

**Fanellan Hub 400kV Substation and  
Converter Station**

**Environmental Impact Assessment Report**

**Volume 2 | EIA Report**

**Chapter 16: Socio-Economics, Tourism and  
Recreation**

**February 2025**



## CONTENTS

<b>16.</b>	<b>SOCIO-ECONOMICS, TOURISM AND RECREATION</b>	<b>16-2</b>
16.1	Introduction	16-2
16.2	Socio-economic assessment context	16-2
16.3	Legislation, Policy and Guidance	16-3
16.4	Methodology	16-8
16.5	Defining Impact Areas for the Assessment	16-8
16.6	Input-Output Modelling	16-9
16.7	Economic Impacts during the Construction Phase	16-9
16.8	Economic Impacts during the Operational Phase	16-9
16.9	Impacts on Tourism and Recreation	16-10
16.10	Consultations	16-12
16.11	Baseline Findings	16-12
16.12	Tourism	16-22
16.13	Recreation	16-27
16.14	Assessment of Potential Effects	16-28
16.15	Operational Impacts	16-34
16.16	Cumulative Effects	16-34
16.17	Community Wealth Building opportunities	16-35
16.18	Conclusions	16-36

## OTHER VOLUMES

**Volume 1 – Non-Technical Summary**

**Volume 3 – Figures**

**Volume 4 – Technical Appendices**

**Volume 5 – Confidential Appendices**

## 16. SOCIO-ECONOMICS, TOURISM AND RECREATION

### 16.1 Introduction

16.1.1 This chapter assesses the impacts of the Proposed Development - a new 400kV substation and High Voltage Direct Current (HVDC) converter station to be located at a single site at Fanellan, near Inverness within The Highland Council Local Authority area on socio-economics, tourism and recreation. The report assesses the impact of the 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 Gross Value Added (GVA) impacts (based solely on the construction phase), it also assesses potential effects on tourism and recreational activities, recognising their importance to communities and the economy of the north of Scotland.

16.1.2 This chapter also covers the socio-economic impact of the Associated Development (the proposed 400kV Beauly Denny OHL diversion) and the Black Bridge replacement works which are required to facilitate construction of the Proposed Development.

### 16.2 Socio-economic assessment context

16.2.1 The Proposed Development is part of a significant **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 socio-economic impacts (both project-level and cumulative) and enable early identification of opportunities for Community Wealth Building (see section 16.17).

16.2.2 The Highland Council have highlighted - in their Environmental Impact Assessment Scoping Response 2402655SCOP (6 August 2024) - that a socio-economic assessment is required to identify impacts and those who may be affected by the development, in all or in part.

16.2.3 The Scoping Response highlights potential impacts on groupings such as **tourists and tourist-related** businesses, recreational groups, attractions and events, such as Belladrum - Tartan Heart Festival and other local sporting interests or events. This is in addition to the socio-economic assessment of employment and economic activity impacts associated with the procurement, construction and operation of the development, setting out the impact on the local (Highland Council) and regional (Scotland) economy, as well as national (UK) impact.

16.2.4 In undertaking the socio-economic assessment, the following documents (provided by SSEN Transmission) have been used as key references for the socio-economic assessment. Additionally, information and resources from the SSEN Transmission projects website have also been incorporated.

**Table 16-1: Received documents**

Received document reference	Date	Document name
1.	05/11/2024	Fanellan DF2D Layout
2.	14/11/2023	23_04003 Beauly Response Pack – THC Pre-application meeting advice
3.	13/03/2024	2304003PREMAJ Design Workshop Note – THC Pre-application meeting advice
4.	06/08/2024	2402655SCOP THC Scoping Response
5.	26/07/2024	Black Bridge Map (1 & 2) (Early Stage Plan)

Received document reference	Date	Document name
6.	01/06 2024	Fanellan – EIA Scoping Report
7.	26/07/2024	Land take for black bridge replacement map (Early Stage Plan)
8.	24/07/2024	Black bridge – Options report (Early Stage Plan) Rev 2
9.	20/08/2024	Site location plan
10.	06/06/2024	Consultation document

### 16.3 Legislation, Policy and Guidance

- 16.3.1 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.
- 16.3.2 Key documents such as **Scotland’s Green Industrial Strategy** emphasise 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.
- 16.3.3 **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, which are important economic sectors in the Highlands.
- 16.3.4 **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.
- 16.3.5 **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.
- 16.3.6 **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.
- 16.3.7 **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 Proposed Development's role in enhancing grid capacity and supporting the transition to clean energy.

**The Highland-Wide Local Development Plan** sets out a vision for land use and development in the region, 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.

- 16.3.8 **The Action Plan for Economic Development in the Highlands** 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.
- 16.3.9 **The Highland Renewable Energy Strategy (HRES) and Planning Guidance** identifies the capacity for renewable energy targets in the Highlands and provides locational guidance to support economic development.
- 16.3.10 **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
- 16.3.11 **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.
- 16.3.12 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 substation development, ensuring alignment with broader strategic goals and local priorities. Specific relevant guidance is detailed in Table 16-2 and further policy descriptors in **Volume 4; Appendix 16.1 Socio Economic Policy Review**.

**Table 16-2: Legislation, Policy and Guidance Review**

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>
	Community	<p><i>"We believe that access to greenspace, nature and other leisure activities positively enhances our lives and health."</i></p> <p>Access to green and blue spaces is a critical outcome within the NPF. The Proposed Development should ensure that it enhances community well-being by maintaining or improving access to local recreational areas. Engaging with local communities during the planning process will ensure that their needs and concerns are addressed, fostering a sense of ownership and inclusivity. This alignment with community access goals can help strengthen social cohesion and promote active lifestyles.</p>
Scotland's National Strategy for Economic Transformation	Green Economic Recovery	<p>"We will align our economic recovery with our climate and nature targets".</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>"Supporting a just transition to a low-carbon economy".</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>

Strategy	Strategy element	Relevant guidance
	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> <p><b>Any Proposed Development should minimise greenhouse gas emissions</b> throughout their lifecycle, adapt to current and future climate risks, and prioritise retrofitting existing developments to reduce emissions and support climate adaptation.</p>
	Policy 3: Biodiversity	<p><i>“To protect biodiversity, reverse biodiversity loss, deliver positive effects from development and strengthen nature networks.”</i></p> <p><b>Development proposals should enhance biodiversity</b> 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><b>Development proposals for renewable, low-carbon, and zero-emissions technologies will be supported</b>, 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>
	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><b>Development proposals that align with local or regional community wealth-building strategies</b> 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 30: 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><b>Proposed Developments should avoid negatively affecting communities</b>, 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>

Strategy	Strategy element	Relevant guidance
Draft Energy Strategy and Just Transition Plan	Job creation	<b>Promote job creation in the renewable energy sector</b> , especially in offshore wind, hydrogen, and energy efficiency projects.
	Community benefits	<b>Ensure local communities benefit from energy developments</b> through community ownership schemes and local investment.
	Economic growth	<b>Drive economic growth</b> , 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	<b>Ensure the workforce has the necessary skills</b> ; 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	<b>Improve tourism-related training</b> 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 <b>infrastructure required to support the growth</b> 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, <b>including job creation and Gross Value Added (GVA) contributions</b> , particularly in the North of Scotland.
	Community and Environmental Benefits	The statement of intent emphasises minimising community and environmental impacts while <b>maximising local socio-economic benefits</b> , such as job creation and supply chain opportunities

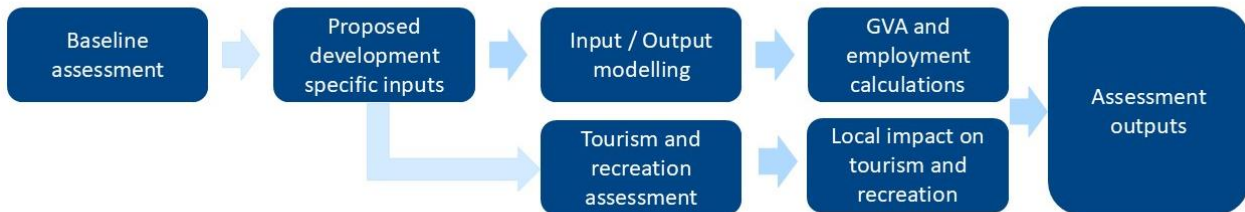


## 16.4 Methodology

16.4.1 The methodology for assessing socio-economic impact is used in relation to both the construction and operational phase of the Proposed Development.

- It begins with a comprehensive **Assessment of Existing Socio-economic Conditions**, establishing the current socio-economic conditions in the area.
- Following this, **Proposed Development Specific Inputs** — such as **footprint, worker strategy, 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 (Gross Value Added) 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 16-1: Socio-economic impact assessment methodology**



## 16.5 Defining Impact Areas for the Assessment

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

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

- **Local (Highland Council):** This scale focuses on the immediate context of the development, providing insights into the impacts on local communities and economies within the Highland Council region.
- **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, 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.

16.5.3 In addition to these broader geographical scales, more detailed **baseline data** is used at the **Data Zone<sup>1</sup>** level. This granular data allows for a more focused assessment of localised impacts, considering the unique characteristics and

<sup>1</sup> 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).

socio-economic dynamics of this specific area. It is at this level that the induced benefits —such as spending by workers and contractors— are expected to occur, further stimulating economic activity within the local area.

- 16.5.4 **Tourism and Recreation:** For the assessment of tourism and recreation, the study area is more site-specific. This includes the land within the boundaries of the Proposed Development and associated works, as well as immediately adjacent areas where direct effects, such as visual impacts, might be experienced. The study also considers a wider area extending up to 5km from the centre of the Proposed Development, to account for any indirect effects on tourism assets or recreational activities within the broader vicinity.

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.

## 16.6 Input-Output Modelling

- 16.6.1 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.

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

## 16.7 Economic Impacts during the Construction Phase

- 16.7.1 The economic impacts during the construction phase are measured in terms of employment and Gross Value Added (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 supported through supply chain spending and worker spending.
- **Estimating GVA:** Data on Capital Expenditure (CAPEX) provided by project managers, 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.

## 16.8 Economic Impacts during the Operational Phase

- 16.8.1 The economic impacts during the operational phase are assessed based on the ongoing operational expenditure (OPEX) of the project and its long-term effects. OPEX is modelled using average annual operational costs, with turnover-to-GVA

and employment ratios applied to estimate the direct economic effects. Multipliers are then used to determine indirect and induced impacts.

16.8.2 **Net Present Value (NPV) Impact:** To evaluate the long-term economic impact of operational expenditure, the effects are adjusted to their net present value (NPV) using a 3.5% discount rate, following the UK Government's Green Book guidelines.

## 16.9 Impacts on Tourism and Recreation

16.9.1 The assessment of the Proposed Development's impacts on tourism and recreation focuses on key tourism and recreational assets in the surrounding area. Given the absence of specific guidelines for substation 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.

### *Sensitivity of Receptors*

16.9.2 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 16-3 outlines how the sensitivity of tourism and recreational receptors are categorised.

**Table 16-3: Sensitivity of Receptors**

Sensitivity of Receptor	Definition
High	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Medium	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Low	<ul style="list-style-type: none"> <li>• The asset can tolerate <b>change with minimal impact on its character</b> and has <b>low tourism/recreational value</b>. It may be of local importance with multiple alternatives available. Example: areas near existing infrastructure or industrial sites.</li> </ul>
Negligible	The asset is highly resilient to change and has <b>little to no tourism/recreational value</b> .

### Magnitude of Effect

16.9.3 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 16-4.

**Table 16-4: Magnitude of Effect**

Magnitude of Effect	Description
High	<ul style="list-style-type: none"> <li>A <b>major loss or improvement to key features</b> 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.</li> </ul>
Medium	<ul style="list-style-type: none"> <li>A <b>material change to key elements of the baseline condition</b>, altering the character of the asset but not fundamentally. Example: moderate changes in tourism spend or improvement in recreational opportunities.</li> </ul>
Low	<ul style="list-style-type: none"> <li>Changes are detectable but do <b>not significantly alter the baseline</b>. Example: small changes to tourism spend or recreational value.</li> </ul>
Negligible	Changes are <b>barely distinguishable</b> from baseline conditions and approximate a "no change" situation.

### Significance of effect

16.9.4 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 16-5 guides this process.

**Table 16-5: 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.

- 16.9.5 It is 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.
- 16.9.6 To support this assessment, geospatial mapping has been used to identify key tourism and recreational receptors. The mapping estimates the value of these assets to the local and regional economy, helping assess their potential sensitivity to the Proposed Development.
- 16.9.7 The assessment process outlined 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.

## 16.10 Consultations

- 16.10.1 Consultations with key stakeholders, including project developers and contractors, 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 contracted developers and project managers to gather CAPEX data and worker strategy details. It is important to note that there has not been direct consultation with local authorities or tourism stakeholders; instead, the analysis has relied on previous consultation documents (see Table 16-1) and existing data. The objectives of these consultations are as follows:
- Validate Expenditure Data: Confirm the accuracy of DEVEX, CAPEX, and OPEX data.
  - Understand Contracting Practices: Gain insights into the location and sectoral distribution of contractors.
  - 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.

## 16.11 Baseline Findings

### *Socio-economics*

- 16.11.1 This section provides an overview of the socio-economic characteristics of the Proposed Development study areas and the Inverness West Rural – 09 Data Zone (set out in section 16.5), where data is available. This section explores a range of indicators that are particularly relevant to the selected receptors. The indicators are as follows:
- Population
  - Economic activity
  - Employment
  - Supply chain capacity and capability
  - Qualifications
  - Earnings
  - GVA
  - Deprivation
  - Land use
  - Housing

Population

16.11.2 The Highland Council Area is a mainly rural region in the north of Scotland covering an area of around 26,484km<sup>22</sup> and has a population of 238,060 (as of June 2021)<sup>3</sup>. The Highland Council had the 7<sup>th</sup> highest population, in 2021, of all 32 council areas in Scotland. The main settlements within the Highland Council area includes Inverness, Fort William and Nairn which have populations of approximately 46,960, 10,500 and 10,100 respectively and the area is divided into eight city and local committees which are recognised by the Council.

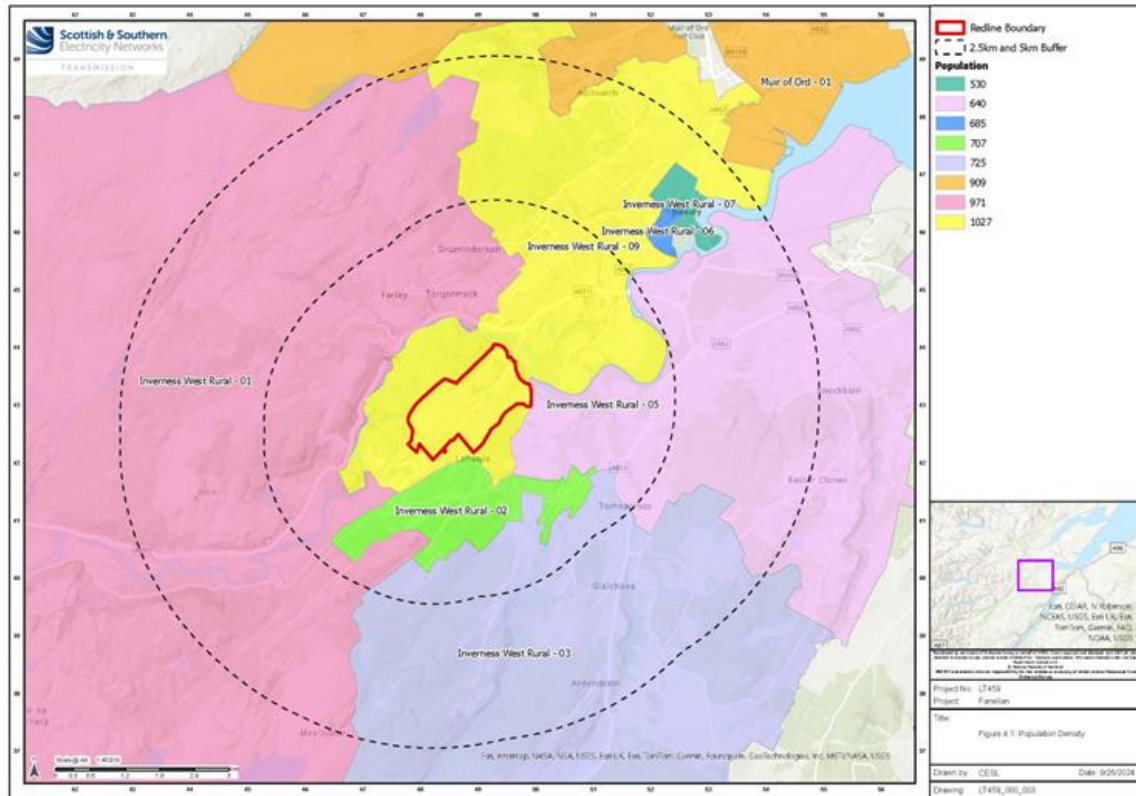


Figure 16-2: Population Structure by Study Area

16.11.3 Data collected from the National Records of Scotland (NRS) and Office for National Statistics (ONS) shows that, in 2021, Inverness West Rural – 09 Data Zone had a population of 1,027 and just over half (56%) of the residents were of working age. This percentage is slightly lower compared to the working-age population in 2022 for the Highland Council Area (60%), Scotland (63%), and the UK (63%).

16.11.4 Additionally, in 2021, 28% of the population in the Data Zone were aged 65 and over. This is significantly higher than the figures for the Highland Council Area (24%), Scotland (20%), and the UK (19%) in 2022. These figures indicate an aging population and a high elderly dependency ratio in the area surrounding the substation, compared to the wider Highlands, Scotland, and the UK.

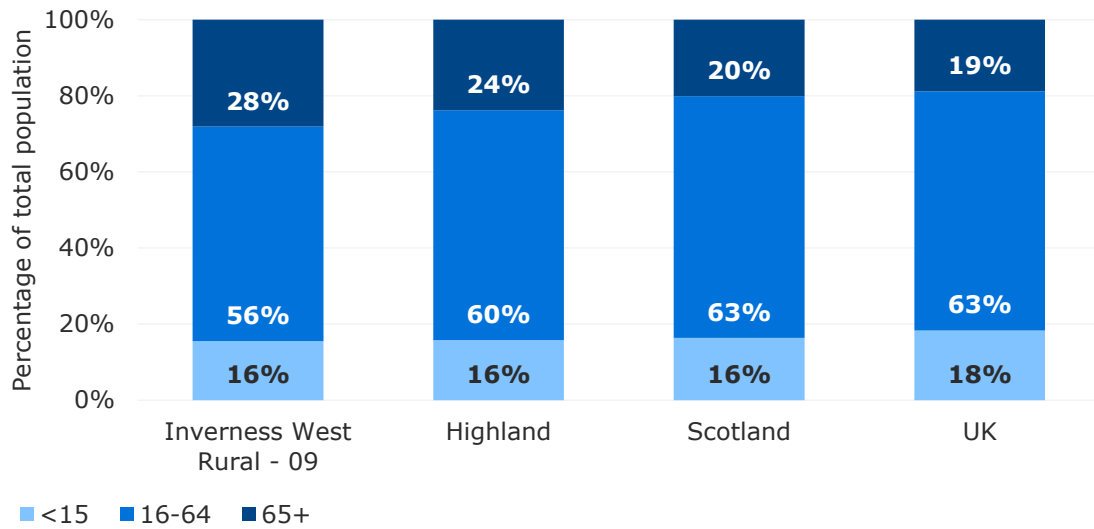
16.11.5 There is considerable outward migration of the under-24's in the Highland area, and by 2026 the 16-24 population is expected to decrease by 7.1% from the 2016 figure<sup>4</sup>. The 16-24 age-group is an important

<sup>2</sup> Highland Council (2022) Highland Council  
[https://www.highland.gov.uk/info/695/council\\_information\\_performance\\_and\\_statistics/165/highland\\_profile\\_-\\_key\\_facts\\_and\\_figures](https://www.highland.gov.uk/info/695/council_information_performance_and_statistics/165/highland_profile_-_key_facts_and_figures) [Accessed 23/08/2024]

<sup>3</sup> National Records of Scotland (2022) Highland Council Area Profile [Highland Council Area Profile \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk) [Accessed 23/08/2024]

<sup>4</sup> National Records of Scotland (2019) available at: [https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/highland-council-profile.html#population\\_projections](https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/highland-council-profile.html#population_projections) [accessed 30/08/2024]

segment of the population for future economic stability and growth, with continued outward migration of young people from the Highland region presenting a risk to the future of economic prosperity for the region.



**Figure 16-3: Population Structure by Study Area (NRS, 2022 and ONS, 2022)**

*Economic activity*

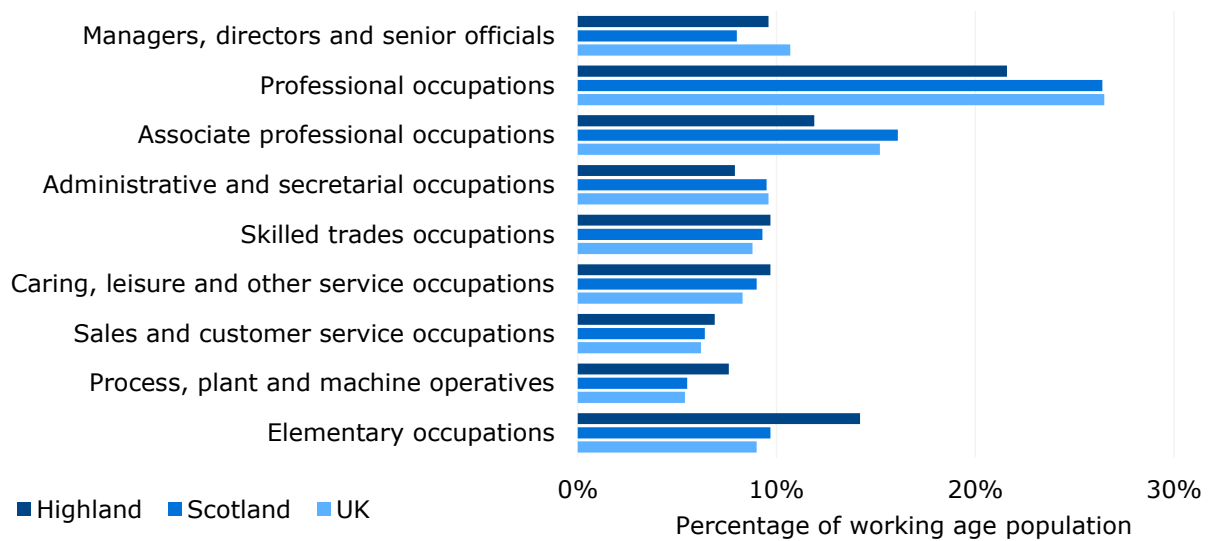
16.11.6 Data obtained from the Annual Population Survey (APS, 2024) indicates that in the year to March 2024, the Highland Council Area experienced a similar rate of economic activity to Scotland and the UK. However, during this period, the unemployment rate in Scotland and the UK was 4% while it remained 0% in the Highland Council Area. Despite this low unemployment rate, 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 16-6: Economic Activity, April 2023-March 2024 (APS)**

	Highland	Scotland	UK
Economic activity rate - aged 16-64	79%	77%	79%
Employment rate - aged 16-64	77%	74%	75%
% aged 16-64 who are employees	68%	66%	66%
% aged 16-64 who are self employed	8%	8%	9%
Unemployment rate - aged 16-64	0%	4%	4%
Unemployment rate - aged 16+	0%	4%	4%
% who are economically inactive - aged 16-64	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%

16.11.7 Professional occupations were most prevalent in the Highland Council Area between April 2023 and March 2024 (APS), followed by elementary occupations and associate professional occupations. 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 accounts 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 16-6: Occupations, April 2023-March 2024 (APS)**

*Employment*

- 16.11.8 To understand the economic landscape of the area surrounding the Proposed Development, we can examine the key industries within the Inverness West Rural - 09 Data Zone. Data collected from the Business Register and Employment Survey (BRES, 2023) reveals that, in 2022, the Data Zone’s largest industry was Construction, accounting for 70% of employment. In the Highland Council Area, Scotland and UK, the construction industry employed 7%, 6% and 5%, of the respective areas’ total workforce.
- 16.11.9 This suggests that construction is a dominant industry in the area surrounding the Proposed Development, which could indicate that the Highland Council Area, and especially the Inverness West Rural – 09 Data Zone, has a comparative advantage over both Scotland<sup>5</sup> and the UK in construction-related activities<sup>5</sup>.
- 16.11.10 The dominance of the Construction industry in the area immediately surrounding the substation is clear, especially when compared to the wider local Highland Council area, Scotland, and UK, where the leading sector accounts for 16%, 15% and 13% of employment, respectively. This highlights the lack of industry diversification in the Data Zone compared to the Local, Regional and National study areas. Table 5-2 illustrates the concentrated employment trend, showing that the smallest study area (Data Zone) has 0% employment in 11 of the 18 industries which employ the UKs workforce.
- 16.11.11 The next largest sector was Accommodation and Food Services, which makes up 8% of employment and is likely reflective of the Highlands’ sizeable leisure and tourism sector.
- 16.11.12 Tourism is an important component of the Scottish Economy and a significant source of employment across the country<sup>6</sup>. 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 activities<sup>7</sup>. This makes tourism a flexible industry with a low barrier to entry, and employability

<sup>5</sup> Comparative Advantage: an economy’s ability to produce a particular good or service at a lower opportunity cost than its trading partners.

<sup>6</sup> 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/resources/consultation-papers/collections/documents/Foreword-from-the-Chair-of-the-Tourism-Leadership-Group-Tourism-in-Scotland-the-economic-contribution-of-the-sector.pdf)

<sup>7</sup> 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/)



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.

16.11.13 Using 14 identified Standard Industry Classification (SIC) codes for the tourism sector, as recommended by VisitScotland<sup>8</sup>, employment data was obtained from BRES (2022). This data reveals that the tourism sector accounted for **20 jobs** in the Inverness West Rural – 09 Data Zone in 2022, evenly distributed across restaurant and mobile food service activities, and beverage serving activities.

16.11.14 In the Highland Council Area, the sector supported 17,000 jobs, and across Scotland, tourism accounted for 228,000 jobs. This translates to the tourism sector representing 8%, 13%, and 9% of employment in the Inverness West Rural – 09 Data Zone, 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 GDP.<sup>5</sup>

**Table 16-7: Employment, 2022 (BRES)**

Industry	Data Zone	Highland	Scotland	UK
Agriculture, forestry & fishing	0.0%	11.0%	3.4%	1.7%
Mining, quarrying & utilities	0.0%	2.8%	2.4%	1.2%
Manufacturing	4.0%	4.7%	6.6%	7.5%
Construction	70.0%	7.1%	5.6%	5.0%
Motor trades	0.0%	2.0%	1.7%	1.8%
Wholesale	0.0%	2.0%	2.4%	3.6%
Retail	4.0%	9.4%	8.7%	8.5%
Transport & storage (inc postal)	0.0%	3.9%	4.0%	4.9%
Accommodation & food services	8.0%	11.8%	8.2%	7.9%
Information & communication	0.0%	2%	3.10%	4.40%
Financial & insurance	0.0%	0.70%	3.20%	3.20%
Property	0.0%	1.20%	1.30%	1.90%
Professional, scientific & technical	4.0%	4.70%	7.40%	9.00%
Business administration & support services	6.0%	4.70%	7.80%	8.80%
Public administration & defence	0.0%	4.70%	6.20%	4.50%
Education	0.0%	7.10%	8.40%	8.30%
Health	2.0%	15.70%	15%	13.20%
Arts, entertainment, recreation & other services	0.0%	4.70%	4.60%	4.4%

#### *Supply chain capacity and capability*

16.11.15 Given the Inverness West Rural – 09 Data Zone's high concentration of construction employment, the Proposed Development could benefit the local economy. The construction phase is likely to create supply chain opportunities across sectors, boosting local businesses, supporting employment, and potentially leading to job creation. However, this positive impact hinges on the availability of necessary construction and maintenance

<sup>8</sup>

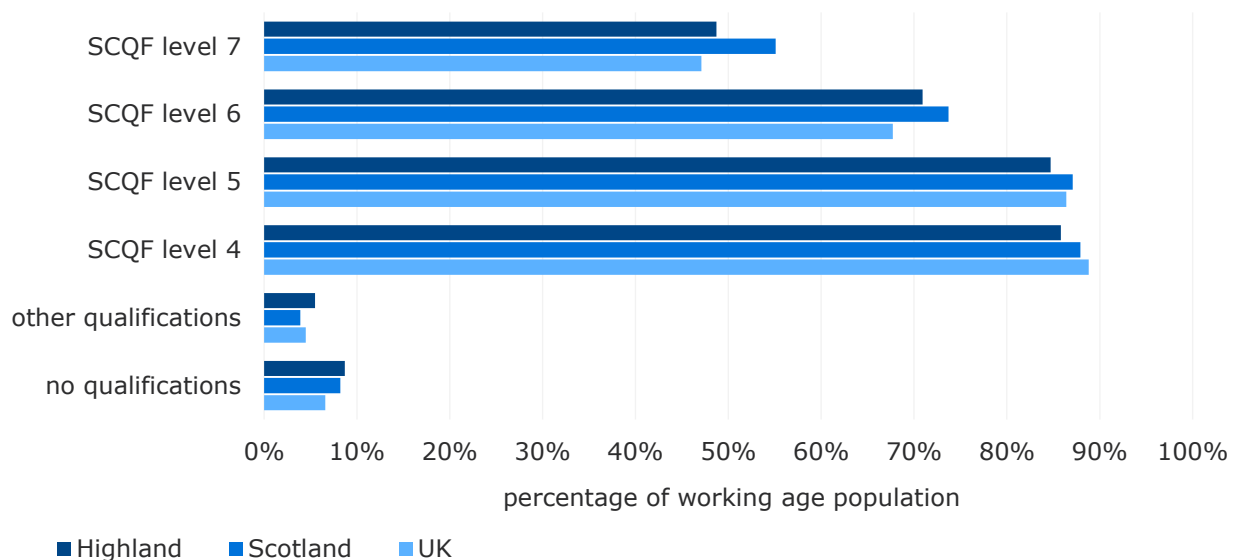
VisitScotland (2024). 'TOURISM EMPLOYMENT IN SCOTLAND', available at: [Tourism Employment in Scotland - Statistics |](#)

[VisitScotland.org](#)

skills within the local workforce. If these skills can be sourced locally, the economic benefits could be substantial, fostering growth and stability in the community.

*Qualifications*

16.11.16 In 2023, the proportion of the working-age population with at least an SCQF level 7 qualification (equivalent to an Advanced 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.



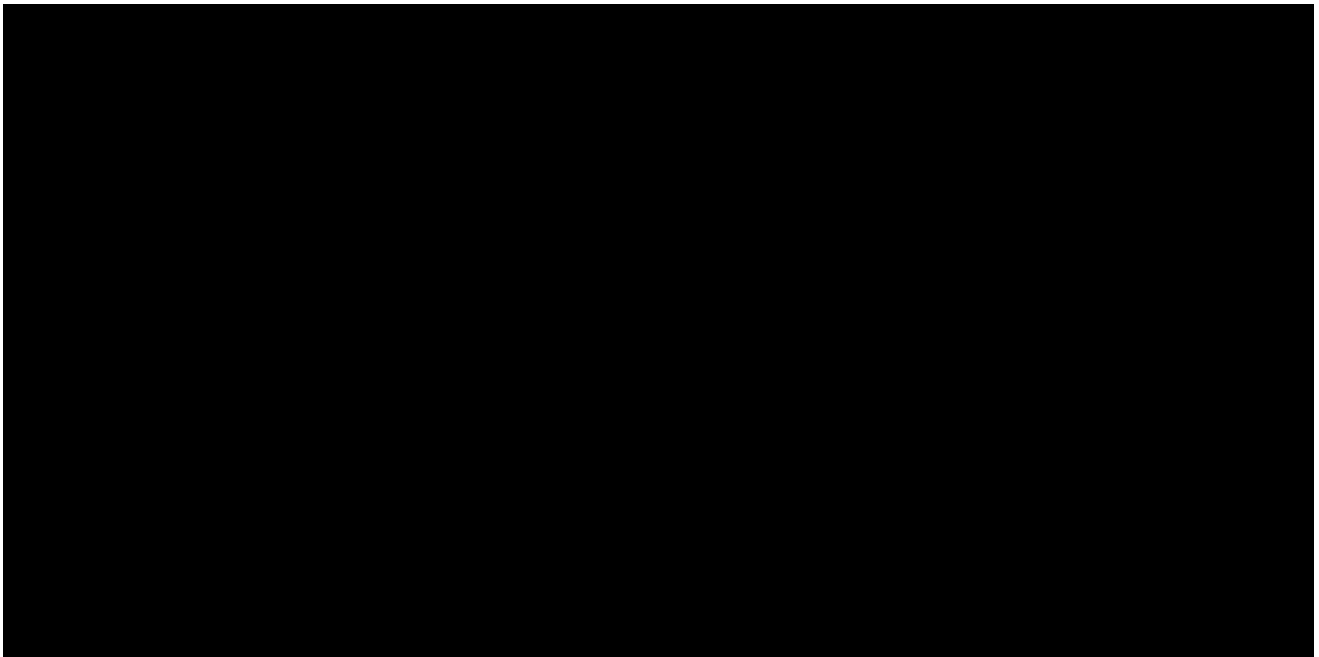
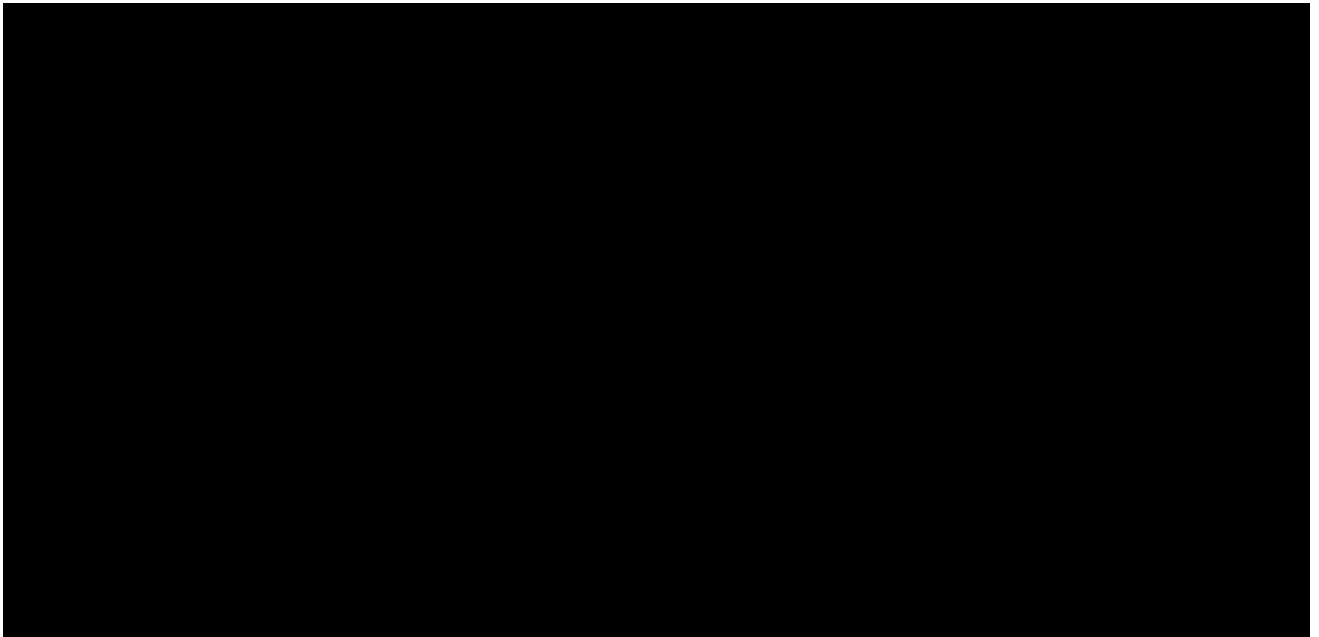
**Figure 16-7: Qualifications by study area, 2023 (APS)**

*Earnings*

16.11.17 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. 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.

16.11.18 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 claims 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.



#### GVA

16.11.19 Gross value added (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.

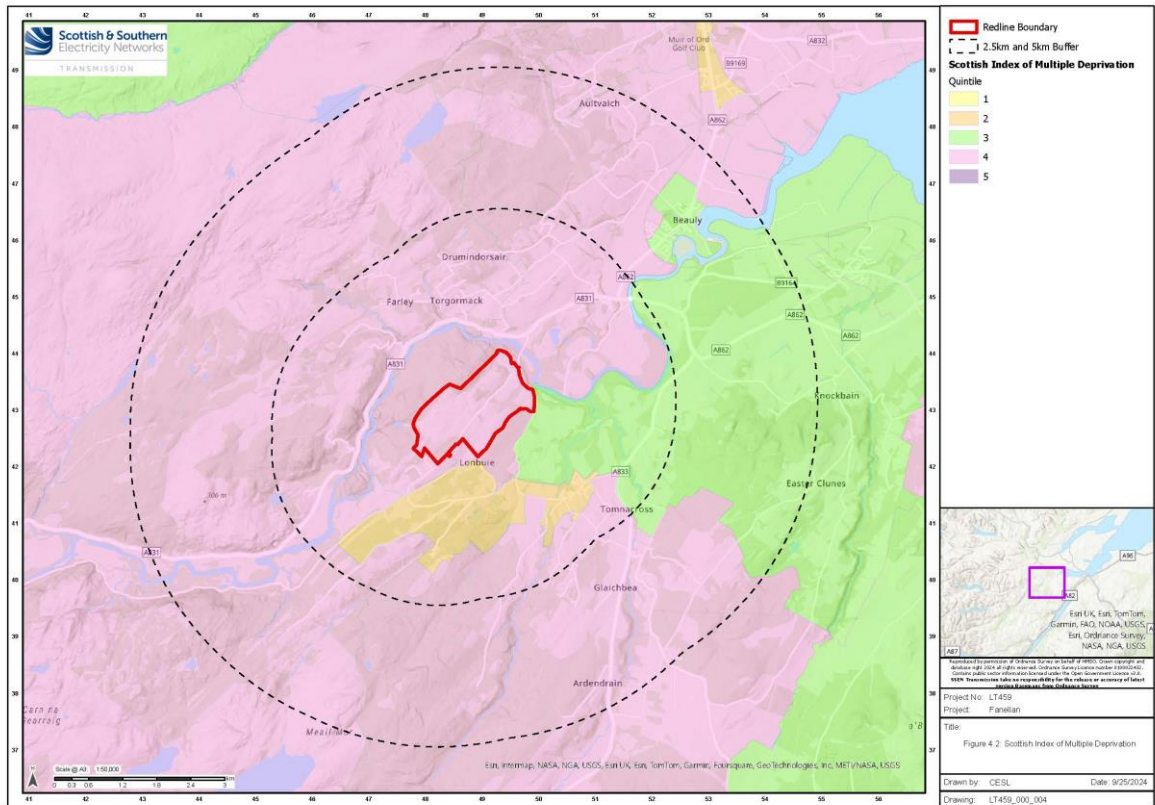
16.11.20 In 2021, the total GVA in the Inverness West Rural – 09 Data Zone was around [REDACTED] and the GVA per worker for this area was around [REDACTED]. In the Highland Council Area, GVA totalled [REDACTED] and GVA per worker stood at [REDACTED]. The GVA per worker was slightly higher across Scotland and the UK, at [REDACTED] and [REDACTED] respectively, indicating that the Highland Council Area has a relatively low level of GVA per worker and GVA per worker is highest at the Data Zone level. This suggests that

the activity undertaken by workers in the Inverness West Rural – 09 Data Zone adds much value to the economy and is likely skilled work. GVA totalled [REDACTED] in Scotland and [REDACTED] in the UK.



*Deprivation*

16.11.21 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 Inverness West Rural – 09 Data Zone falls within the 4th quintile of the SIMD, indicating a relatively low level of deprivation compared to some nearby Data Zones, which are more built up and fall within the 2nd and 3rd quintiles (see Figure 16-1116-11).

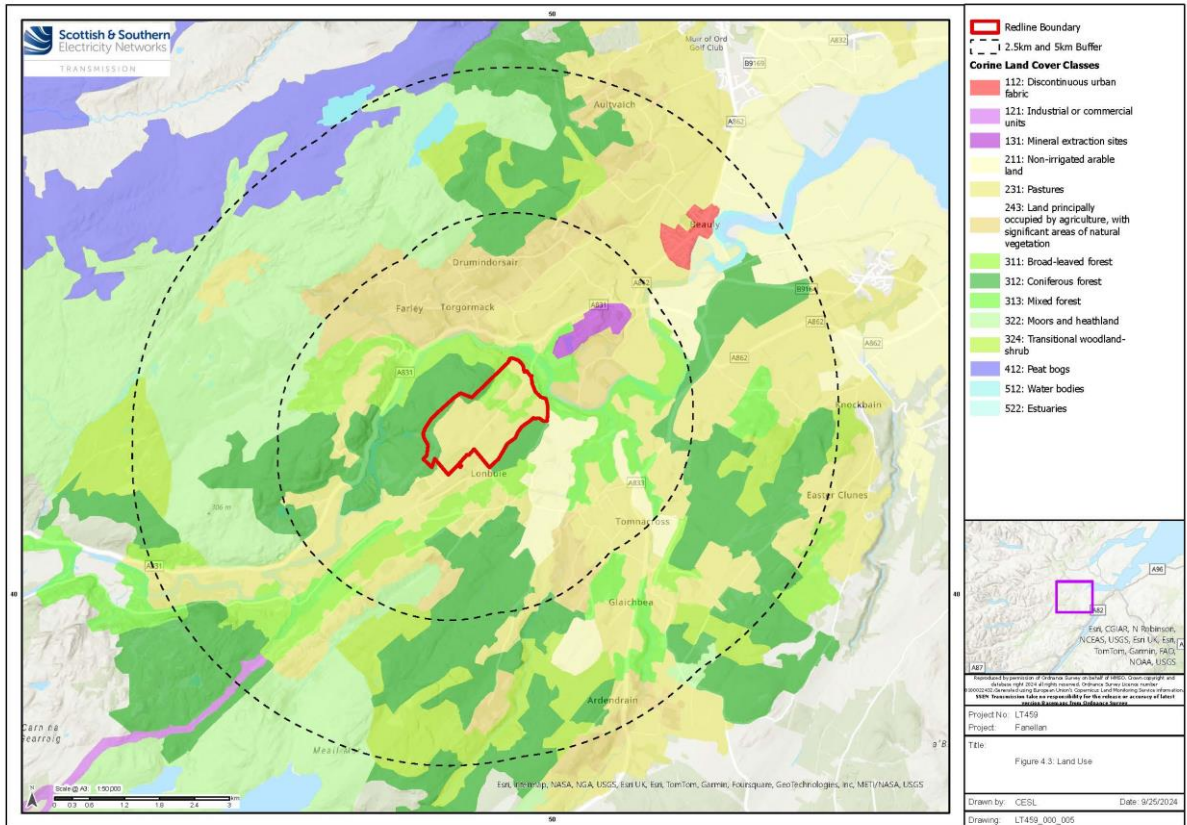


**Figure 16-11: SIMD Mapping**

*Land use*

16.11.22 Land falling within the redline boundary of the Proposed Development substation is predominantly pasture, with some land designated as forest. Within 2.5km of the substation, land use also includes non-irrigated arable land; land principally occupied by agriculture, with significant areas of natural vegetation; transitional woodland

shrub; moors and heathland; and mineral extraction sites. Within 5km of the substation, land use extends to discontinuous urban fabric; industrial or commercial units; peat bogs; and water bodies.



**Figure 16-12: Land Use Mapping**

*Housing*

16.11.23 Data obtained from the NRS (2024) shows that a higher percentage of dwellings in the Inverness West Rural – 09 Data Zone were vacant than in the Highland Council Area in 2023, and the percentage of vacant dwellings in this Data Zone was double the percentage of vacant dwellings across Scotland. Also, the proportion of dwellings that were long-term empty was higher in the Highland Council Area and Inverness West Rural – 09 Data Zone than in Scotland as a whole.

**Table 16-8: Dwellings by occupancy, 2023 (NRS, 2024)**

Study Area	Total dwellings	% Occupied dwellings	% Vacant dwellings	% Long-term empty dwellings	% Second homes
Scotland	2,721,225	96%	3%	2%	1%
Highland	123,568	92%	5%	3%	3%
Data Zone	436	93%	6%	3%	1%

16.11.24A 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 delivery<sup>9</sup>. This poses a challenge that could require as much as £2.8 billion in investment to solve.

16.11.25 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.

## 16.12 Tourism

16.12.1 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 Highland Council area and more broadly across Scotland.

### *Tourism in Scotland*

16.12.2 Scotland's Tourism Strategy sets out plans to deliver an additional [REDACTED] growth or more in visitor spend to [REDACTED] by 2020<sup>10</sup>. 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.

16.12.3 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 [REDACTED] in Gross Value Added (GVA).<sup>11</sup>

16.12.4 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

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<sup>9</sup> The Highland Council. (2024). 'Addressing the housing challenge', available at: [Addressing the housing challenge | The Highland Council](#)

<sup>10</sup> [Scotland Outlook 2030 - Scotland's tourism strategy \(scottishtourismalliance.co.uk\)](#)

<sup>11</sup> Chapter 4: The Contribution of Tourism in Scotland - Tourism in Scotland: the economic contribution of the sector - gov.scot (www.gov.scot)

generally increased between 2012 and 2017. In 2023, there were 2.29 million overnight tourism visits to the Highlands, with a total overnight spend of [REDACTED]

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

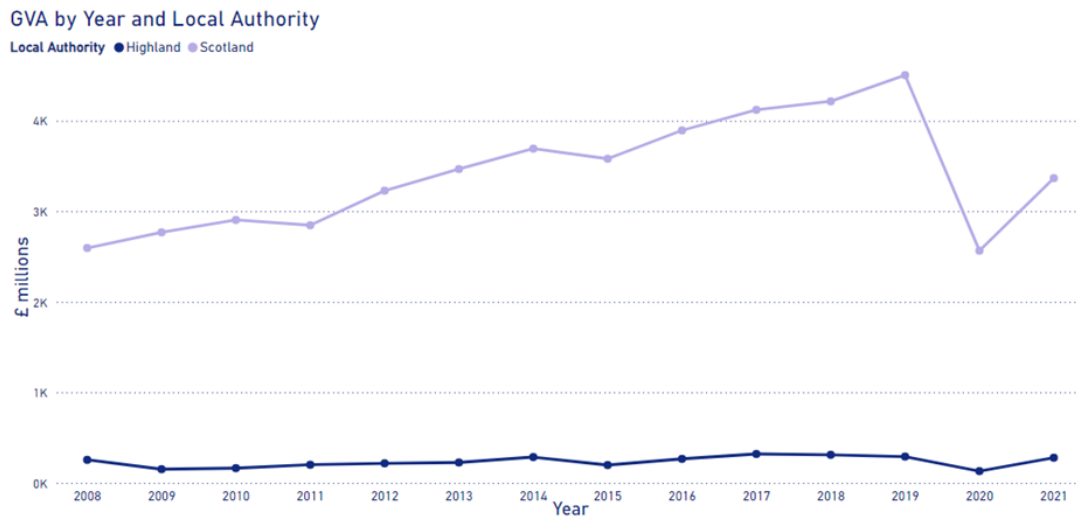


Figure 16-13: Tourism GVA by year for the Highlands and Scotland

Tourism in Highlands

16.12.6 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 16-9: Tourism in the Highlands – Employment and economic performance

Local Authority	Tourism employment in 2022	Tourism employment as a percentage of all employment	Tourism businesses in 2023	Tourism businesses as a percentage 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

16.12.7 According to VisitScotland’s 2023 tourism survey<sup>12</sup>, 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

<sup>12</sup>

Scotland Visitor Survey - Domestic & International | VisitScotland.org



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.

16.12.8 While data is not available for the immediate area, it is considered that the reasons for visiting this area would be broadly similar to those mentioned above. Visitors are likely to be drawn to attractions such as the Aigas Field Centre, walking routes like the Cnoc Croit Na Maoile (Ord Hill Walk), and fishing on the River Beauly.

16.12.9 Tourism in the Study Area

For the Proposed Development, tourism receptors within a 5km radius of the red line boundary have been identified. These receptors will be assessed for their sensitivity to the Proposed Development and the magnitude of its impact on them. Table 16-10 below shows a list of all the tourism receptors and their distances from the Proposed Development.

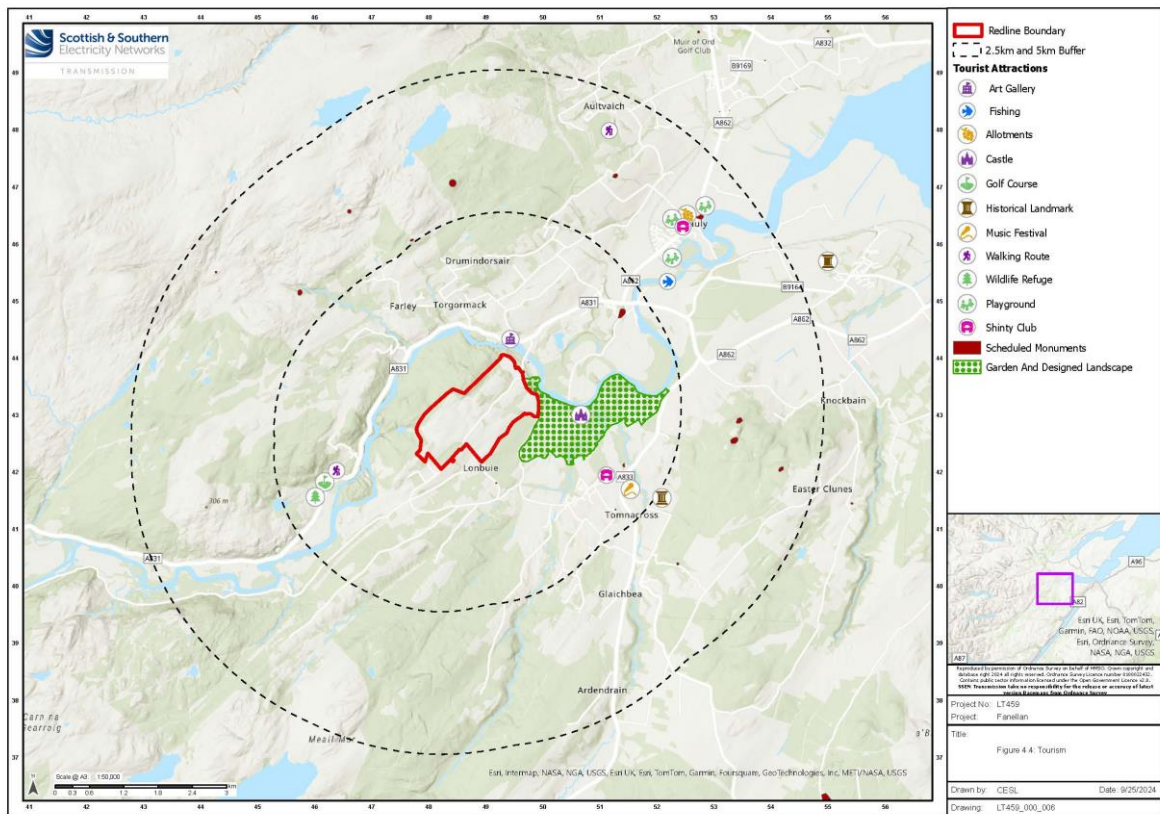


Figure 16-14: Tourism Mapping

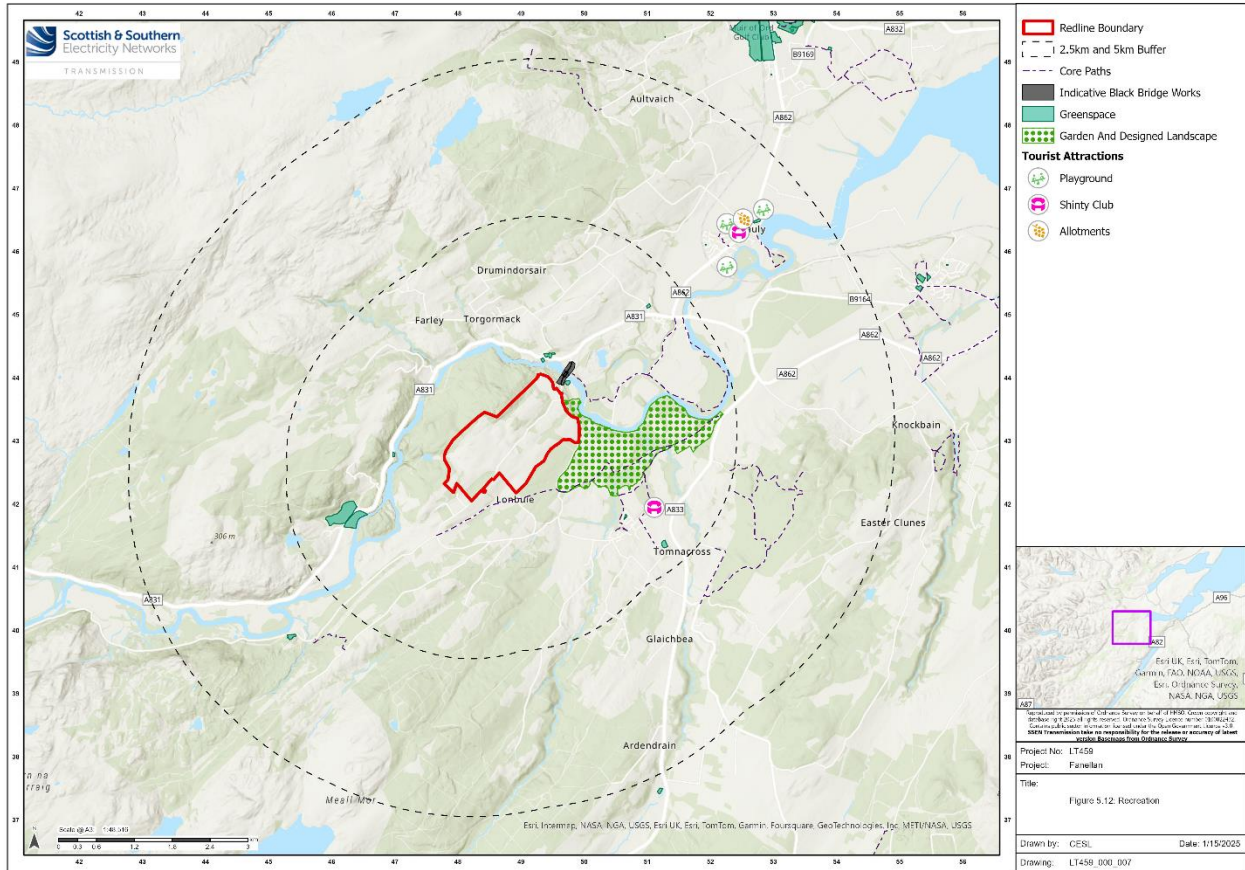
**Table 16-10: Tourism receptors**

Tourist attraction	Description	Distance from Site Boundary
Salmon Fishing in the River Beauly*	The River Beauly, spanning a 1000 square kilometre catchment, is a key site for hydro-electric power generation and is very popular with anglers, offering one of the most exclusive salmon fishing sites in Scotland. The controlled water flow ensures reliable fishing conditions year-round. The river's prime fishing spots, managed by Lovat Estates, include the Falls, Home, and Downie beats, which yield around 60% of the river's salmon catch. These beats, spread over two miles, offer excellent fishing from April to October, with peak catches in July. The river also supports sea trout fishing, particularly in the Downie beat during spring and summer runs. Day tickets are available for the tidal stretch below Lovat Bridge. The closest part of the river to the Proposed Development is at Black Bridge.	100m
Cnoc Croit Na Maoile	The Ord Hill Walk is a 2-mile trail with a steep ascent through woodland and moorland, leading to the trig point on Cnoc Croit na Maoile. From the summit, there are views of the Black Isle, Cromarty and Beauly Firths to the east, and the Affric mountains to the west. The route follows forestry tracks and marked paths.	1.5km
Belladrum Tartan Heart Festival	Belladrum Tartan Heart Festival is a family music and arts festival and is held on the Belladrum Estate on the last weekend of July. The Festival hosts a wide variety of musical scope, has a large dedicated family campsite and offers free entry for children under the age of 12. Well known artists such as Ed Sheeran, the Proclaimers and Tom Jones have performed at the festival in the past.	1.8km
Aigas Field Centre	Aigas Field Centre is a nature centre situated at the residence of naturalist and author Sir John Lister-Kaye, known as the House of Aigas. The centre offers nature-based holidays and environmental education programmes for school children. The centre offers a private network of natural trails and wildlife hides which are home to a variety species including crested tits, red squirrels, pine martens and both beavers and otters which can be seen in the loch.	2km
Aigas Golf Course*	A popular 9-hole golf course, established in 1993. Self-catered cottages for visitors are also on the site.	1.7km
Kilmorack Gallery	An art gallery exhibiting paintings and sculptures.	300m
Beaufort Castle	Beaufort Castle is located on the site of the former Dounie Castle and is a baronial style mansion built in 1880.	740m
Garden and designed landscape near Kilmorack	An area of woodlands with gardens surrounding Beaufort Castle.	10m
Lovat Shinty Club*	Lovat Shinty Club was founded in 1888 and members have achieved much success, with teams having played in the Premier Division. The club hosts the traditional Lovat vs Beauly New Year's Day match also referred to as the Lovat Cup, which attracts the largest crowds for a shinty match outside of the Camanachd Cup final.	700m

Tourist attraction	Description	Distance from Site Boundary
Belladrum Temple (historical landmark)	An ancient temple frequently used to host weddings.	2.6km
Playgrounds in Beauly*	Children's playgrounds in Beauly with various play apparatus.	Closest one is 3.3km from the Proposed Development
Beauly Shinty Club*	Beauly Shinty Club was founded in 1892, and have have teams win te Camanachd Cup three times.	3.8km
Scheduled Monuments	<p>The selection of nationally important archaeological sites, deligated by Historic England and featuring on the National Heritage List for England. The following scheduled monuments have been identified within 1 km of the Proposed Development (see 'Chapter 7. Cultural Heritage', Fanellan 400kV Substation and Converter Station Environmental Impact Assessment Scoping):</p> <ul style="list-style-type: none"> <li>• Kiltarlity Old Parish Church (SM5570) approx. 200 m to the east;</li> <li>• Culburnie Ring Cairn and Stone Circle (SM2425) approx. 440 to the south.</li> </ul>	
<p>Notes:            *signifies a tourist attraction that is also considered to be used for recreactional purposes.</p>		

**16.13 Recreation**

16.13.1 This section provides an overview of recreational activities in the immediate area, establishing the existing socio-economic conditions for assessing the impacts of the Proposed Development. This will serve as a foundation for evaluating the potential socio-economic effects of the Proposed Development. The identified recreation receptors within a 5km radius of the red line boundary are shown in the map below.



**Figure 16-15: Recreation Mapping**

16.13.2 Informal recreational assets relate to walking routes and open spaces which are not commercial in nature. The Proposed Development is located within a relatively remote setting with the dominant recreation offering being walking routes. A number of formal and informal recreational routes are located within the 5km Study Area, these are presented in 11. For the purposes of the recreational assessment the Proposed Black Bridge is also considered. The Lovat Bridge to Black Bridge path and the East Lodge to West Lodge, Beaufort Castle path are the closest core paths to the site, with the latter situated just 100m from the site and the former touching part of the Proposed Development. Additional recreational assets are mentioned in Table 16-10 and include the local shinty clubs, playgrounds and the Aigas Golf Course.

**Table 16-11: Recreational Routes**

Recreational Routes	Route Reference	Distance from Site Boundary
East Lodge to West Lodge, Beaufort Castle	IN20.05	100m
Lovat Bridge to Black Bridge	IN03.04	350m
Bruaich Burn to Dounie Burn	IN20.06	1.3km
War Memorial to Black Bridge by Balbair Wood	IN03.03	1.4km

Recreational Routes	Route Reference	Distance from Site Boundary
Blegate Track	IN20.07	1.2km
Cnoc na Rath Path	IN03.02	3.5km
Riverside Loop, Beauly	IN03.01	4km
Belladrum Kennels to Belladrum by Phoinneas Hill	IN20.04	2.4km
Belladrum Kennels to Belladrum by Black Wood	IN20.03	3.4km
Eskadale to Drumkinneas	IN20.01	2.9km
Ord Hill	RC32.07	4.3km

## 16.14 Assessment of Potential Effects

16.14.1 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 Highland Council Area, as well as Scotland and UK as a whole. These include:

- Direct impacts arising from the investment, in terms of employment and Gross Value Added (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, considering both the construction and operational phases.

### *Construction Impacts*

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

16.14.3 Information on capital expenditure and its allocation was provided by SSEN Transmission. However, there is a risk that the UK supply chain for the specialised component parts of substations may not be mature enough to meet the equipment demands for the significant network upgrades. 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.

16.14.4 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.

16.14.5 Table 116-12 and Table 16-13 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.

16.14.6 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.

16.14.7 A significant proportion of the direct benefits associated with the Proposed Development are 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.

16.14.8 In 2022, the Highland Council Area's tourism industry supported around 17,000 jobs (13% of the local authority's total employment), 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 area's relatively dominant 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 damaged or temporarily blocked from use during construction, the Proposed Development could be responsible for a decrease in employment and GVA.

**GVA**

16.14.9 Cost estimate modelling indicates that the Proposed Development could contribute [REDACTED] to the total Gross Value Added (GVA) in the Highland Council Area during the construction period. At the regional level, the Proposed Development could contribute up to [REDACTED] in GVA, and for the UK economy this number could rise to [REDACTED].

A summary of the GVA results is shown in Table 116-12 below.

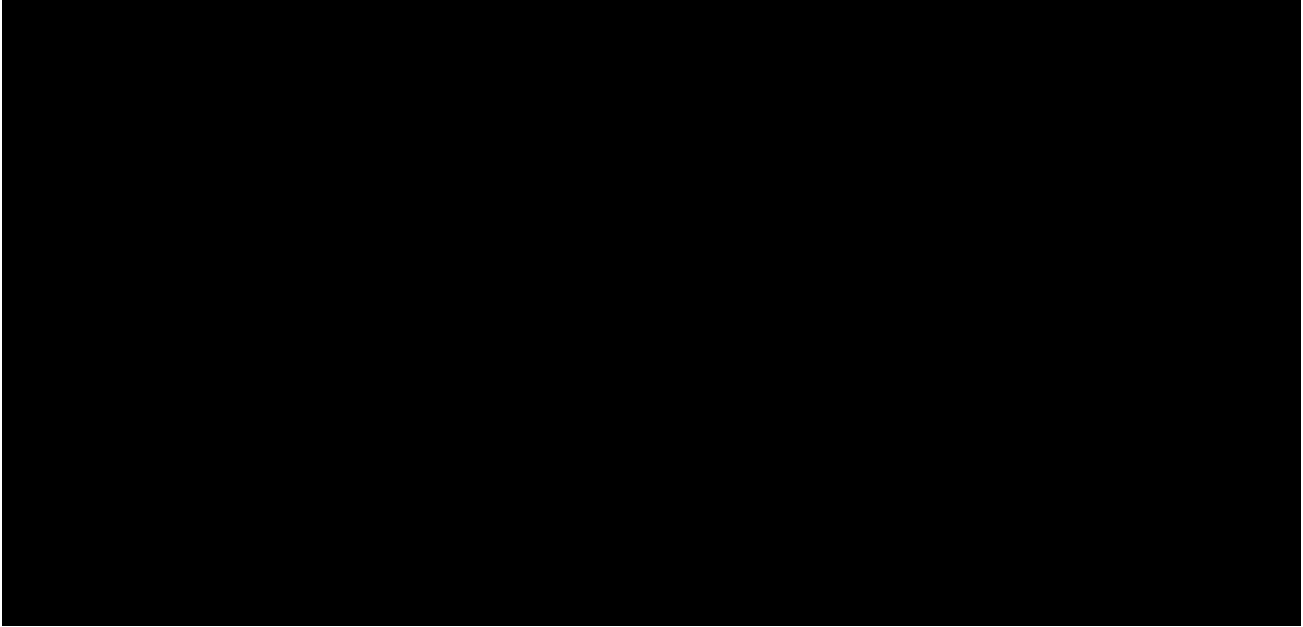
[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

16.14.10 When a contract is secured, jobs and economic output will be directly generated. During the construction phase, it is estimated that [REDACTED] in GVA will be directly generated as a result of contracts being secured in the Highland Council area. The spending by contractors with their supply chains is expected to generate a further [REDACTED] indirect GVA in

the Highland Council area, and together the direct and indirect effects are expected to generate [REDACTED] in induced GVA through the discretionary spending of direct and indirect jobs.

16.14.11 The total estimated GVA supported by the Proposed Development at the UK level is [REDACTED]. The results at Highland, Scotland and UK level are also depicted in Figure 16-16 below.

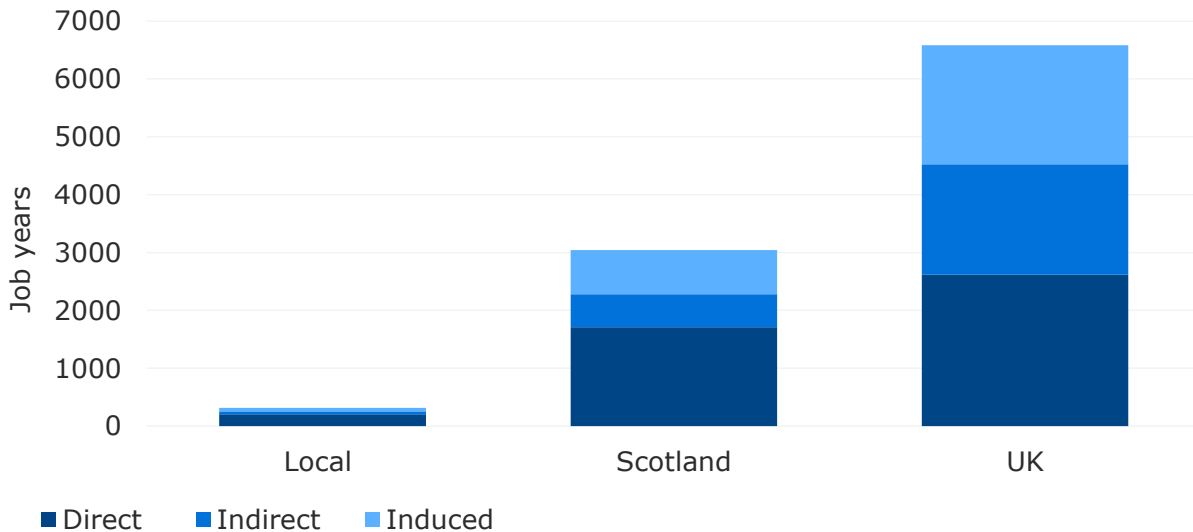


*Employment*

16.14.12 Estimates indicate that the Proposed Development could support 318 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 3,040 job years across Scotland. On a national scale, the Proposed Development could support 6,590 job years. Estimates indicate that the Proposed Development could directly support 207 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 116-13: 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	207	45	66	318
Scotland	1,710	567	764	3,040
UK	2,620	1,910	2,060	6,590



**Figure 116-17: Estimated direct, indirect and induced employment impact at the local, regional and national level (job years)**

*Tourism*

16.14.13 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. As presented in the assessment of existing socio-economic conditions, the Proposed Development lies within a 5km radius of several tourist attractions.

16.14.14 It is anticipated that there would be no significant effects on accessibility and usability of tourism receptors beyond approximately 5km from the Proposed Development. Therefore, tourist receptors located further than 5km from the Proposed Development are anticipated to experience negligible effects and are not considered further in this assessment.

16.14.15 It is anticipated that access to all identified tourism assets would be maintained throughout the construction period. However, during works on Black Bridge, access to the popular fishing spot located on the River Beaully directly below the bridge will be restricted. It should be noted that access to the rest of the river for fishing is not expected to be affected, meaning anglers will be able to access the river just a few yards further downstream. As this disruption would only occur for a limited time and access to the majority of the river would be maintained, the effect has been assessed as **minor** for anglers using the River Beaully.

16.14.16 The Aigas Field Centre lies 2km away from the Proposed Development and is situated on the opposing side of the Beaully River. Although the wildlife centre hosts a variety of protected species and is highly sensitive, its distance from the construction site means that impacts during construction will be moderate. Good practice measures will be applied to control noise generated from construction activities and as the impact is temporary it is anticipated that there this would have a limited effect on the receptor.

16.14.17 Bordering the Proposed Development is the Beaufort Castle Garden and Designed Landscape area near Kilmorack. Due to its location, it is likely that there will be some impacts felt by tourists when accessing this area (such as reduced visual amenity or increased road traffic). However, due to enclosure from the woodlands surrounding this area, and because



the impact would be temporary and for a relatively short section of the route due to the localised nature of the construction works, it is considered that this would have an indirect, temporary **moderate** adverse effect on tourist users.

16.14.18 Due to the distance between the receptors and Proposed Development, there are unlikely to be significant impacts from the Proposed Development on accessibility and usability of the shinty clubs, golf course and Belladrum Temple and the impact is assessed as **negligible**.

16.14.19 The impact on the tourism sector has been assessed as **moderate** at worst. It is considered that there may be a moderately significant impact on the wildlife at Aigas Field Centre and a small section of the garden and designed landscape area near Kilmorack which could affect tourism numbers during the construction phase. However, as the construction phase is temporary, no long-term adverse significant impact on the tourism industry is expected to result from the Proposed Development, and no significant changes to the existing conditions described in Section 16.12 are anticipated.

**Table 116-14: Tourism receptors**

Receptor	Sensitivity	Impact	Assessment
Salmon Fishing in the River Beaully	Medium	Low	Minor
Cnoc Croit Na Maoile	Low	Medium	Minor
Belladrum Tartan Heart Festival	Negligible	Negligible	Negligible
Aigas Field Centre	High	Negligible	Moderate
Aigas Golf Course	Low	Negligible	Negligible
Kilmorack Gallery	Low	Medium	Minor
Beaufort Castle	Low	Medium	Minor
Garden and designed landscape near Kilmorack	Medium	Medium	Moderate
Lovat Shinty Club	Low	low	Negligible
Belladrum Temple	Low	Low	Negligible
Playgrounds in Beaully	Low	Low	Negligible
Beaully Shinty Club	Low	Low	Negligible
Scheduled Monuments	Medium	Low	Minor

#### *Recreation*

16.14.20 As shown in the Existing Socio-economic Conditions and in Table 16-10, the Proposed Development lies within a 5km radius of several recreational receptors. It is anticipated that there would be no significant effects on accessibility, appeal, and usability of recreational receptors beyond approximately 5km from the Proposed Development. Therefore, recreational receptors located further than 5km from the Proposed Development are anticipated to experience negligible effects or less as a result of the construction of the Proposed Development and are not considered further in this assessment.

16.14.21 The key recreational activities within 5km of the Proposed Development are: walking routes, fishing spots and sports clubs. However, any potential impacts on these receptors would only be short-term and temporary during maintenance activities.

16.14.22 Access to all recreational assets is expected to remain throughout the construction period. Other than the walking routes, the identified recreational activities are seasonal and lie a sufficient distance away from the Proposed Development, shielded by surrounding buildings, ensuring that no significant adverse impacts on accessibility or appeal resulting from

the construction of the Proposed Development would occur which could deter users. Therefore, the magnitude of the impact has been assessed as negligible, and the significance of effect has been assessed as **negligible**.

16.14.23 There are several recreational trails and core paths located in close proximity to the Proposed Development. Both the East Lodge to West Lodge, Beaufort Castle and Lovat Bridge to Black Bridge core paths are located less than 500m from the Proposed Development, with the Lovat to Black Bridge core path crossing the Black Bridge area. These core paths are a recreational asset due to their tranquillity, and their nature offering, therefore the impacts resulting from the construction of the Proposed Development are likely to have a **moderate** magnitude of impact. However, these impacts would be temporary and for a relatively short section of the routes due to the construction phasing and localised nature of the construction works. Good practice measures to reduce noise and air pollution would be applied to control and minimise the impact of the construction activities.

16.14.24 The recreational paths that are more than 1km away from the Proposed Development have little incline and are shielded by buildings and woodlands. They are therefore expected to face **negligible** impacts during the construction phase. Landscape mitigation measures will be considered to provide partial visual screening and help assimilate the Proposed Development into the surrounding landscape (EIA Scoping Report, section 2.6.5)."

16.14.25 As shown in Table 16-15, the potential effect of the Proposed Development on recreation receptors in the study area is assessed as predominantly **negligible** and no significant impact. It is considered that the construction of the Proposed Development would have an indirect, **moderately** adverse effect on recreational users at worst. However, as the construction phase, is temporary, no long-term adverse significant impact on the recreational assets is expected to result from the Proposed Development, and no significant changes to the existing conditions described in Section 16.13 are anticipated.

**Table 116-15: Recreation receptors**

Receptor	Sensitivity	Impact	Assessment
Lovat Shinty Club	Low	Low	Negligible
Playgrounds in Beauly	Low	Low	Negligible
Beauly Shinty Club	Low	Low	Negligible
Beauly Allotment	Low	Low	Negligible
Salmon Fishing in the River Beauly	Medium	Low	Minor
East Lodge to West Lodge, Beaufort Castle	Medium	Medium	Moderate
Lovat Bridge to Black Bridge	Medium	Medium	Moderate
Bruaich Burn to Dounie Burn	Low	Low	Negligible
War Memorial to Black Bridge by Balbair Wood	Low	Low	Negligible
Blegate Track	Low	Low	Negligible
Cnoc na Rath Path	Low	Negligible	Negligible
Riverside Loop, Beauly	Low	Negligible	Negligible
Belladrum Kennels to Belladrum by Phoinneas Hill	Low	Low	Negligible
Belladrum Kennels to Belladrum by Black Wood	Low	Low	Negligible
Eskadale to Drumkinneas	Low	Low	Negligible
Ord Hill	Low	Negligible	Negligible

## 16.15 Operational Impacts

### *Socio-economics*

16.15.1 The operational socio-economic impacts of individual substations are expected to be minimal. This is primarily because, once constructed, substations require relatively low levels of ongoing maintenance and staffing compared to other types of infrastructure projects. The primary function of a substation is to manage and distribute electrical power, which is largely automated and monitored remotely. As a result, the day-to-day operations do not generate significant employment opportunities or economic activity at the local level.

16.15.2 However, when considering the cumulative impacts of all the projects under the Pathway to 2030 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 any single substation 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.

### *Tourism*

16.15.3 The tourism assets are not expected to be affected by the Proposed Development once operational. While there will be employees accessing the site, it is unlikely to be a significant change as this will only be for required maintenance. Substations are known to produce a 'humming sound' once operational, which can contribute to negative impacts on tourism. However, no significant change to the existing tourism conditions is expected during the operational phase. Any potential impact would only be short-term and temporary during maintenance activities. Therefore, these tourist receptors are expected to be unaffected.

16.15.4 Evidence suggests that there will be minimal impact on tourism assets during the operational period of the Proposed Development. The visual and environmental effects are expected to be minimal once construction is complete.

### *Recreation*

16.15.5 There is minimal evidence to suggest that recreation will be impacted on an ongoing basis due to the operation of the Proposed Development. The visual and environmental effects are expected to be minimal once construction is complete.

## 16.16 Cumulative Effects

16.16.1 This assessment has considered the potential for cumulative effects on tourism and recreational receptors to arise as a result of the construction and/or operation of the Proposed Development, in combination with other SSEN transmission projects planned within the local area, as outlined in **Table 5.2, Cumulative Developments in Volume 2: Chapter 5 - EIA Process and Methodology**.

### *Other projects in the immediate area*

16.16.2 A full list of cumulative developments can be found in Volume 2: Chapter 5- EIA Methodology. As per the methodology described in that chapter, the cumulative assessment in this chapter will focus on relevant Cumulative Projects within 5km of the Proposed Development. These developments are shown in **Volume 3, Figure 17.1: Cumulative Developments**.

### SSEN Transmission Projects

- Kilmorack Power Station – replacement of existing Kilmorack Substation (24/02831/FUL). 1.6 km north of the Proposed Development.
- Aigas Substation – replacement and construction of existing Aigas Substation (24/02830/FUL). 1.2 km north-west of the Proposed Development.

- Kilmorack to Balblair – erection of replacement OHL (22/03536/PNO). 1.8 km north-east of the Proposed Development.
- Beauly to Denny 400kV OHL Diversion (24/00834/SCRE). Connecting to the Proposed Development.
- Western Isles Link HVDC UGC Connection. Connecting to the Proposed Development.
- Spittal to Beauly 400kV OHL (24/04588/SCOP). Adjacent to the Proposed Development.
- Beauly to Peterhead 400kV OHL (24/03064/SCOP). Adjacent to the Proposed Development.

16.16.3 There is the potential for cumulative effects on recreational users and tourists in the area due to the convergence of several projects at the Proposed Development site (e.g. BBNP OHL and SLBB OHL). It is anticipated that there is sufficient tourism accommodation capacity within the vicinity of the Proposed Development, as such, cumulative impacts on tourist accommodations are not expected during construction work.

16.16.4 A number of tourist attractions and recreational uses within the vicinity of the Proposed Development have been noted in this assessment (see section 16.15.13 and 16.15.23 respectively) there is the potential for cumulative effects to tourists and recreational users from changes to the visual landscape during both construction and operation. However, it is expected that the distance from the Proposed Development to these receptors and natural screening will help minimise effects, it is also anticipated that tourists and recreational users are resilient enough to be able to adjust to the changes.

#### 16.17 Community Wealth Building opportunities

16.17.1 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.

16.17.2 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.

16.17.3 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.

16.17.4 Great care is taken to ensure that local communities benefit from SSEN Transmission's projects. We understand that our work can create opportunities and have impacts in the areas where we operate, and we believe it is our responsibility to create lasting positive effects. To achieve this, we work closely with local stakeholders and community groups to identify

their needs and priorities, and we strive to incorporate these into our project planning and implementation. By working collaboratively and transparently with local communities, we aim to create a legacy of sustainable benefits.

- 16.17.5 In September 2024, SSEN Transmission launched our 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.
- 16.17.6 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.
- 16.17.7 To enable a Just Transition, SSE Group has established a framework of twenty 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.

## 16.18 Conclusions

- 16.18.1 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 supporting employment and generating Gross Value Added (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.
- 16.18.2 During the construction phase, the Proposed Development will generate significant economic activity. The Highland Council Area is expected to see a direct GVA contribution of [REDACTED]. When combined with indirect and induced impacts, the total GVA contribution rises to [REDACTED]. This phase will also support 318 job years. At the regional level, Scotland will benefit from a total GVA impact of [REDACTED] and 3,040 job years, while the UK will see a GVA contribution of [REDACTED] and 6,590 job years.
- 16.18.3 In the immediate area, the construction sector dominates, accounting for 70% of employment. Should the supply chain be committed to employing local labour, as far as possible, this sector will experience a substantial boost from the Proposed Development, potentially representing a significant portion of local construction jobs. This influx of economic activity could enhance the area's comparative advantage in these sectors, further strengthening the immediate economy. The development will provide considerable opportunities for local workers, businesses, and supply chains, reinforcing the region's economic resilience and growth.
- 16.18.4 Tourism, a critical sector in the Highland Council Area, may experience both positive and negative impacts. On the positive side, increased economic activity could lead to improvements in local tourism infrastructure and services, attracting more visitors in the long term. However, construction activities might temporarily disrupt tourism assets, potentially leading to a short-term decrease in tourism-related employment and GVA. Balancing these trade-offs will be crucial to maximising the net positive impact on the tourism sector.
- 16.18.5 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.