of the Proposed Development.

13.10.4 The Applicant would engage with the local community and the estate to keep them informed of the timing of construction activity and to minimise the disruption to the local community, where possible, during the construction of the Proposed Development.

13.10.5 In addition, SSEN Transmission recently launched a new Community Benefit Fund in September 2024[21]. Starting from 1 September 2024, eligible organisations in the north of Scotland will be able to apply for an initial £2m, which is part of SSEN Transmission's opening £10m Community Benefit Fund. This initial funding aims to kickstart impactful projects or initiatives that will bring meaningful benefits to communities.

13.10.6 In terms of mitigating impacts on fish in the River Strathy, as outlined in **Chapter 7 – Ecology** and **Chapter 9 - Geology, Soils and Water Environment,** the application of SSEN's GEMPs and site-specific CEMP will prevent damage to the environment during construction activities, including those elements near to

[21] https://www.ssen-transmission.co.uk/information-centre/Community-Benefit-Fund/

watercourses, and will be adhered to throughout construction. As such, no surface water pollution to any watercourse is anticipated and there is not considered to be any pathway for direct or indirect effects on aquatic species including fish.

13.11 Residual Effects

Socio-economic Residual Effects

Construction

13.11.1 No specific mitigation measures are proposed in relation to potential socio-economics effects during the construction phase of the Proposed Development due to no significant adverse effects being assessed. The predicted residual socio-economic effect in relation to construction activities therefore remains the same as reported in paragraph 13.8.6, deemed to be temporary **Moderate Beneficial** (significant) at the regional level and temporary **Minor Beneficial** (not significant) at the national level.

Operation

13.11.2 No specific mitigation measures are proposed in relation to potential socio-economics effects during the operation phase of the Proposed Development due to no significant adverse effects being assessed. However, there is the opportunity for local community groups to apply for funding through SSEN Transmission's new Community Benefit Fund. The predicted residual socio-economic effect in relation to operational activities therefore remain the same as reported in paragraph 13.8.9, deemed to be **Negligible** (not significant) at both the regional and the national level.

Tourism and Recreation Residual Effects

Construction

13.11.3 No significant effects are predicted on tourism and recreation receptors during construction of the Proposed Development. Nevertheless, details to safeguard and manage existing public access have been identified in the form of an Outdoor Access Management Plan. As such, the residual construction effects of the Proposed Development on tourism and recreation receptors remain as reported in paragraph 13.8.18, deemed to be **Negligible** (not significant).

Operation

13.11.4 No significant effects are predicted on any tourism or recreation receptors during the operational phase of the Proposed Development. As such, the residual operational effects of the Proposed Development on tourism and recreation receptors remain the same as reported in paragraph 13.8.18, deemed to be **Negligible** (not significant).

Cumulative Residual Effects

13.11.5 There are potential beneficial effects in relation to the construction and operation of the Proposed Development, both in employment and GVA terms in the context of local and national economies, in the context of the cumulative sites and as such, no specific mitigation measures are proposed. The predicted residual cumulative effect in relation to socio-economic activities in the regional and national levels, therefore, remain as reported in paragraph 13.9.4 to 13.9.5, which are deemed to be **Moderate Beneficial (significant)** at the regional level and **Minor Beneficial** (not significant) at the national level during construction and **Minor Beneficial** (not significant) at both the regional and the national level during operation.

13.11.6 The predicted cumulative residual effect in relation to construction and operational activities on tourism and recreational receptors are the same as reported in paragraph 13.9.6, which are deemed to be **Negligible** (not significant) at both the regional and the national level.

Wider Effects

13.11.7 In addition to the stated economic opportunities at the construction and operational phases, there is also a variety of wider economic impacts which are excluded from the construction and operational economic impact assessment. The wider economic impacts which should also be noted as having positive effects on the regional and national economies include:

- **Supporting policy objectives**: The Proposed Development can play an important role in supporting regional and national policy objectives. Importantly the Proposed Development can support the ambitions set out in the national and regional economic strategies, as set out in Section 13.5, notably a new and significant capital investment, whilst supporting the area's green credentials, supporting local business through supply chain opportunities and thereby creating jobs and offering skills development. Furthermore, it will do so over the lifetime of the Proposed Development, providing a role in supporting the drive for high value sector growth, increasing wages and reducing the migration of young people.
- **Local supply chain opportunities:** although economic multiplier effects have been included in the economic assessment it is worth noting the wide range and scale of potential 'ripple effects' notably around the expenditure of workers who visit the local area who will benefit the accommodation and food service sector. The wider 'knock-on' impacts can in turn support the supply chain of other activities such as the spending habits of retail operations and accommodation providers.
- **Pre-development effects:** these have not been assessed in this Chapter but considerable pre-development costs have been borne by the Applicant and have benefitted local and national firms. Pre-development activities include; technical consultancy and technical testing and analysis, legal and accounting activities and project management including management consultancy activities and civil engineering. Additional impacts related to accommodation of technical staff and their local spending habits can also be claimed as a pre-development effect.
- **Income effects**: the economic analysis has focused on the GVA impact of generated employment as this is the 'real' impact on the economy. However, it is worth noting that new employment will generate additional wages and salaries, much of which will be spent in the UK.
- **Exchequer impacts:** the analysis has not attempted to estimate the additional exchequer impacts as a result of taxes borne (Corporation Tax, Employer National Insurance and Irrecoverable VAT) and taxes collected (Income Tax, Employee National Insurance and non-domestic business rates). These are additional financial benefits which will support the regional and national economies.
- **Perception benefits**: the employment, economic and financial impacts are enhanced through wider strategic impacts associated with strengthening the perception of the area as a place to live, work, visit and invest.

13.12 Summary and Conclusions

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

13.12.2 Construction of the Proposed Development, which is expected to commence in November 2025 for twelve months at a cost of £145 million. The following effects are predicted:

- Supporting 51 person years of employment over the 12 month construction; programme, providing a GVA injection of £3.8 million to the local economy;
- Further local benefits from workers staying and spending locally during the construction programme;
- Supporting existing operational employment at the SSEN Transmission headquarters in Perth as well as other regional offices in Inverness and Wick; and
- Facilitating the delivery of the predicted economic impacts (jobs and GVA) of Strathy Wood Wind Farm (and eventually Strathy South Wind Farm).

13.12.3 In addition, there would be potential community benefits through the Applicant being a responsible developer, where requests for local goodwill funding would be considered through the SSEN Transmission Community Benefit Fund.

13.12.4 The assessment demonstrates that there are beneficial socio-economic effects across the construction and operational phases of the Proposed Development. For example, the local economy would be supported by the Proposed Development through direct and indirect employment and expenditure opportunities. As no specific mitigation measures are proposed in relation to potential socio-economics effects during the construction or operational phase, the residual construction (temporary) effects of the Proposed Development on the economy are deemed to be **Moderate Beneficial** (significant) at the regional level and **Minor Beneficial** (not significant) at the national level. The residual operational effects of the Proposed Development on the economy are deemed to be **Negligible** (not significant) at both the regional level and at the national level.

13.12.5 The main benefits will be associated with the construction phase, as the Proposed Development is not expected to generate any direct full-time employment onsite during its operation. There would however be regular ad hoc maintenance, as required.

13.12.6 The residual construction and operational effects of the Proposed Development on tourism and recreational receptors are deemed to be **Negligible** (not significant).

13.12.7 There are potential beneficial effects in relation to the construction and operation phases of the Proposed Development, both in employment and GVA terms in the context of local and national economies, in the context of the cumulative sites. In terms of socio-economic effects, the predicted residual cumulative effect in relation to socio-economic activities during construction are deemed to be temporary **Moderate Beneficial** (significant) on the economy in Highland (regional level), and a temporary **Minor Beneficial** (not significant) cumulative effect on the economy in Scotland (national level). The operational phase it is predicted to result in **Minor Beneficial** (not significant) cumulative effect on the economy in Highland (regional) and on the economy in Scotland (national). The predicted cumulative residual effect in relation to construction and operational activities on tourism and recreational receptors are deemed to be **Negligible** (not significant).

13.13 References

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