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Dear Stuart

Highland wide Local Development Plan – Proposed Plan

The Scottish Council for Development and Industry (SCDI) welcomes the chance to comment on the proposed *Highland wide Local Development Plan*.

The *Proposed Plan* is an ambitious vision for the area which clearly states its intention of accommodating and enabling increasing sustainable economic growth. SCDI notes a number of changes following *Main Issues Report* in support of this purpose, such as the inclusion of a clear policy on communications infrastructure, which SCDI recommended in its submission.

SCDI's response to the Proposed Plan draws on its *Blueprint* for the Scottish economy over the next 10 years and beyond, highlighting key opportunities and issues for the Highlands, and specifically commenting on policies which we consider require further attention in order to achieve the overall intention.

Vision

SCDI's *Blueprint for Scotland* suggests that, over the next 10 years, the key economic challenge will be rebalancing the economy to higher investment and net exports. Growing and internationalising businesses in the Highlands will improve our export earning, build more sustainable businesses, attract more inward investment, improve our international reputation, support a skilled workforce and make the Highlands a desirable home for global talent. SCDI believes that the low carbon economy and higher exports will represent the two greatest opportunities to replace demand lost by public spending cuts.

SCDI welcomes the vision that by 2030 Highland will be one of Europe's leading regions. The competitiveness of the region as a location for growing and locating international businesses and talent is fundamental. As the *Proposed Plan* references, the Highlands has global strengths in particular economic sectors such as energy, food and drink, tourism, life sciences, creative industries and education, which have potential for more rapid

growth. SCDI's comments highlight specific policies which we recommend should be changed to enable capitalisation on these competitive advantages.

A growing population for the Highlands is clearly vital to this vision. The Scottish Government's recently published *Demographic Change in Scotland* highlights that Scottish population is continuing to age and that there is a strong urban/ rural dimension to the ageing population, with a higher percentage of older people in many rural areas. The implications are that the working age population will gradually shrink as a proportion of the whole population, leading to a tightening of the labour market, inflationary wage levels, higher prices and a loss of competitiveness in the international market. As the *Proposed Plan* states, a growing Highland economy will require an increasing population which achieves a balanced age range in the Highlands.

Local government must therefore seek new ways of accommodating and enabling housing and development projects and delivering investment. The role of the private sector will be critical. Decisions will need to be taken between public investment for infrastructure in prime locations which will attract further private sector expenditure and sub-prime locations which will not. Regeneration projects will require far higher public subsidy in the future.

The planning system has a decisive role to play in attracting private investment. Planning must be an enabler and not a barrier for investment.

At a recent Six Cities Summit organised by SCDI for Scotland's cities, the growing importance of city regions for the wider economy was emphasised. The Scottish Government's consultation document *Speak Up For Rural Scotland* has pointed out that rural Scotland can make an increasing contribution to key challenges of the century - energy, food, environmental.

SCDI's *Blueprint for Scotland* proposes that Scotland has the potential to lead the world in sustainable cities, sustainable regions and sustainable communities. In Scotland, Highland is in the fortunate position of potentially leading the sustainable growth agenda for cities, regions and communities.

With this vision in mind, SCDI offers these comments on specific policies:

A96 Corridor Phasing and Infrastructure – Policy 9 - 23

Recognising the importance of a growing population, the A96 corridor is recognised by the Scottish Government in the *National Planning Framework* and the *Strategic Transport Projects Review*, and by The Highland Council's *A96 Corridor Framework*, as the highest growth area in the Highlands.

SCDI strongly supports the Highland Campus development. This will generate economic and population benefits for the whole of the region, supporting a skilled workforce and making the Highlands a desirable home for global talent, attracting more inward investment, and growing innovative and internationalising businesses. Improving public transport and active travel links between the East of Inverness and the city centre will be important, particularly in advance of the completion of the A9-A96 link road.

SCDI welcomes support in the *Proposed Plan* for the development of Tornagrain as “an essential component of the settlement strategy”. Accommodating growth in the next 30 to 50 years will be essential if the Inverness city-region is to be an attractive location in which to live and work, and for investment in key priority 21st century business sectors. SCDI believes that Tornagrain can be a leading model for a sustainable community.

Developer Contributions – Policy 32

Following the credit crunch and recession, developer contributions will need to be proportionate, potentially phased and not endanger project viability.

Retail Development – Policy 41

SCDI welcomes support for proposals which add to the economic vitality and viability of town centres. Policy should also be able to adapt to changing circumstances and settlement patterns which may lead to former town centres no longer being assessed as the most appropriate centre for retail development. Paragraph 53 of the Scottish Government’s Scottish Planning Policy states that: “Development plans should identify a network of centres, and explain the role of each centre in the network. The network will, depending on circumstances, include town centres, commercial centres and other local centres, and may take the form of a hierarchy.” However, as drafted the *Proposed Plan* provides no indication of the network of centres.

Scottish Planning Policy also states that commercial centres should be part of this network of centres, but these are not included in the Council’s criteria. SCDI recommends that commercial centres should be included in the hierarchy between edge-of-centre locations and out-of-centre locations. The current Inverness Local Plan sets out the hierarchy of centres across the city and a consistent approach would assist planning and investment decisions.

Communications Infrastructure – Policy 46

In SCDI’s response to the *Highland wide Local Development Plan: Main Issues Report*, we called for strengthened references to support for the

expansion of telecommunications infrastructure, including broadband. In our *Blueprint for Scotland*, we highlight that super-fast networks linking enterprises and homes in the Highlands and Islands could lead to the creation of a ‘Distributed City’, and our ambition to establish Scotland, particularly the Highlands and Islands, as a first choice location for green data centres. The UK Government has recently announced that the Highlands and Islands have been selected as one of four areas to pilot next generation broadband.

The Council’s policy to support proposals which lead to the expansion of the electronic communications network in the Highlands is, therefore, welcome. It is recommended that the policy should additionally make explicit reference to broadband’s potential role in more effective delivery of public services.

Aquaculture – Policy 51

Domestic and international demand for fin-fish is projected to increase significantly, which can only be met through sustainable development of farming. Scottish salmon producers are well-placed to meet this growing demand given their reputation for premium quality products. In response, the sector has plans to make substantial investments over the next five years and increase staff, which will especially benefit remote rural and island communities, supporting their economic resilience as public spending is cut.

SCDI welcomes the identification of aquaculture as a key sector in the vision. In contrast, the Council’s policy could be expressed far more positively and – in line with the Scottish Government’s planning policies for the sector – further emphasise the enablement of sustainable production growth at new and existing sites, with consideration also given to the sustainable community benefits of this investment. With food security a growing issue for Scotland, the UK and beyond, and the vision of a Competitive, Sustainable and Adaptable Highland Economy, salmon farming is a key resource for the area and appropriate protection to existing sites and sites for development should be made. In view of the high importance of the sector to the West Highlands and the Islands, it should be referenced in the spatial strategy for the area.

Accessibility and Transport – Policy 57

Improved ferry connections are identified in a number of spatial strategy maps. Clearly, strategies for Highland’s ports and harbours, routes and improved connections are subject to the ongoing *Scottish Ferries Review*.

Re-establishing a direct air link between Inverness Airport and an international hub is a key priority. SCDI would suggest that the Inner Moray Firth spatial strategy refers to improved *and international* air connections.

SCDI understands that the Council does not believe that charging points for electric vehicles will be needed in the 20-year period of the *Proposed Plan*. SCDI appreciates that the Highlands is highly unlikely to be in the vanguard, but would point out that the Scottish Government's recently published *Low Carbon Scotland: The Draft Report on Proposals and Policies: Scotland a Low Carbon Society* states that, following Central Scotland, further work with local authorities will be undertaken to join up other parts of Scotland.

Tourism – Policy 44/ Landscape – Policy 62

Protecting and enhancing the area's key tourism assets will support internationalisation of the economy, increasing sustainable economic growth.

All new developments should be assessed on their likely impact on tourism, both individually and cumulatively, and this should be taken into account.

Renewable Energy Developments – Policies 68 -70

The natural environment already supports a large part of our economy. SCDI's vision for the Highlands is that should maximise its wealth of natural assets to deliver their full potential for sustainable economic growth. In renewable energy terms, the Highlands' natural resources give it significant competitive advantages but to achieve the full potential for 'green collar jobs' - as outlined in the recently-published *A Low Carbon Economy for Scotland* strategy from the Scottish Government and Scotland's public sector bodies- infrastructural investment in both generation and transmission is key.

The *Proposed Plan* rightly states that the Highland area has great potential to contribute towards meeting ambitious targets set internationally, nationally and regionally for renewable energy. It should be noted that shortly after its publication the Scottish Government raised Scotland's 2020 target for renewable electricity from 50% to 80% of Scottish electricity consumption.

SCDI welcomes the identification of renewable energy as a key sector in the Council's support for a Competitive, Sustainable and Adaptable Highland Economy. The statement that it will produce "clear guidance on where renewable energy developments should and should not be located" is also welcome and consistent with Scottish Planning Policy on spatial frameworks. This positive *encouragement* for the development of both mature and newer renewable energy technologies should also be clearly stated in Policy 68.

SCDI supports mechanisms which capture for long-term investment a share of the value of developing Scotland's natural resources, especially renewable

energy. Currently, developers do enter into agreements with host communities where they believe it is appropriate on specific projects. The Scottish Government has launched a consultation on how the development of renewable and low carbon energy can be supported, while ensuring that Scotland and its local communities enjoy long-term returns from their assets.

It is unclear from the Highland Council's position on 'Community Benefit' in the *Proposed Plan* whether it is seeking to create, through planning, a new Highland-wide mechanism which replaces or supplements existing discretionary community agreements. If so, SCDI believes that this proposal should be subject to specific consultation with developers and communities, taking into consideration policies resulting from the Scottish Government's consultation. It is vital that any mechanism to benefit the local community and contribute to the Highlands' well-being, does not disincentivise investment or make it harder to achieve green energy targets. SCDI welcomes the statement in the *Proposed Plan* that the Council will regard a community venture or a share in a larger project as a *material consideration*, and, as such, may grant consent for renewable energy developments with a greater impact upon that community's area than would normally be the case.

The Highlands have some of the most compelling, best-known natural and cultural tourism assets in the world. These must be considered when the Council assesses individual applications and cumulative impacts in an area. Policies 58 and 68 should be consistent and the reference to "significantly detrimental" in Policy 68 should be replaced with "unacceptable impact", which is used in Policy 58 and would allow for more balanced consideration.

The spatial strategies identify a range of renewables bases, some of which are included in the *National Renewables Infrastructure Plan* and some of which are not. In the Inner Moray Firth spatial strategy, Ardersier, Invergordon and Inverness ports and harbours are referred to, but not identified on the map. A wider range of ports and harbours than identified for manufacturing in the *N-RIP* will be utilised for operations and maintenance. There is significant potential at sites such as Invergordon and Inverness in sectors including oil and gas and renewables, and both ports are also important transport hubs for the region, and these opportunities and roles should be better highlighted. SCDI welcomes identification of marine renewables opportunities at Kishorn in the spatial strategy for the West Highland and Islands. A proposed Masterplan would support development, as envisaged in the *Proposed Plan*, of this asset and could be adopted as supplementary guidance by the Council.

The requirements for both onshore and offshore transmission infrastructure are referenced, and the National Planning Framework for Scotland 2 identifies both onshore reinforcements and a sub-sea electricity network as

national priorities. SCDI notes that the spatial strategy for Caithness and Sutherland includes electricity grid reinforcement between Dounreay and Beauly. The report *Our Electricity Transmission Network: A Vision for 2020* by the Electricity Networks Strategy Group identifies a possible HVDC cable between Mybster, Caithness and the Blackhillock in Moray, and SCDI would suggest that the spatial strategy might also include this reinforcement.

Waste Management – Policies 71-72

SCDI welcomes the statement in the *Proposed Plan* that all proposals will be assessed against policies including the *Zero Waste Plan*. The plan's priority is to treat resources as high up the waste hierarchy as possible by preventing, reusing or recycling resources wherever feasible. Both the *Zero Waste Plan* and *A Low Carbon Economy for Scotland* highlight that energy from waste has an important role to play and would generate heat and power for homes. The Council's policy should support these developments where appropriate.

I hope that these comments are helpful.

With best wishes.

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