The Highland Council
Comhairle na Gàidhealtachd

Highland-wide Local Development Plan Monitoring Statement

Plana Leasachaidh Ionadail Thar-Ghàidhealtachd Aithris Sgrùdaidh

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1 INTRODUCTION 6
2 LINKS TO OTHER DOCUMENTS 7
3 BASELINE INFORMATION - PROFILE OF THE PLAN AREA 8
3.1 Overview of The Plan Area 8
3.2 Housing Market Areas in Highland 10
3.3 The Badenoch & Strathspey Housing Market Area 11
3.4 Population 13
3.4.1 Recent Demographic Trends 13
3.4.2 The Age Profile of the Current Population 14
3.4.3 Components of Population Change 15
3.5 Housing Stock 16
3.6 The Economy of The Plan Area 17
3.6.1 Overview 17
3.6.2 Employment 18
3.6.3 Income 20
3.6.4 Deprivation 21
3.6.5 Fragile Areas 23
4 WHERE WE GUIDE DEVELOPMENT 26
4.1 Planning Pressure – Overview of Planning Applications 26
4.2 New House Completions 26
4.3 House Sales 29
4.3.1 Affordability 29
4.3.2 The Origin of House Buyers 32
5 HOUSING NEED AND DEMAND ASSESSMENT 33
5.1 Background 33
5.2 Population Projections 33
5.3 Projected Future Household Composition 35
5.4 Future Housing Requirement 36
5.5 The Housing Requirement based on Historic Trends 38
5.6 Comparison between 2010 and 2015 HNDAs 39
6 INFRASTRUCTURE AND SERVICES 41
6.1 Travel and Transport 41
6.1.1 Sustainable Travel 44
6.2 Education 45
6.2.1 Primary Schools 46
6.2.2 Secondary Schools 48
7 RESOURCE MANAGEMENT 51

7.1 Renewable Energy - Overview 51
7.1.1 Wind Energy 51
7.2 Aquaculture 55
8 AUDITS 57
8.1 Housing Land Audit 57
8.2 Business and Industrial Land Audit 58
9 POLICY REVIEW 59
9.1 Where we Guide Development 59
9.1.1 Settlement Hierarchy / Town Centres First 59
9.1.2 Settlement Development Areas/Growing Settlements/New Settlements 59
9.1.3 Housing in the Countryside 60
9.1.4 Wider Countryside – other issues 60
9.1.5 Affordable Housing 60
9.1.6 Gypsies/Travellers 61
9.1.7 Houses in Multiple Occupation 61
9.1.8 Accommodation for an Ageing Population/Specialist Provision 61
9.1.9 Tourism and Tourist accommodation 61
9.1.10 Crofting 62
9.1.11 Business and Industrial Land 62
9.2 Infrastructure & Services 63
9.2.1 Developer contributions (Planning obligations) 63
9.3 Resource Management 64
9.3.1 Renewable energy 64
9.3.2 Coastal Development 64
9.3.3 Aquaculture 64
9.3.4 Electricity Transmission Infrastructure 65
9.3.5 Communications Infrastructure and Siting and Design 65
9.3.6 Heat Networks 65
9.3.7 Historic and Natural Environment 66
9.3.8 Minerals 66
9.3.9 Peat and soils 67
9.3.10 Physical constraints 67
9.3.11 Previously Used Land 67
9.3.12 Woodland, Trees and development 67
9.3.13 Pollution and Air Quality 67
9.3.14 Landscape 68

9.3.15 Geodiversity 68
9.3.16 Waste Management 68
9.4 Other Policy review issues 68
9.4.1 Green Infrastructure, Other Important Habitats, Open Space, Leisure and Recreation 68
9.4.2 Sustainable Design, Design Quality and Place and Travel 69
9.4.3 Water Environment 70

Table 3-1 Settlement Hierarchy used in 2012 HWLDP 10
Table 3-2 Population by HMA, 1991 and 2001 14
Table 3-3 Age Profile by HMA, 2013 14
Table 3-4 Numbers of Births and Deaths by HMA 2004 to 2012 15
Table 3-5 Tenure and Ineffective Stock by HMA 17
Table 3-6 Employment by 2007 Standard Industrial Classification (broad groups) .. 19
Table 3-7 Percentage of Full Time Employees 20
Table 3-8 Self Employment 20
Table 3-9 Household Income 21
Table 3-10 Deprived Data Zones 22
Table 4-1 Planning Applications of all Types, by HMA, 2005 to 2014 26
Table 4-2 Number of New Homes Built by HMA 2000 to 2014 27
Table 4-3 Number of New Homes Built on Allocated Sites by HMA, 2000 to 2014 .. 27
Table 4-4 Breakdown of Site Type for New Houses not on Allocated Sites by HMA, 2000 to 2014 28
Table 4-5 Open Market House Sales 2012 and 2013 32
Table 4-6 Origin of House Buyers 2012 and 2013 as Percentage of All Buyers 32
Table 5-1 Projected Populations for Areas 34
Table 5-2 Projected Population by Age Band 2015 to 2035 34
Table 5-3 Projected Change in Population by Age Band 35
Table 5-4 Estimated 2015 and Projected 2025 & 2035 Households 35
Table 5-5 Housing Requirement (all tenures) – Effective Housing Units 36
Table 5-6 Need for Social Rented Housing – Housing Units 37
Table 5-7 Housing Requirement Taking as Houses to be Built, Taking Ineffective Stock into Account 37
Table 5-8 Housing Requirement (all tenures) to Ensure Continued Economic Growth 38
Table 5-9 Need for Social Rented Housing to Ensure Continued Economic Growth 38
Table 5-10 2010 HNDA: 20 Year Housing Requirement 40
Table 5-11 2015 HNDA: 20 Year Housing Requirement 40
Table 6-1 Key Travel Indicators, 2001 and 2011 Censuses 44
Table 6-2 Sustainable Travel to Work: Cities and Urban / Rural Areas 45
Table 6-3 Forecast Primary School Roll as a Percentage of Current Capacity 47
Table 6-4 Forecast Secondary School Roll as a Percentage of Current Capacity ... 49
Table 7-1 Renewable Energy, Consented Capacities and Targets 51
Table 7-2 Overview of Wind Farms in the Plan Area 52
Table 7-3 Large and Very Large Windfarms in the Plan Area, May 2015 Snapshot 53
Table 7-4 Outcome of Aquaculture Planning Applications 55
Table 8-1 Housing Land Audit Sites 57

Table 8-2 Business Land Audit Sites 58

Figure 1 Population of the Plan Area 1982 to 2012 13
Figure 2 Migration to and From the Plan Area 16
Figure 3 Economic Output (GVA) 18

Map 3-1 Housing Density by 1 km Grid Square 9
Map 3-2 Housing Market Areas in Highland 11
Map 3-3 Parts of the Badenoch & Strathspey HMA that lie Outwith the Plan Area 12
Map 3-4 Deprived Data Zones 23
Map 3-5 Fragile Areas in Highland 24
Map 3-6 Highland and Islands Enterprise: Priority Areas, 2008 25
Map 4-1 Hinterland Areas 29
Map 4-2 House Affordability 2012 and 2013 31
Map 6-1 Public Transport Routes 42
Map 6-2 Travel to Work Areas 43
Map 6-3 Maximum Forecast Primary School Rolls 48
Map 6-4 Maximum Forecast Secondary School Rolls 50
Map 7-1 Approved and Constructed Windfarms, May 2015 Snapshot 54
Map 7-2 Aquaculture Planning Applications and Authorisations 56

HIGHLAND WIDE LOCAL DEVELOPMENT PLAN

MONITORING STATEMENT

1 INTRODUCTION

The Highland Council is preparing a Highland Wide Local Development Plan (HWLDP, or the Plan, for short) as the new plan to set a policy framework guiding development in Highland for the subsequent five years. It is expected that the Plan will be adopted in 2016 and the vision will extend until 2035. We will be required to review the Plan at least every 5 years. The Plan will replace the Highland-wide Local Development Plan adopted on 5th April 2012 and will operate alongside various Supplementary Guidance documents.

This monitoring statement provides part of the analysis of the performance of the current development plan and, where appropriate, the immediate predecessor development plan and it conforms to Planning Circular 6/2013: Development Planning. It does not attempt to cover every single aspect of the Plan as a wide range of additional reports, plans and strategies are available. It uses the best available, consistent, long term information covering the currency of these Plans and concentrates on the most important outcomes of the previous Local Plans such as population, housing and the economy. It should be noted that whilst this monitoring statement is being published alongside the HWLDP Main Issues Report (MIR), the information in it has been gathered over a period of time to inform recent preparation of the MIR and, as such, the information may not be the most up-to-date available as at the publication date of September 2015.

In addition to the reported information contained within this monitoring statement, each section contains a brief summary of the key issues addressed at a series of workshops involving Council Members, a number of external agencies and officers from a range of Council Services.

Discussions at the workshops centred on the consideration of the effectiveness of policies contained within the existing HwLDP. The views of those in attendance expressed their professional opinion alongside anecdotal and empirical evidence on the effectiveness of the existing policy framework contained within the HwLDP. A review of the currency of policy and fit within current legislation and government guidance also took place. The content of these workshops and the main areas of discussion are set out in the policy review sections of this document. These workshops, alongside the information gathered for this statement, guided the development of the content of the Main Issues Report.

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2 LINKS TO OTHER DOCUMENTS

This Statement presents a summary, starting on page 33, of The Highland Housing Need and Demand Assessment June 2015 (HNDA) giving the current and future housing requirement for the ten housing market areas in Highland. The HNDA is a detailed technical document and is accompanied by additional background papers giving further detail, including the population and household projections used and the choice of scenario. The full HNDA and accompanying documents are the primary source document the HWLDP and are available at.

housing need and demand assessment

Highland's Single Outcome Agreement identifies areas for improvement and aims to deliver better outcomes for the people of the Highlands and Scotland through specific commitments made by the Council, its community planning partners and the Scottish Government.

highland SOA

Other key documents include:

a) Highland's 2014 Housing Land Audit:
housing land audit

b) Profiles of our 22 Wards:
ward profiles

c) Unemployment and Benefits web pages:
unemployment and benefits

d) School Roll Forecasts:
school roll forecasts

e) Various Briefing Notes giving additional background information:
briefing notes

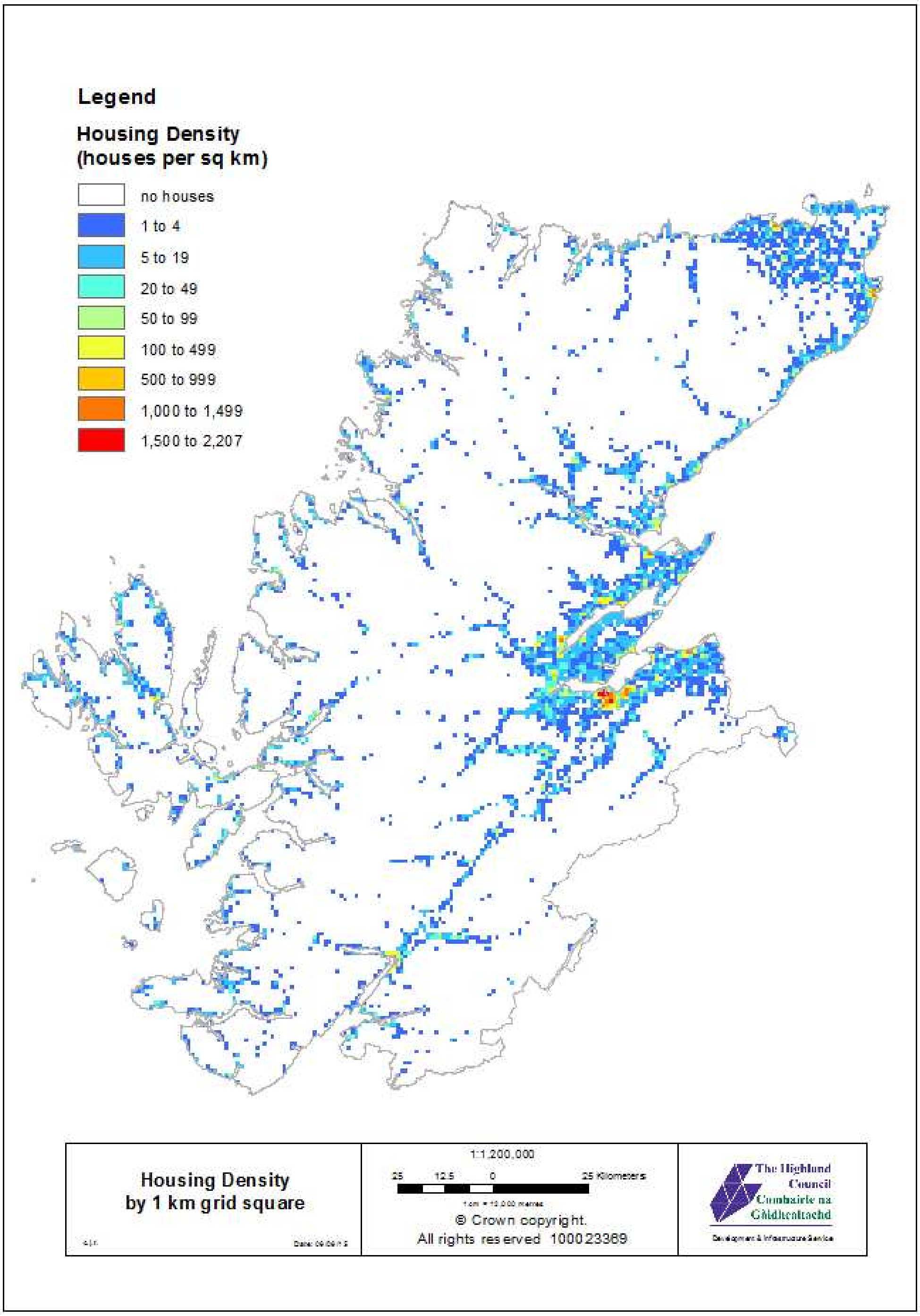
f) The Strategic Environmental Assessment Scoping Report:
SEA scoping report

3 BASELINE INFORMATION - PROFILE OF THE PLAN AREA

3.1 Overview of The Plan Area

The HWLDP area covers 11,490 sq kms (15% of the land area of Scotland) and had a population of 219,389 in 2013 (latest available). Taken overall the population density is 8.7 people per sq km – which compares with 67.4 for Scotland – although the area includes some of the most sparsely populated areas in Scotland such as West Ross and Sutherland (2.4 and 2.3 people per sq km respectively). Map 3-1 below shows the number of houses in each kilometre square in the Plan area and confirms the sparse population with the majority of the Plan area having no houses. The most populated areas are around the coast and along some of the flatter valley bottoms, with broad populated areas confined to the Inner Moray Firth and Caithness.

Map 3-1 Housing Density by 1 km Grid Square



Source: Highland Council: Council Tax database

Table 3-1 below gives the main settlements in Highland with their status in the 2012 HWLDP. It highlights the polarity of settlements with Inverness as the Regional Centre, only two sub-regional centres with a population of around 10,000 people, and locally important services being provided by settlements with populations in the low hundreds.

Table 3-1 Settlement Hierarchy used in 2012 HWLDP

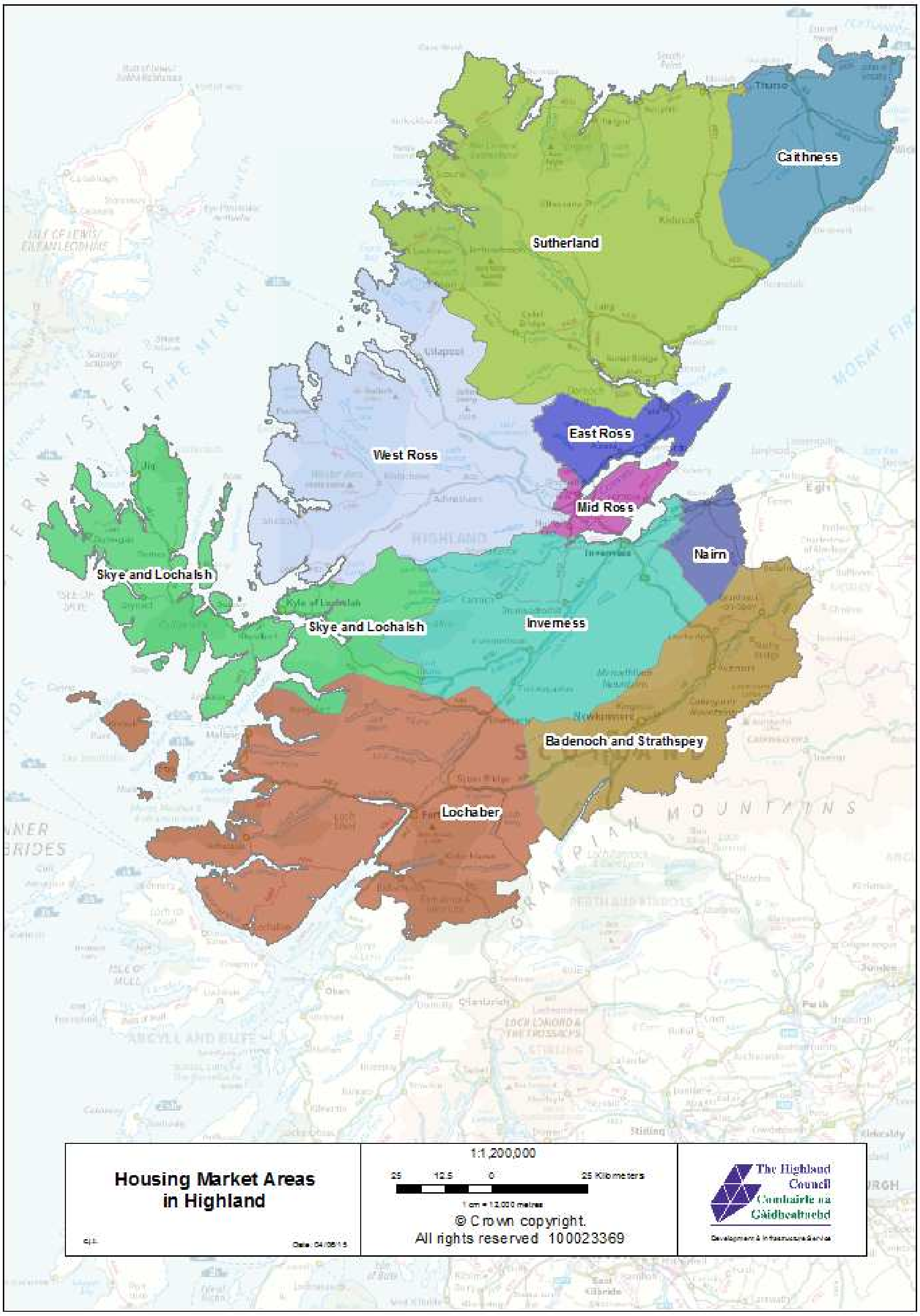
Settlement Status	Settlement	Population
Regional Centre	Inverness City	62,718
Sub Regional centres	Dingwall	5,582
	Alness	5,890
	Invergordon	4,038
	Thurso	7,553
	Wick	6,838
	Portree	2,393
	Fort William	10,461
	Dornoch	1,249
	Golspie	1,417
	Brora	1,262
	Helmsdale	502
	Nairn	9,671
Local Centres	Beauly	1,387
	Muir of Ord	2,654
	Drumnadrochit	1,266
	Tain	3,662
	Lairg	512
	Bettyhill	139
	Kinlochbervie	180
	Durness	147
	Ullapool	1,526
	Gairloch	647
	Lochcarron	531
	Kyle of Lochalsh	630
	Broadford	1,115
	Acharacle	142
	Strontian	175
	Kinlochleven	849
	Fort Augustus	662

Source: 2010 HWLDP and Highland Council Settlement Development Area Populations 2013

3.2 Housing Market Areas in Highland

In order to provide information with a granularity that shows the variation across Highland without being too detailed, Housing Market Areas are used as the geographic basis for much of this Statement (although Travel to Work Areas and NUTS3 areas are also used). The HMAs and their derivation are summarised in our HNDA and accompanying information and are shown on Map 3-2 below.

Map 3-2 Housing Market Areas in Highland



Source: Highland Council

3.3 The Badenoch & Strathspey Housing Market Area

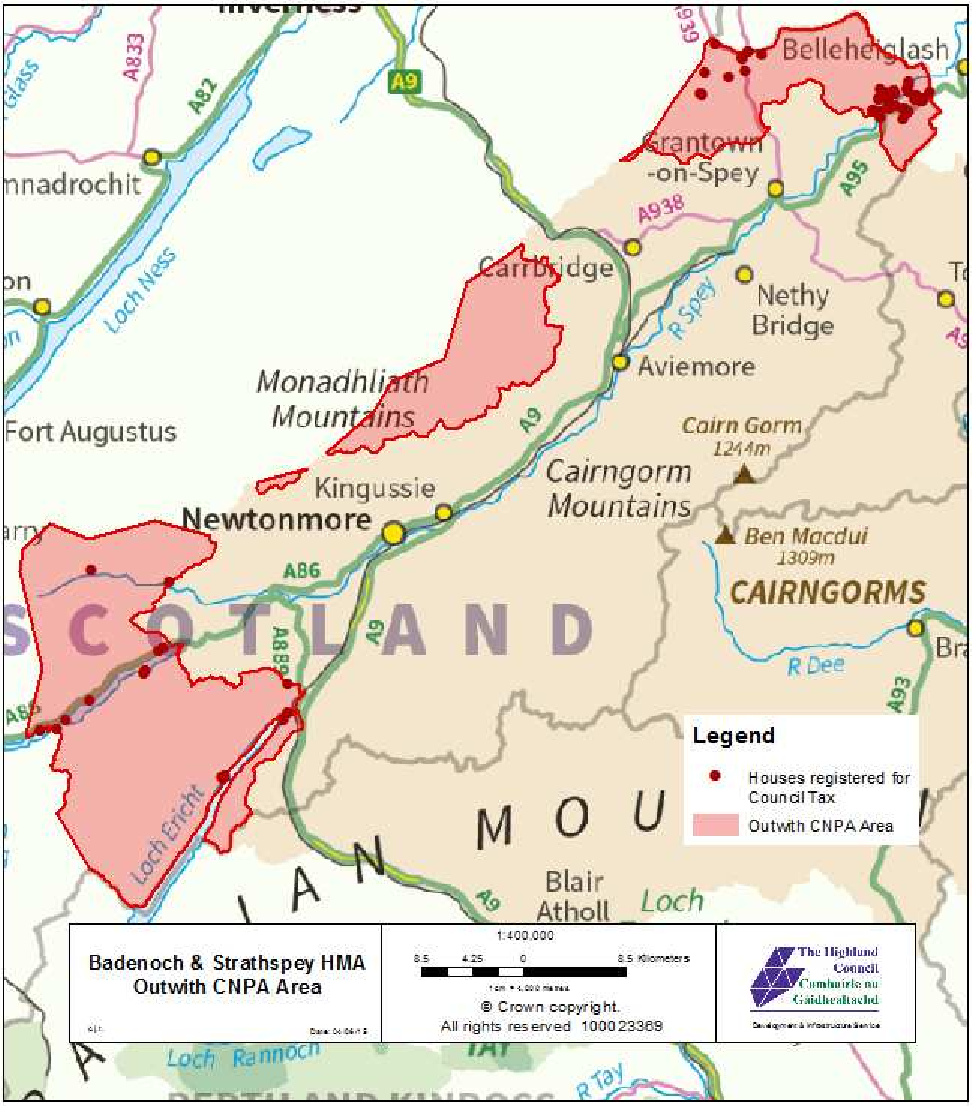
The Council is not the Planning Authority for the CNPA area but still has responsibility for the remainder of the Badenoch & Strathspey area, shown on Map 3-3 below, which is divided into three areas:

- The area around Advie in the North, area 153 sq kms, containing 153 houses registered on our Council Tax database.

- Two areas in the Monadhliath Mountains, combined area 132 sq kms, with no houses; and
- The area around Laggan in the south, area 417 sq kms, containing 20 houses.

The population are small and the areas do not fit well with those used for reporting local statistics (Census output areas and data zones) so it is not possible to produce accurate statistics for these areas. For this reason Badenoch & Strathpsey is omitted from many of the tables and figures below although fragments of the HMA are shown on some maps.

Map 3-3 Parts of the Badenoch & Strathspey HMA that lie Outwith the Plan Area



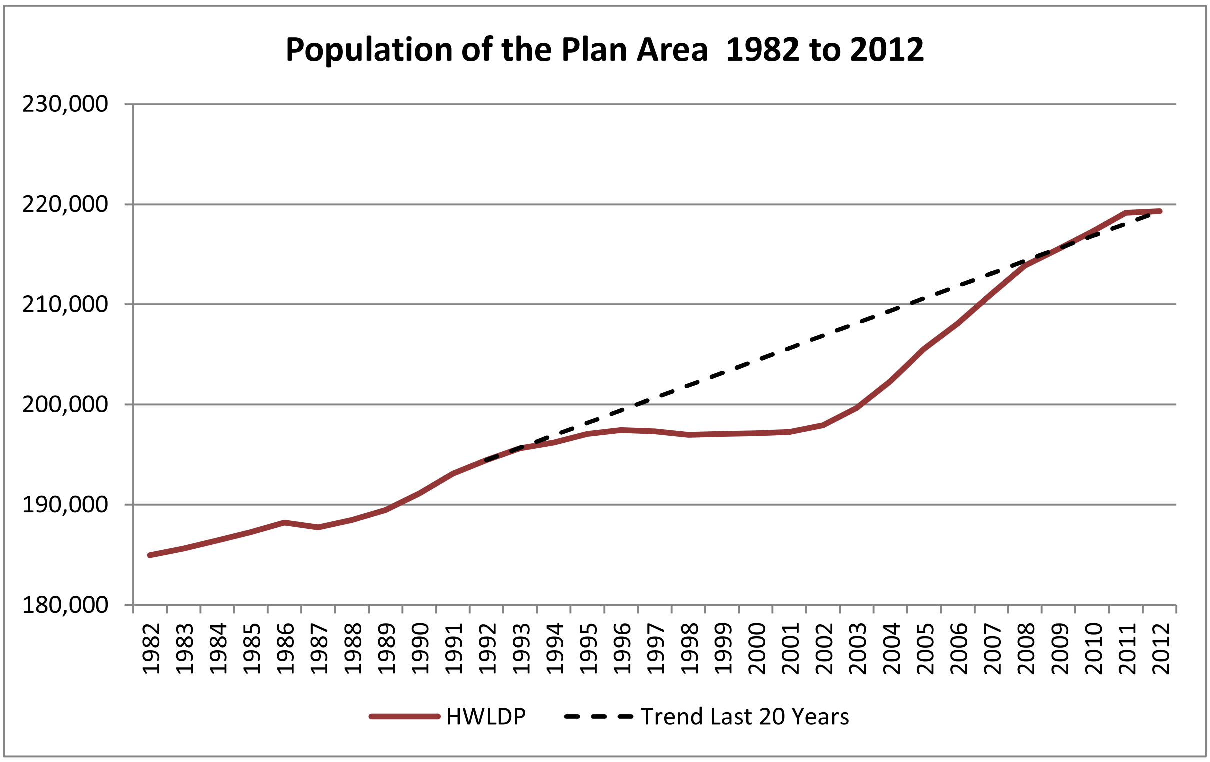
Source: Highland Council

3.4 Population

3.4.1 Recent Demographic Trends

The population of Plan area has risen steadily since the mid-twentieth Century, growing from 184,964 in 1982 to 219,313 in 2012. In line with the rest of Scotland this period has seen an ageing population with the percentage aged 16 to 44 falling from 40% in 1981 to 33% in 2011, and the percentage aged 65 and over rising from 14% in 1981 to 19% in 2011. The figure below shows the actual population growth since 1982, showing also the general trend in population growth.

Figure 1 Population of the Plan Area 1982 to 2012



Source: National Records of Scotland Mid Year Population Estimates

Table 3-2 below shows that growth has not been evenly distributed, ranging from high growth in Inverness, Nairn and Mid Ross to marginal decline in Caithness.

Table 3-2 Population by HMA, 1991 and 2001

	1991	2011	% Change
Caithness	26,735	26,486	-0.9
East Ross	20,797	21,810	4.9
Inverness	62,257	78,419	26.0
Lochaber	19,203	19,987	4.1
Mid Ross	19,520	22,939	17.5
Nairn	10,594	13,017	22.9
Skye & Lochalsh	11,779	12,886	9.4
Sutherland	13,548	13,844	2.2
West Ross	8,403	9,156	9.0
Plan Area	192,836	218,544	13.3

Source: 1991 and 2011 Censuses

3.4.2 The Age Profile of the Current Population

The Plan area has a population that is "older" than that of Scotland overall and we have a lower percentage of people aged 16 to 44 and a correspondingly higher percentage aged 45 and above. There are significant differences between HMAs and, in general, remote rural areas tend to have an older age profile than more urban areas: for example Sutherland has the lowest proportion in the under 45 age group (40.0%) and Inverness has the highest (55.1%).

Table 3-3 Age Profile by HMA, 2013

2013	0 to 14	15 to 44	45 to 64	65 to 74	75 plus	All ages (100%)
Caithness	16.8	32.0	30.0	12.1	9.1	26,067
East Ross	19.1	33.0	28.2	11.8	7.9	21,731
Inverness	18.1	37.0	28.0	9.3	7.7	79,415
Lochaber	17.8	32.4	30.0	11.6	8.2	19,943
Mid Ross	17.5	30.8	31.1	11.7	8.9	23,198
Nairn	17.3	29.9	30.4	12.1	10.4	12,954
Skye & Lochalsh	16.2	27.9	34.5	12.7	8.7	13,045
Sutherland	14.2	25.8	32.9	15.1	12.0	13,841
West Ross	16.1	26.1	33.4	13.9	10.5	9,195
Plan Area	17.5	32.8	29.8	11.3	8.7	219,389
Scotland	17.1	37.6	27.5	9.8	8.0	5,327,700

Source: Highland Council based on NRS Small Area Population Estimates 2013

One notable feature of Highland life is the drift of young people away from rural areas to find improved job prospects, often in Inverness or the wider Inner Moray Firth area, or to further and higher education. This means that the percentage of the population in the 16 to 20 age group tends to be below the Scotland average. The net result is that the population base in Inverness is more sustainable with a relatively consistent demand for housing through time whereas in the older areas population growth will slow and even decline locally, with a fall in the demand for housing and a marked increase in housing for the elderly.

3.4.3 Components of Population Change

The HNDA gives details of the components of population change from 1981 onwards for Highland overall. Equivalent information is not available for the Plan area for the full period, although the Plan area accounts for 94% of the total Highland population and the Highland average is very close to the Plan area average and they have similar general characteristics.

Table 3-4 below shows that, over the last decade, the numbers of births and deaths in the Plan area were largely in balance. Again there are significant variations between HMAs and only three have naturally sustainable populations at the moment – Inverness, East Ross and Lochaber – and the population of the other seven will fall without significant net inward migration.

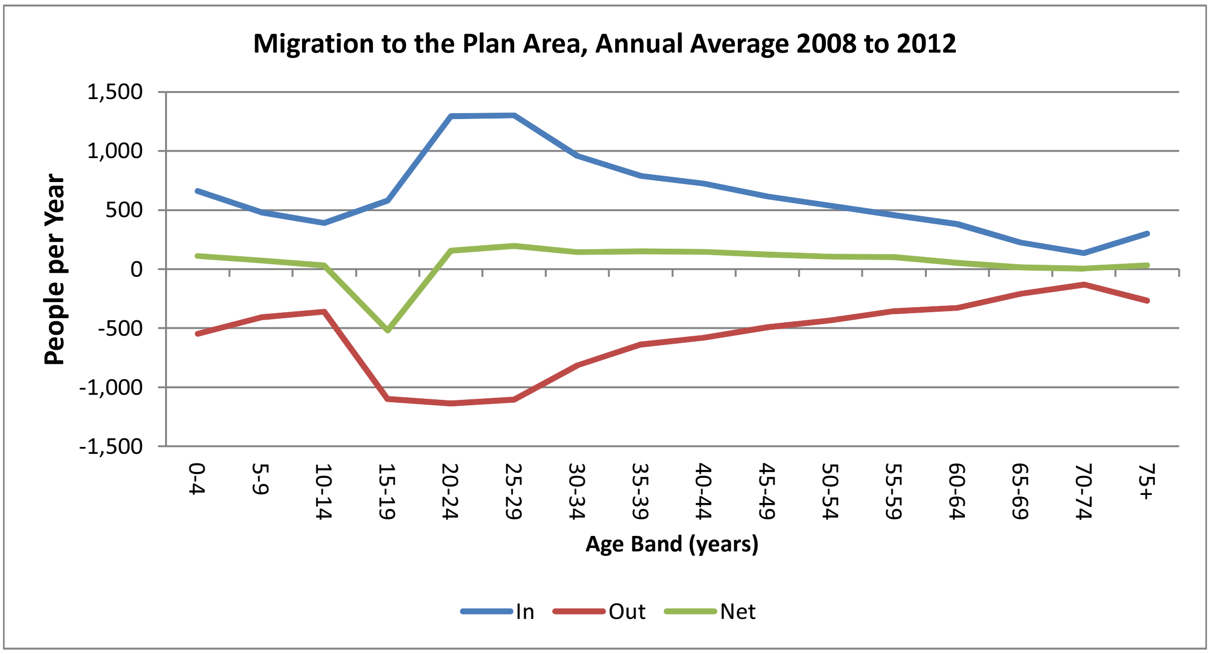
Table 3-4 Numbers of Births and Deaths by HMA 2004 to 2012

HMA	Births 2004 to 2013	Deaths 2004 to 2013	Births-Deaths
Caithness	2,701	2,939	-238
East Ross	2,454	2,205	249
Inverness	8,913	7,233	1,680
Lochaber	2,110	2,058	52
Mid Ross	2,038	2,067	-29
Nairn	1,100	1,463	-363
Skye & Lochalsh	1,109	1,374	-265
Sutherland	927	1,693	-766
West Ross	672	1,012	-340
Plan Area	22,024	22,044	-20

Source: Highland Council based on Scottish Neighbourhood Statistics

National Records of Scotland supplies migration data to the Council for eight areas within Highland (the former District Council areas) for use in population projections, and Figure 2 below gives the aggregate for the Plan area for the five years ending mid 2012. They demonstrate the loss of young people mentioned earlier and show that the Plan area has a net gain in all age bands apart from 15 to 19. Over the five year period the average net gain was 926 people per year.

Figure 2 Migration to and From the Plan Area



Source: National records of Scotland migration for areas in Highland

3.5 Housing Stock

The 2011 Census shows that were 104,297 houses in the Plan area and Table 3-5 below gives a breakdown of tenure by HMA using figures from the Census to give the best available consistent information (an additional 3,564 houses were built between the Census date and December 2014). It shows that 19.1% of the stock in the Plan area is subsidized affordable stock (either Council or Housing Association) which compares with 24.3% for Scotland. The highest percentage of affordable housing is in East Ross where over a third of the stock is affordable, and in general the percentage of affordable housing is lower in rural areas. Private renting is less common than in Scotland overall.

One notable feature of Highland is the high percentage of second / holiday homes, with 17.2% in Skye & Lochalsh and 15.5% in West Ross, and locally over 40% in some island and west coast settlements, contributing to a pressured local housing market.

Table 3-5 Tenure and Ineffective Stock by HMA

HMA	All Dwellings	Second residence / holiday accommodation	Vacant	Total Ineffective Stock	Owned	Rented from Highland Council	Rented from Housing Association	Total Social rented	Private Rented	Living rent free
Caithness	12,808	2.8	3.4	6.1	67.5	16.8	5.7	22.5	6.7	2.1
East Ross	9,890	1.9	2.9	4.8	60.9	20.4	7.7	28.0	7.5	2.3
Inverness	35,866	1.7	2.5	4.2	67.4	11.8	4.8	16.6	12.6	1.5
Lochaber	9,814	10.3	1.9	12.2	62.7	14.8	9.1	23.9	8.0	3.1
Mid Ross	10,163	1.3	3.1	4.3	72.7	12.4	3.2	15.6	8.5	2.1
Nairn	5,913	1.2	2.5	3.7	68.7	12.0	4.7	16.7	11.6	1.7
Skye & Lochalsh	7,103	17.2	1.9	19.1	70.4	8.4	10.0	18.3	6.9	2.6
Sutherland	7,789	12.0	4.3	16.3	67.7	14.2	3.9	18.1	7.9	4.4
West Ross	4,951	15.5	2.7	18.3	71.7	8.6	4.5	13.2	9.1	4.1
Plan Area	104,297	5.1	2.7	7.8	67.4	13.4	5.6	19.1	9.7	2.2
Scotland	2,473,881	1.5	2.6	4.1	62.0	13.2	11.1	24.3	11.1	1.3

Source: 2011 Census, tenure “other” omitted

3.6 The Economy of The Plan Area

3.6.1 Overview

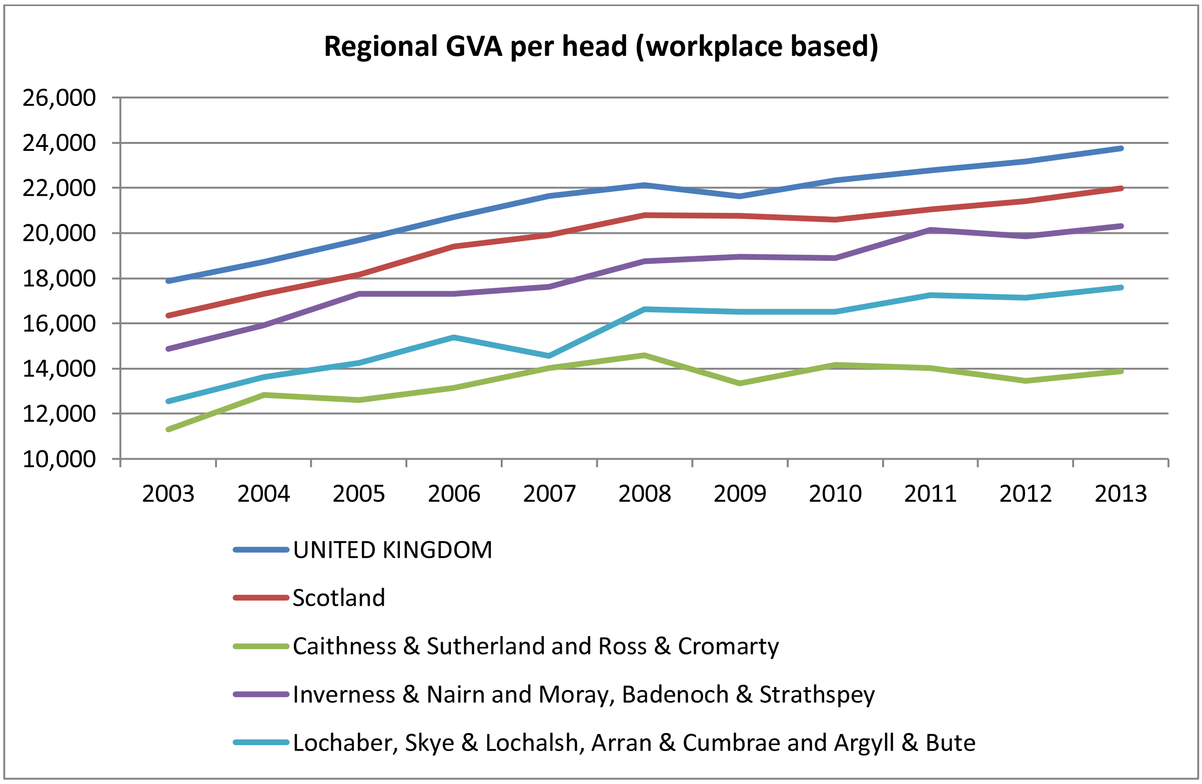
The economy of Highland has traditionally been based on primary industries such as agriculture; fishing and forestry; seasonal tourism; and the public sector. It has generally not had a strong wealth-generating manufacturing sector, nor has it seen the strong growth in the service sector over the last two decades which has characterised growth in the UK and Scotland in particular through financial services. As a result our economy does not perform as well as the Scotland economy, measured in traditional terms such as GDP per head.

The smallest local scale for which economic performance is published is NUTS3[1] areas, and can be measured as GVA[2] per head. Highland does not fit neatly into these areas and it is split across three NUTS3 areas which also contain the Argyll & Bute and Moray Council areas.

Figure 3 shows that growth in GVA over the last decade has been marginally higher than the UK and Scottish average in Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute, Inverness & Nairn and Moray and Badenoch & Strathspey but lower in Caithness & Sutherland and Ross & Cromarty.

[1] Standard geographic areas used for European statistics “Nomenclature of Units for Terrestrial Statistics”.
[2] Gross Value Added: the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

Figure 3 Economic Output (GVA)



Source: Office of National Statistics Regional GVA Table 3.2

3.6.2 Employment

The current profile of jobs in the Plan Area is given in Table 3-6 below together with a Highland and Scotland comparison: these are residence based figures and relate to the employment of people living in the area rather than the jobs in the area.

Table 3-6 Employment by 2007 Standard Industrial Classification (broad groups)

Industry	Plan Area	*Highland*	*Scotland*
A Agriculture, forestry and fishing	4.3%	4.3%	2.0%
B Mining and quarrying	1.3%	1.2%	1.4%
C Manufacturing	5.8%	5.7%	7.7%
D Electricity, gas, steam and air conditioning supply	0.8%	0.8%	0.8%
E Water supply, sewerage, waste management and remediation activities	1.4%	1.3%	0.8%
F Construction	9.8%	9.8%	8.0%
G Wholesale and retail trade, repair of motor vehicles and motorcycles	15.1%	14.9%	15.0%
H Transport and storage	5.1%	5.0%	5.0%
I Accommodation and food service activities	8.6%	9.1%	6.3%
J Information and communication	2.4%	2.4%	2.7%
K Financial and insurance activities	1.2%	1.3%	4.5%
L Real estate activities	1.2%	1.3%	1.2%
M Professional, scientific and technical activities	4.5%	4.5%	5.2%
N Administrative and support service activities	4.0%	4.0%	4.3%
O Public administration and defence, compulsory social security	6.8%	6.6%	7.0%
P Education	7.5%	7.6%	8.4%
Q Human health and social work activities	15.4%	15.2%	15.0%
R, S, T, U Other	4.6%	4.9%	4.9%
All people aged 16 to 74 in employment (100%)	108,137	*115,270*	*2,516,895*
Indicative % Public Sector (O + P + Q)	29.7%	*29.4%*	*30.4%*

Source: 2011 Census

The public sector is the largest employer in the Plan area. In the table, industries O, P and Q together approximate to the public sector and the figures show that employment in this sector in the Plan area overall is similar to the Scottish average. There is some variation within the Plan area, the highest is in Inverness (32.6%) and the lowest in Lochaber (25.4%).

Outside the public sector, the wholesale and retail trade is the main employer overall although in rural areas outwith the Inner Moray Firth tourism is the main employer (mainly classed as accommodation and food services in the table above). Research into tourism in Highland ("STEAM" reports) has shown that in 2011 it was responsible for £748m of direct expenditure and £175m of indirect expenditure and supported over 18,000 direct jobs (19,900 jobs in 2012, 18% of all jobs in Highland). The reports also highlight that occupancy levels for self-catering units in Highland have been declining over the past 5 years: 2009 – 58%, 2010 – 56%, 2011 – 50%, 2012 – 47%, 2013 – 49% (with slight growth in 2013 likely to be a result of the "Year of Natural Scotland"). Anecdotal evidence suggests that the decline will continue into 2014 when the figures are published.

Table 3-7 below shows that 98,700 people were employed in the plan area in 2013 together with the percentage who are full time and the change during the last decade. Across the Plan area as a whole the percentage of full time jobs (63.2%) is below the Scotland average (66.8%), with most full time working in East Ross, Inverness and Mid Ross (69.6%, 64.7% and 64.5% respectively) and least in Skye & Lochalsh and Nairn (57.2% and 57.3%). The increase in the number of people employed in the Plan area over the last decade has been similar to the population increase, but is unevenly spread with growth of 21.5% in Inverness and 13.9% in East Ross, and a fall of -15% in Caithness.

Table 3-7 Percentage of Full Time Employees and Change in the Number of Jobs 2003 to 2013

HMA	Employees 2013	% Full Time 2013	% Change in Total Employees 2003 to 2013
Caithness	9,800	60.8	-15.0
East Ross	8,300	69.6	13.9
Inverness	47,400	64.7	21.5
Lochaber	9,400	61.0	6.5
Mid Ross	7,300	64.5	4.9
Nairn	3,900	57.3	6.4
Skye and Lochalsh	5,100	57.2	1.5
Sutherland	4,500	58.1	3.1
West Ross	3,000	59.9	2.4
Plan Area	98,700	63.2	10.2

Source: NOMIS / ONS: ABI 2003 and BRES 2013

Results from the 2011 Census in Table 3-8 below show that self employment in the Plan area is above the Highland and National averages (15.8%, compared with 11.0% and 7.5% respectively) with the highest rate of self employment at Ward level in Eilean a' Che`o (18.5%).

Table 3-8 Self Employment

Self Employment	
HMA	% of People Aged 16 to 74 Who are Self-employed
Caithness	9.4
East Ross	8.8
Inverness	8.7
Lochaber	12.8
Mid Ross	11.5
Nairn	9.6
Skye and Lochalsh	17.9
Sutherland	14.3
West Ross	18.7
Plan Area	10.8
Scotland	7.5

Source: 2011 Census

3.6.3 Income

Highland’s economic performance and jobs profile is reflected in wages which are lower than the UK and Scotland averages. The Annual Survey of Hours and Earnings (ASHE) shows that in 2014 the average annual wage for all jobs (full and part time) in the UK was £26,052 and in Scotland £25,173 (96.6% of UK). These compare with earnings in Highland of £22,563 (86.6% of UK and 89.6% of Scotland).

One estimate of local incomes available to us is from the CACI Paycheck[3] figures for household income, supplied to us until 2013 by the Scottish Government for house affordability studies and used below. Figures are available for Wards and show in the table below that in 2013 the average annual household income in the Plan area was £32.7k, lower than the Scotland average of £34.2k. Income levels are fairly significantly from £43k in Inverness South and £39k on the Black Isle to £27k in Wick and £28k in Inverness Central: the latter two contain areas that are regarded as deprived (see below) but apart from this the general trend is for rural areas to have lower incomes.

Table 3-9 Household Income

Ward Name	Average Annual Income	% of Households Earning Less Than £10k per Annum
Aird and Loch Ness	£36,350	10.6
Black Isle	£38,673	9.5
Caol and Mallaig	£29,549	14.8
Cromarty Firth	£29,671	15.6
Culloden and Ardersier	£36,392	10.3
Dingwall and Seaforth	£31,561	14.0
East Sutherland and Edderton	£28,672	16.0
Eilean a' Cheò	£29,894	14.8
Fort William and Ardnamurchan	£30,852	14.1
Inverness Central	£28,281	18.0
Inverness Millburn	£34,364	12.3
Inverness Ness-Side	£34,306	12.4
Inverness South	£43,052	7.6
Inverness West	£31,783	13.6
Landward Caithness	£34,614	11.2
Nairn	£32,912	13.4
North, West and Central Sutherland	£29,788	15.1
Tain and Easter Ross	£31,033	14.0
Thurso	£31,481	14.7
Wester Ross, Strathpeffer and Lochalsh	£30,162	14.7
Wick	£27,076	17.9
Highland	£32,671	13.4
Scotland	£34,249	13.8

Source: CACI Paycheck

3.6.4 Deprivation

Unemployment, benefit uptake and deprivation are reported in detail on the Highland Council website for individual wards[4] and data zones[5].

The Scottish Index of Multiple Deprivation 2012 (SIMD12) ranks all data zones in Scotland according to their level of multiple deprivation, based on seven domains[6],

[3] © 2013 - CACI Limited. This report shall be used solely for academic, personal and/ or non-commercial purposes.
[4] http://www.highland.gov.uk/downloads/file/11810/ward_profiles
[5] http://www.highland.gov.uk/downloads/download/732/deprivation_and_fragility

and provides a useful way of summarising unemployment and benefit dependency. Historically, those data zones that were in the most deprived 15% in Scotland (ranks 1 to 976 out of 6,505 zones in Scotland) were recognised nationally as deprived and were candidates for regeneration funding. The 15% figure is no longer applied rigorously but has become a de-facto standard for measuring deprivation.

Table 3-10 and Map 3-4 below show the 17 zones in the Plan area that rank in the 15% most deprived in Scotland.

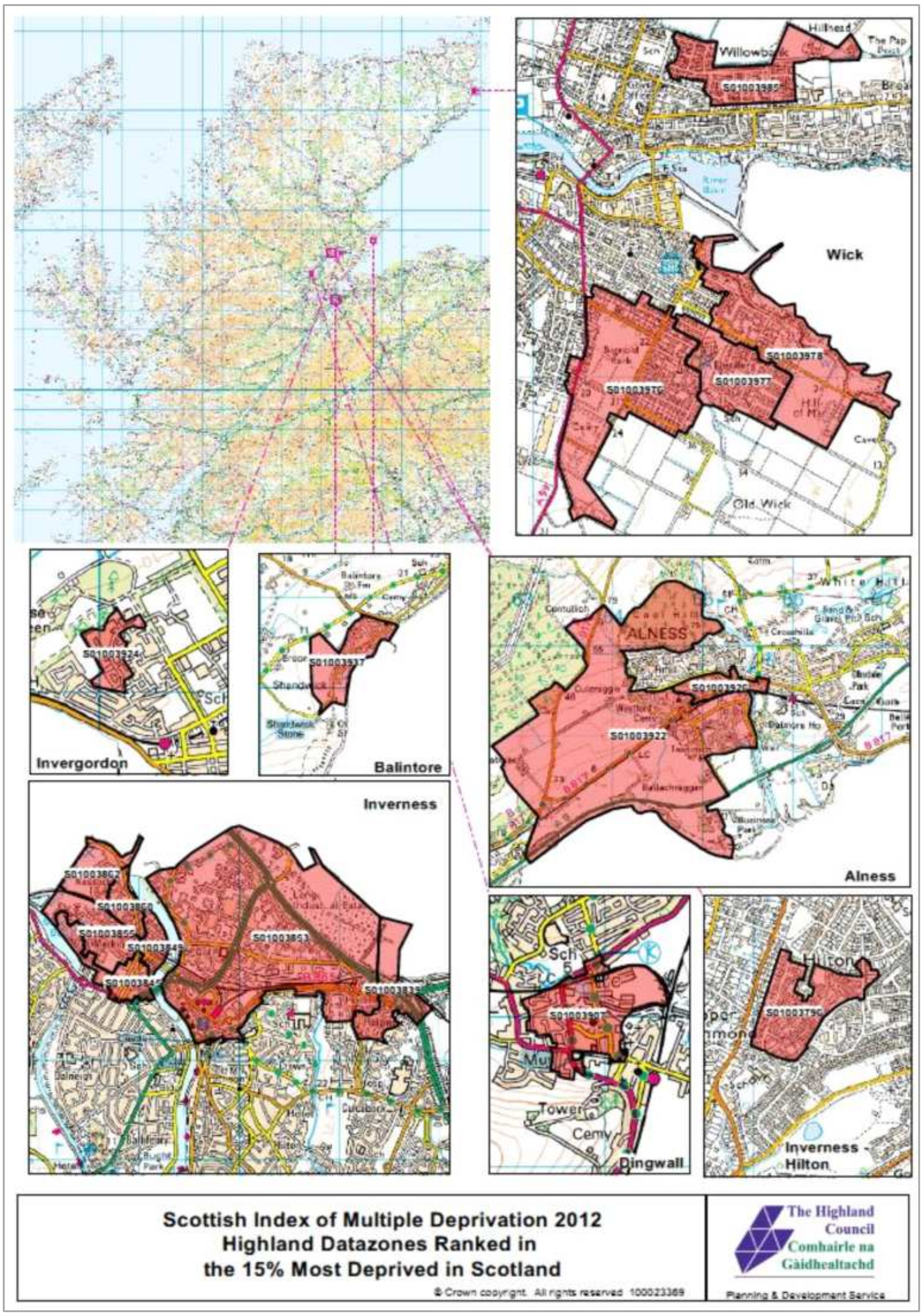
Table 3-10 Deprived Data Zones

<table>
<tr><th colspan="6">HIGHLAND DATAZONES RANKED IN THE 15% MOST DEPRIVED IN SCOTLAND</th></tr>
<tr><th>Data Zone Name</th><th>Data Zone Reference</th><th>Rank in Highland 2012</th><th>Rank in Scotland 2012</th><th>% in Highland 2012</th><th>% in Scotland 2012</th></tr>
<tr><td>Inverness Merkinch North</td><td>S01003860</td><td>1</td><td>32</td><td rowspan="15">5%</td><td rowspan="4">5%</td></tr>
<tr><td>Inverness South Kessock</td><td>S01003862</td><td>2</td><td>107</td></tr>
<tr><td>Wick Pultneytown South</td><td>S01003977</td><td>3</td><td>288</td></tr>
<tr><td>Inverness Merkinch East</td><td>S01003849</td><td>4</td><td>298</td></tr>
<tr><td>Invergordon Strath Avenue</td><td>S01003924</td><td>5</td><td>375</td><td rowspan="5">10%</td></tr>
<tr><td>Wick Hillhead North</td><td>S01003985</td><td>6</td><td>404</td></tr>
<tr><td>Inverness Central & Longman</td><td>S01003853</td><td>7</td><td>479</td></tr>
<tr><td>Inverness Merkinch South</td><td>S01003855</td><td>8</td><td>519</td></tr>
<tr><td>Wick South</td><td>S01003976</td><td>9</td><td>578</td></tr>
<tr><td>Alness Kirkside</td><td>S01003926</td><td>10</td><td>686</td><td rowspan="8">15%</td></tr>
<tr><td>Inverness Hilton West</td><td>S01003796</td><td>11</td><td>796</td></tr>
<tr><td>Seaboard South</td><td>S01003937</td><td>12</td><td>797</td></tr>
<tr><td>Inverness Merkinch Telford</td><td>S01003845</td><td>13</td><td>821</td></tr>
<tr><td>Dingwall Central</td><td>S01003907</td><td>14</td><td>867</td></tr>
<tr><td>Wick South Head</td><td>S01003978</td><td>15</td><td>918</td></tr>
<tr><td>Inverness Raigmore North</td><td>S01003839</td><td>16</td><td>949</td><td rowspan="2">10%</td></tr>
<tr><td>Alness Teaninich</td><td>S01003922</td><td>17</td><td>970</td></tr>
</table>

Source: Scottish Index of Multiple Deprivation 2012

[6] These are: income, employment, health, education, housing, crime, geographic access to services

Map 3-4 Deprived Data Zones

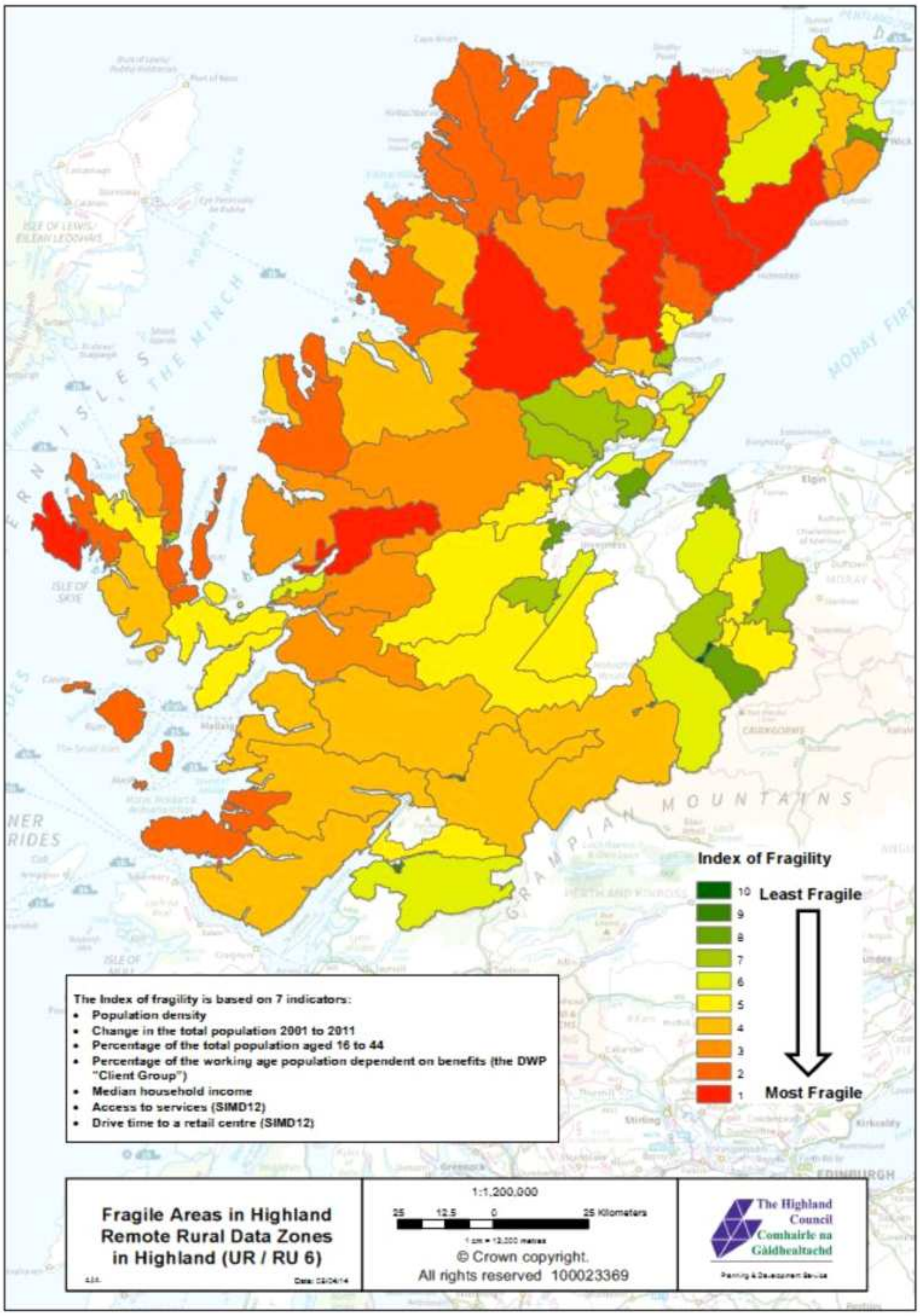


Source: Scottish Index of Multiple Deprivation 2012

3.6.5 Fragile Areas

In addition to the deprived areas described above, parts of the Plan area are classed as fragile areas which are areas that may not be economically sustainable due to a combination of declining population, low population density, distance from services and low economic output. Map 3-5 below presents the results of in-house analysis of rural data zones in Highland and shows that there are particularly fragile areas in parts of Sutherland, West Ross and Skye.

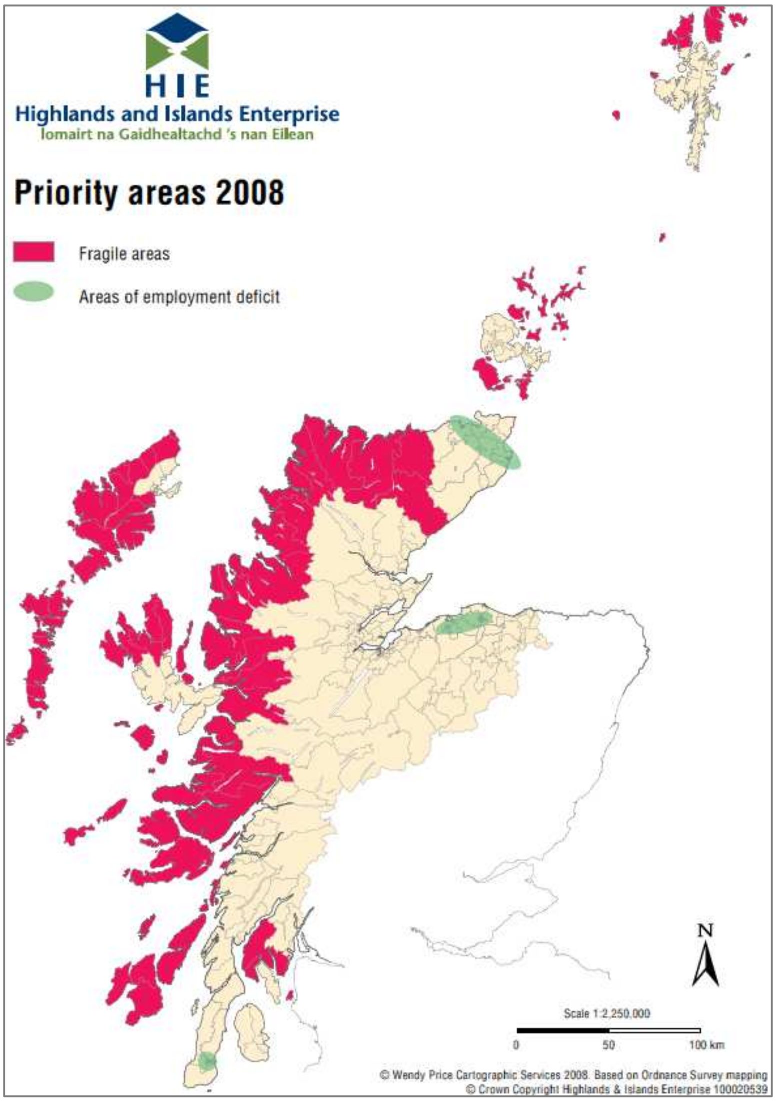
Map 3-5 Fragile Areas in Highland



Source: Highland Council

In addition, Highlands and Islands Enterprise recognises all of the west coast, the northern part of Skye and parts of Caithness and North Sutherland as fragile economic areas which are eligible for targeted funding as shown in red in Map 3-6 below.

Map 3-6 Highland and Islands Enterprise: Priority Areas, 2008



Source: Highland and Islands Enterprise

4 WHERE WE GUIDE DEVELOPMENT

4.1 Planning Pressure – Overview of Planning Applications

Table 4-1 below gives a simple measure of planning activity and looks at the number of applications of all types – from (eg) simple new porches to major extensions and new houses – during the 10 years from 2005 to 2014. It shows that there is a significant variation in the level of activity across Highland with more than double the number of applications per house in West Ross and Skye & Lochalsh (0.62 and 0.61 respectively) when compared with East Ross, Inverness and Nairn (each 0.28). It also shows that the level of activity fell during the second five year period following the credit crunch in 2008.

Table 4-1 Planning Applications of all Types, by HMA, 2005 to 2014

HMA	2005 to 2009	2010 to 2014	Total	Index (applications per house)
Caithness	2,872	2,107	4,979	0.39
East Ross	1,594	1,139	2,733	0.28
Inverness	5,715	4,389	10,104	0.28
Lochaber	2,615	2,001	4,616	0.47
Mid Ross	2,092	1,581	3,673	0.36
Nairn	919	757	1,676	0.28
Skye and Lochalsh	2,509	1,855	4,364	0.61
Sutherland	2,124	1,611	3,735	0.48
West Ross	1,705	1,355	3,060	0.62
Plan Area	24,716	18,713	43,429	0.42

Source: Highland Council Records

4.2 New House Completions

Table 4-2 below shows that 17,187 new homes were built in the Plan area between 2000 and 2014, an average of 1,090 per year. There were 1,667 completions in the peak year of 2007, more than double the number in the lowest year of 2013 (787). The housing stock in the Plan area increased by 19% during the 15 year period, with the highest growth in Inverness and Skye & Lochalsh (25.4% and 25.0% respectively) and the lowest in Sutherland and Caithness (11.6% and 12.0% respectively).

Table 4-2 Number of New Homes Built by HMA 2000 to 2014

HMA	2000 to 2004	2005 to 2009	2010 to 2014	Total	% Increase in Stock
Caithness	423	635	364	1,422	12.0
East Ross	316	584	308	1,208	13.6
Inverness	2,249	3,336	1,946	7,531	25.4
Lochaber	393	447	362	1,202	13.5
Mid Ross	687	535	563	1,785	20.3
Nairn	458	341	244	1,043	21.0
Skye and Lochalsh	396	594	455	1,445	25.0
Sutherland	208	366	243	817	11.6
West Ross	239	303	192	734	16.8
Plan Area	5,369	7,141	4,677	17,187	19.0

Source: Highland Council records

Table 4-3 below gives information on the type of site that new homes were built on. It shows that, out of 17,187 new homes completed from 2000 to 2014, 63.6% were on allocated sites, giving 36.4% of all completions that were effectively windfall: On average there were 417 windfall completions per year over the 15 year period. The picture across HMAs is mixed but in general the percentage of completions on allocated sites is higher in more urban HMAs (Mid Ross 81.3%, East Ross 74.3%, and Inverness 74.0%) and lowest in Skye & Lochalsh and West Ross (19.8% and 34.6% respectively).

Table 4-3 Number of New Homes Built on Allocated Sites by HMA, 2000 to 2014

Housing Market Area	Total Number of New Homes	Number Built on Allocated Sites	Percentage of New Homes on Allocated Sites	Average Number per Year not on Allocated Sites ("Windfall")
Caithness	1,422	545	38.3	58
East Ross	1,208	898	74.3	21
Inverness	7,531	5,570	74.0	131
Lochaber	1,202	574	47.8	42
Mid Ross	1,785	1,452	81.3	22
Nairn	1,043	641	61.5	27
Skye and Lochalsh	1,445	822	56.9	39
Sutherland	817	283	34.6	42
West Ross	734	145	19.8	36
Grand Total	17,187	10,930	63.6	417

Source: Highland Council records

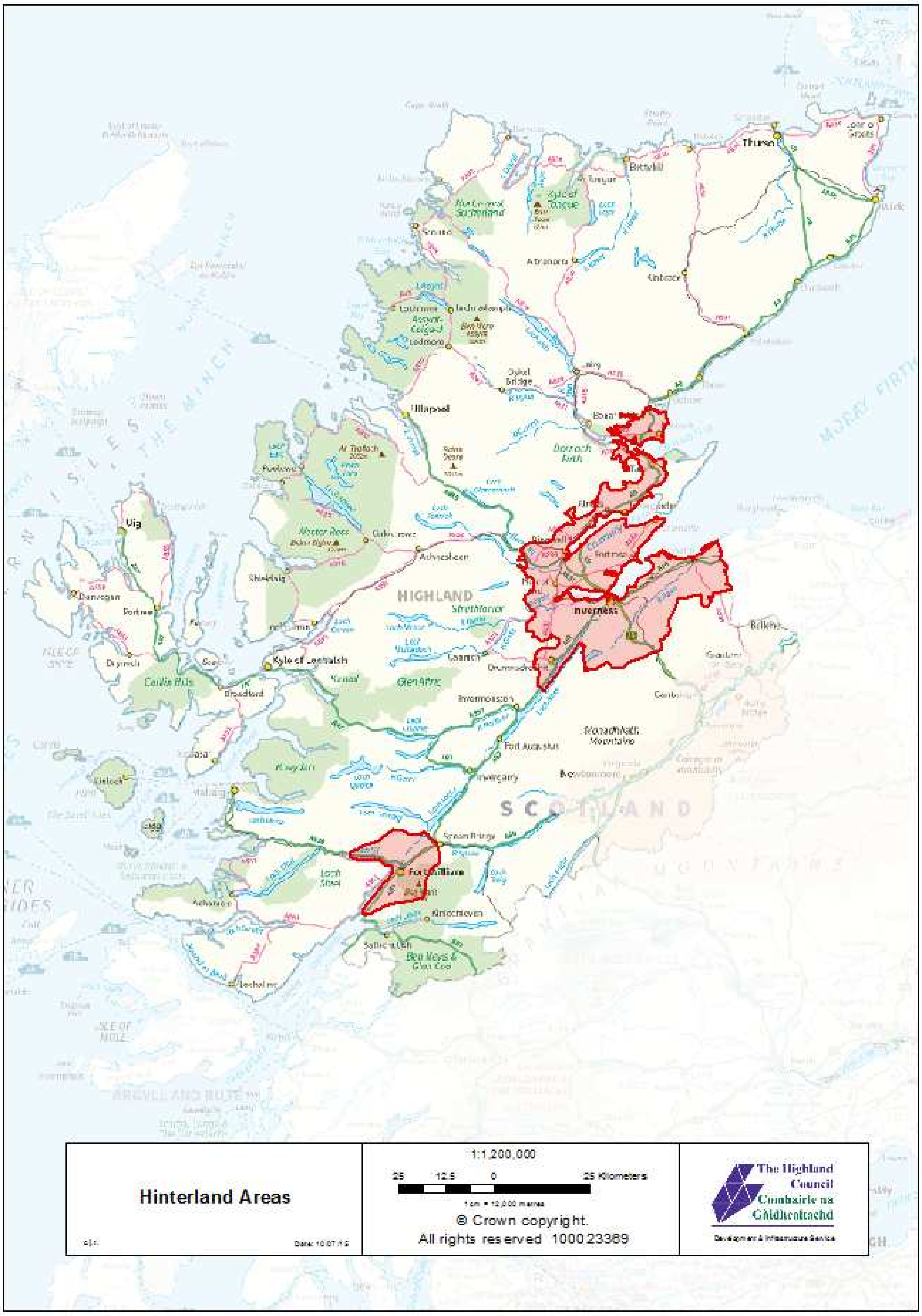
Table 4-4 below looks at the distribution, by type of site, of new homes that were not built on sites allocated in Local Development Plans. Just over half of these were built on sites within settlement development areas (SDAs). 6.8% of completions were in hinterland areas and were neither on allocated sites nor within SDAs. 9.6% were "housing in the countryside" sites granted permission using general policies. Hinterland areas, designed to control commuter pressure on our main towns, are shown in Map 4-1 beneath the table: note that hinterland areas were not introduced until 2001, and were revised between 2000 and 2012.

Table 4-4 Breakdown of Site Type for New Houses not on Allocated Sites by HMA, 2000 to 2014

Housing Market Area	New Homes not on Allocated Sites but within SDA	New Homes not on Allocated Sites, not in SDA, in Hinterland Area	New Homes not on Allocated Sites, not in SDA, not in Hinterland Area	All New Homes Within Hinterland Boundaries (includes within SDA)	All New Homes Outwith Hinterland Boundaries (includes within SDA)
Caithness	435	0	442	0	1,442
East Ross	121	109	80	1,002	206
Inverness	1,216	553	192	7,100	431
Lochaber	298	37	293	438	764
Mid Ross	121	212	0	1,785	0
Nairn	293	90	19	1,024	19
Skye and Lochalsh	435	0	188	0	1,445
Sutherland	108	108	318	236	581
West Ross	411	57	121	154	580
Plan Area	3,438	1,166	1,653	11,739	5,448

Source: Highland Council records

Map 4-1 Hinterland Areas



Source: Highland Council

4.3 House Sales

4.3.1 Affordability

The Scottish Government's Centre for Housing Market Analysis supplies the Council with an annual data pack containing:

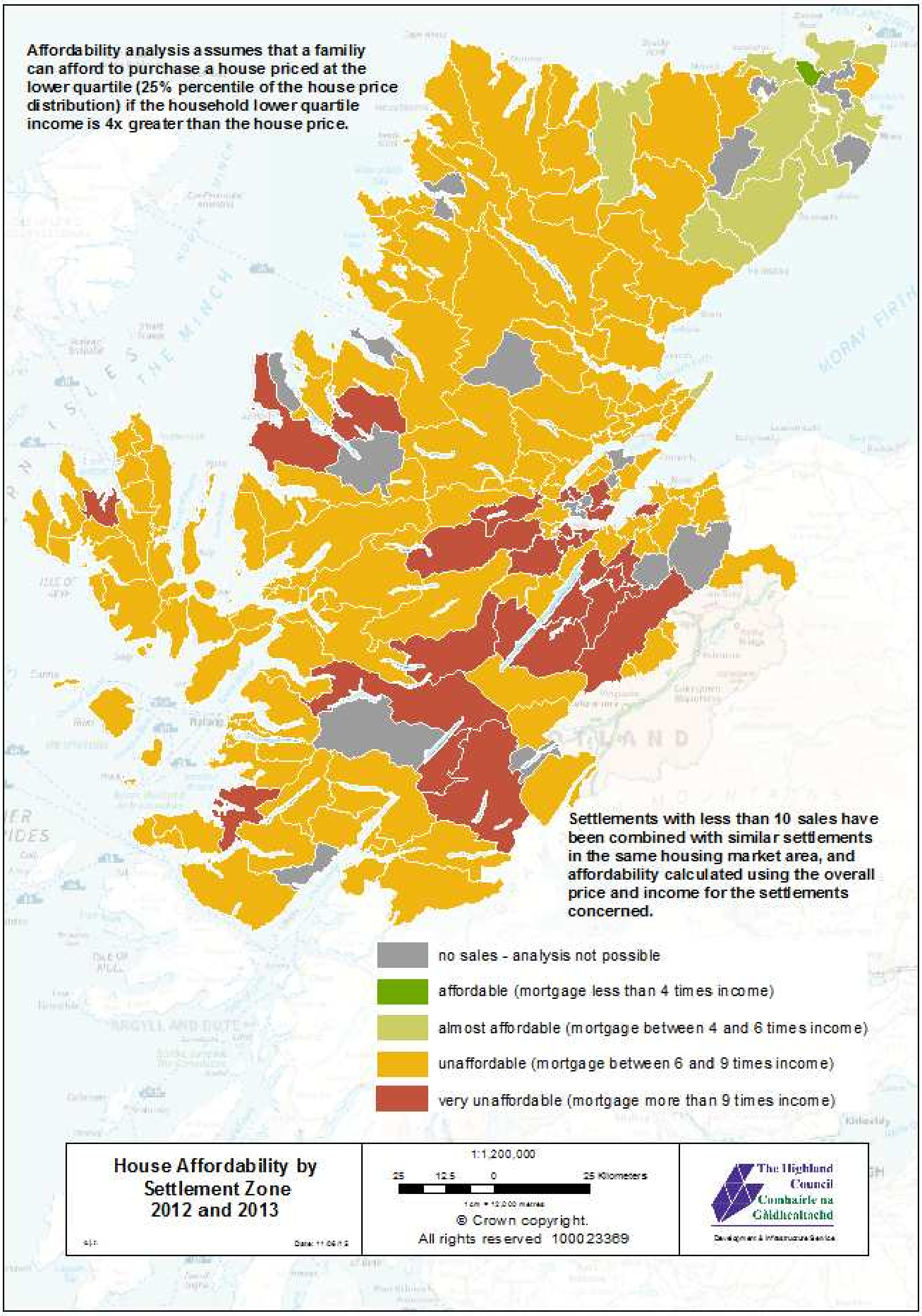
- Information on each house sale in Highland giving the type of sale, location of the house, the origin of the buyer and the sale price (from the Registers of Scotland *LandVals* data); and
- Until 2013, information on household incomes, by *intermediate zone*[7], from the Paycheck dataset marketed by CACI. (More information on income is given on page 20 above).

Income date for intermediate zones can be converted to the equivalent for other more meaningful geographic areas through the use of computer based mapping, albeit with some loss of accuracy, and compared with typical house prices to produce a measure of affordability.

We monitor affordability using a combination of the income and house sales data described above, using the benchmark of a mortgage for a lower quartile price house that is 4 times the lower quartile joint household income (these are the measures used by the Scottish Government's Centre for Housing Market Analysis). Map 4-2 shows that in 2012 and 2013 much of the Plan area was classed as *unaffordable* or *highly unaffordable*, and modest housing was beyond the reach of households with low incomes. The only affordable and nearly affordable areas in Highland were in Caithness and North Sutherland.

[7] Standard geographical areas containing between 2,500 and 6,000 people.

Map 4-2 House Affordability 2012 and 2013



Source: Highland Council based on CHMA, ROS, LVIU, CACI

Table 4-5 below gives the number of open market sales during 2013 and the mean and median sale prices, in each HMA in the Plan area. There were 2,367 open market sales in 2012 and 2,982 in 2013 indicating a gradual and delayed recovery from the 2008 credit crunch. Median sale prices are highly variable, ranging from £99k in Caithness to £168k in West Ross, £166k in Nairn and £162k in Mid Ross.

Table 4-5 Open Market House Sales 2012 and 2013

Housing Market Area	Median Sale Price 2012 and 2013
Caithness	£99,000
East Ross	£125,000
Inverness	£152,950
Lochaber	£130,000
Mid Ross	£161,500
Nairn	£166,000
Skye & Lochalsh	£148,000
Sutherland	£125,000
West Ross	£168,250
Plan Area	£145,000

Source: Highland Council based on CHMA / LVIU

4.3.2 The Origin of House Buyers

The section above on migration can be complemented at a local level by information on the origin of house buyers. Given that incomes in Highland are lower than both the Scotland and UK averages, migrants from elsewhere often bring high levels of equity from the sales of previous houses which gives them greater purchasing power than existing residents, contributing to a stressed market. Table 4-6 below shows the origin of all buyers during the decade ending 2012:

- 72% of houses were sold to buyers already living in Highland, 14% living in the rest of Scotland and 11% in the rest of the UK.
- Caithness, Inverness and Lochaber are the most contained housing markets in Highland with 72%, 65% and 60% respectively of buyers moving locally within the same HMA.
- Skye & Lochalsh, Sutherland and West Ross are the least contained with only a third of sales to buyers already living locally, with a round a quarter to buyers from the rest of the UK (out with Scotland).

Table 4-6 Origin of House Buyers 2012 and 2013 as Percentage of All Buyers

HMA of House	Within HMA	Highland	Rest of Scotland	Rest of UK	Overseas	Unknown	All Sales (100%)
Caithness	72	78	9	11	0	3	2,865
East Ross	54	77	11	9	1	3	2,224
Inverness	65	79	13	6	1	2	13,912
Lochaber	60	63	16	16	1	3	2,134
Mid Ross	46	77	12	8	1	2	2,680
Nairn	48	66	20	10	1	3	2,212
Skye and Lochalsh	35	40	20	32	2	6	1,655
Sutherland	34	51	16	25	2	5	1,507
West Ross	31	49	21	24	2	5	1,085
Plan Area	72	72	14	11	1	3	30,274

Source: Highland Council based on CHMA / LVIU

5 HOUSING NEED AND DEMAND ASSESSMENT

5.1 Background

In order to assess the number of new houses that will be required in Highland over the next 10 years and beyond we have carried out a Housing Need and Demand Assessment (HNDA). This also captures information on the operation of the housing system to assist local authorities in the development of policies on new supply, management of existing stock and the provision of housing-related services. Its purpose is to provide a robust, shared and agreed evidence-base for housing and land use planning and to ensure that both the LHS and Development Plans are based upon a common understanding of existing and future housing requirements. Our HNDA follows Scottish Government guidance and has been submitted to the Centre for Housing Market Analysis (CHMA) for assessment. This process has not been completed and the figures given below are therefore draft: this section will be updated if the CHMA asks for any changes.

The full HNDA is the definitive document for information on housing need and requirement but extracts are given below for each of the nine housing market areas that lie in the Plan area. No figures are given for the small part of Badenoch & Strathspey in the Plan area, where there will be a limited requirement meeting local needs.

The HNDA presents detailed information based on the 2012 based NRS high migration scenario, which is their scenario that reflects the expected future growth of Highland most closely and provides a baseline for the HWLDP. However, the HNDA also shows that the rate of household growth indicated by the high migration scenario is well below the historic rate of growth we have seen in Highland, and may not be sufficient to sustain continued economic growth. The reasons for the lower projections are effectively summarised in Section 0 below which compares the housing requirement given by the 2010 and 2015 HNDAs. The HNDA therefore also presents a higher growth scenario based on the historic rate of housebuilding in Highland, but recognising that the requirement will drop off during the second half of the period as the rate of population growth slows as a result of our ageing population. The HNDA presents this scenario for information and it is outside the formal remit of the HNDA assessment process.

This Statement follows the approach taken in the HNDA and presents detailed information for the high migration scenario followed by a summary for the higher, continued growth, scenario: these scenarios are referred to as “low” and “high” respectively in Table 1 of the HWLDP Main Issues Report.

5.2 Population Projections

The high migration scenario assumes that net migration into the Plan area is 1,000 per year, slightly higher than the 20 year historic average. Table 5-1 below shows that under this scenario the total population is expected to increase by 15,430 (7.0%) between 2015 and 2035 but with significant variation between areas ranging from an increase of 15.2% in Inverness to falls in Caithness and Sutherland of -5.9% and -3.6% respectively. The division of Ross & Cromarty into its three constituent HMAs takes place later in the process and is reflected in the housing requirement in Table 5-5.

Table 5-1 Projected Populations for Areas

Housing Market Area	2015	2020	2025	2030	2035	% change 2015 to 2025
Caithness	26,154	25,970	25,680	25,227	24,618	-5.9
Inverness	80,653	83,843	87,091	90,135	92,935	15.2
Lochaber	20,066	20,330	20,607	20,859	21,066	5.0
Nairn	13,099	13,339	13,601	13,857	14,076	7.5
Ross and Cromarty	54,436	55,318	56,198	56,872	57,219	5.1
Skye and Lochalsh	12,957	13,101	13,263	13,372	13,376	3.2
Sutherland	13,827	13,740	13,664	13,543	13,332	-3.6
Plan Area	221,192	225,641	230,104	233,865	236,622	7.0

Source: Highland Council 2012 Series Population Projections, high migration scenario

Table 5-2 and Table 5-3 below show that over the next two decades the population increase is expected to be accompanied by a significant change in the age structure. There is a decrease of 5.5% in the number of people aged under 65, with some fluctuation in the narrower age bands as systematic changes such as the ageing of the baby boomer generation born in the late 1940s and 1950s, and the increase in the birth rate that began in the mid 2000s, feed though the age range. The number of people aged 65 and over is expected to rise by 54% with the number of people aged 75 plus almost doubling.

Table 5-2 Projected Population by Age Band 2015 to 2035

Age Group	2015	2020	2025	2030	2035
All persons	221,191	225,641	230,103	233,866	236,623
0 to 15	37,873	37,828	37,390	37,606	37,990
16 to 29	32,712	32,101	32,053	31,512	31,524
30 to 49	55,110	52,444	52,626	54,031	53,547
50 to 64	49,008	50,563	48,794	44,424	41,970
65 to 74	26,189	28,645	29,454	31,892	32,670
75+	20,298	24,059	29,787	34,401	38,922

Source: Highland Council 2012 Series Population Projections, high migration scenario

Table 5-3 Projected Change in Population by Age Band 2015 to 2035 as a percentage of the 2015 population

Age Group	2015 to 2020	2015 to 2025	2015 to 2030	2015 to 2035
All persons	2.0	4.0	5.7	7.0
0 to 15	-0.1	-1.3	-0.7	0.3
16 to 29	-1.9	-2.0	-3.7	-3.6
30 to 49	-4.8	-4.5	-2.0	-2.8
50 to 64	3.2	-0.4	-9.4	-14.4
65 to 74	9.4	12.5	21.8	24.7
75+	18.5	46.7	69.5	91.8

Source: Highland Council 2012 Series Population Projections, high migration scenario

5.3 Projected Future Household Composition

The average household size has been decreasing for a number of years and is expected to continue to decline in the future as a result of two main factors: first the increasing divorce rate and number of single parent families, and second increased life expectancy which will increase the number of older single and two person families. Results from the 2011 Census confirm these trends although the rate of change is lower than we have seen in the past. These trends would generate a significant requirement for new housing even without the population growth which is expected. Table 5-4 below shows that the number of 3+ person all adult and 2 adults plus children families is expected to decrease, with increases in all other types and the largest increase in one person male and one parent and one child households (31.8% and 29.6% respectively).

The trends point to a possible requirement for smaller houses in the future, but the demand for larger houses may continue as people value generous living space and the opportunities this gives for (eg) having visitors to stay in our increasingly mobile society.

Table 5-4 Estimated 2015 and Projected 2025 & 2035 Households and Household Composition

		2015	2025	2035	% Change 2015 to 2025	% Change 2015 to 2035
1 person	male	15,362	17,895	20,250	16.5	31.8
1 person	female	18,050	20,033	21,500	11.0	19.1
2 person	2 adult	34,457	38,145	39,730	10.7	15.3
2 person	1 parent	3,160	3,586	4,095	13.5	29.6
3+ person	all adult	7,699	7,198	6,542	-6.5	-15.0
3+ person	1 parent	2,520	2,821	3,154	11.9	25.2
3+ person	2 adults + children	18,428	17,167	16,757	-6.8	-9.1
	Total	99,675	106,845	112,028	7.2	12.4

Source: Highland Council 2012 based household projections, high migration scenario, using GROS headship rates

5.4 Future Housing Requirement

Table 5-5 below shows the expected housing requirement that arises from a combination of population growth and changing household size discussed earlier. Figures are given for five year periods starting in 2015 which will be the start date for our next Local Housing Strategy, which will be harmonised with the emerging Highland-wide Local Development Plan. The figures below will be rebased if necessary if the Plan is adopted at a later date.

Despite the fall in the overall population, additional new houses will be required to meet the demand from a combination of the falling household size and eradicating the backlog of need for affordable housing. The table below shows that 4,714 houses will be required in the first five years of the Plan, and 4,559 during the second with 5,661 during the final ten years.

Table 5-5 Housing Requirement (all tenures) – Effective Housing Units (no addition for ineffective stock or flexibility / market choice)

Housing Market Area	2015 to 2019	2020 to 2024	2025 to 2029	2030 to 2034	20 Year Total
Caithness	207	138	9	0	354
East Ross	443	409	222	137	1,211
Inverness	2,284	2,297	1,799	1,703	8,083
Lochaber	361	366	252	175	1,154
Mid Ross	497	491	293	218	1,499
Nairn	273	276	195	135	879
Skye and Lochalsh	287	274	147	80	789
Sutherland	168	132	58	0	358
West Ross	194	176	144	94	608
Plan Area	4,714	4,559	3,119	2,542	14,935

Source: Highland HNDA

The total housing requirement has been allocated to tenure using the *HNDA Tool* supplied by the Centre for Housing Market Analysis. Table 5-6 below shows that the need for social rented housing - as defined in the HNDA Tool – makes up around a third of the total housing requirement. The HNDA Tool also considers the potential for “below market rent” using innovative approaches involving the private sector and if this is included in a wider subsidised definition then subsidised housing accounts for around half of the total requirement.

Table 5-6 Need for Social Rented Housing – Housing Units (no addition for flexibility / market choice)

Housing Market Area	2015 to 2019	2020 to 2024	2025 to 2029	2030 to 2034	20 Year Total
Caithness	76	58	3	0	136
East Ross	202	196	67	45	509
Inverness	938	956	508	516	2,919
Lochaber	172	174	78	59	483
Mid Ross	218	219	84	67	589
Nairn	117	120	60	44	341
Skye and Lochalsh	131	127	45	27	331
Sutherland	69	60	20	0	150
West Ross	75	70	45	33	223
Plan Area	1,998	1,980	910	791	5,681

Source: Highland HNDA

Table 5-5 above refers to the number of effective occupied houses and to estimate the number of homes to be built we need to adjust the figures in Table 5-5 to take account of ineffective stock in each HMA (an average of 7.8% overall but varying significantly by HMA, see Table 3-5 tenure above). The results of this calculation are given in Table 5-7 below and show that in order to deliver the housing requirement as fully effective stock we need to build 16,026 houses over the 20 year period. A further consideration is the additional margin that needs to be added to provide flexibility for changing local circumstances and market choice, which will be addressed our three area Development Plans.

Table 5-7 Housing Requirement Taking as Houses to be Built, Taking Ineffective Stock into Account

Housing Market Area	2015 to 2019	2020 to 2024	2025 to 2029	2030 to 2034	20 Year Total
Caithness	220	147	10	0	377
East Ross	465	430	233	144	1,272
Inverness	2,384	2,398	1,878	1,778	8,437
Lochaber	411	417	287	199	1,314
Mid Ross	519	513	306	228	1,566
Nairn	283	287	202	140	913
Skye and Lochalsh	355	339	182	99	974
Sutherland	201	158	69	0	428
West Ross	237	215	176	115	744
Plan Area	5,077	4,903	3,344	2,703	16,026

Source: Highland HNDA

5.5 The Housing Requirement based on Historic Trends

Table 5-8 and Table 5-9 below are directly comparable with Table 5-5 and Table 5-6 above and show that a higher number of new homes (across all tenures) is likely to be required to sustain the rates of development that we have seen in the past. The differences between the two scenarios are significant:

- The total requirement to sustain growth is 5,911 for the five year LHS period and 20,431 for the 20 year HWLDP period, which compares with 4,714 and 14,935 respectively for the baseline high migration scenario.
- To sustain growth, the need for social rented housing is 2,313 for the five year LHS period and 7,256 for the 20 year HWLDP period, which compares with 1,998 and 5,681 respectively for the baseline high migration scenario.

Table 5-8 Housing Requirement (all tenures) to Ensure Continued Economic Growth

Housing Market Area	2015 to 2019	2020 to 2024	2025 to 2029	2030 to 2034	20 Year Total
Caithness	254	196	72	0	498
East Ross	577	564	387	306	1,834
Inverness	2,905	3,006	2,552	2,487	10,950
Lochaber	438	459	351	277	1,526
Mid Ross	642	660	474	405	2,182
Nairn	347	360	284	225	1,216
Skye and Lochalsh	350	348	225	161	1,083
Sutherland	203	175	103	30	510
West Ross	194	176	144	94	608
Plan Area	5,911	5,945	4,592	3,984	20,431

Source: Highland HNDA

Table 5-9 Need for Social Rented Housing to Ensure Continued Economic Growth

Housing Market Area	2015 to 2019	2020 to 2024	2025 to 2029	2030 to 2034	20 Year Total
Caithness	89	74	21	0	175
East Ross	238	239	116	101	694
Inverness	1,096	1,142	720	755	3,713
Lochaber	193	200	109	94	596
Mid Ross	256	265	136	126	782
Nairn	138	144	88	73	443
Skye and Lochalsh	149	148	69	55	420
Sutherland	80	74	36	11	201
West Ross	75	70	45	33	223
Plan Area	2,313	2,356	1,340	1,247	7,256

Source: Highland HNDA

5.6 Comparison between 2010 and 2015 HNDAs

The housing requirement given in Table 5-5 above is lower that the equivalent figure from our 2010 HNDA and this section looks at the reason for the difference. The comparison below uses the high migration scenario presented above.

Table 5-10 and Table 5-11 compare the requirement for new houses from our 2010 and 2015 HNDAs respectively and show that the total 20 year requirement has fallen from 26,869 to 16,026, a reduction of 40%. The equivalent reduction for the continued growth scenario is to 21,866 (23%).

There are three main reasons for fall in the total housing requirement:

1. New Guidance on assessing existing need (the backlog of un-met need for social rented housing) specifies a more focused approach which looks at just need that will require an addition to the housing stock to meet it. In the 2010 HNDA we used "priority need" irrespective of whether it would need a net addition to the stock, with the result that the existing need included in the calculation has fallen by over half from 4,357 to 2,042. The assumption that it will be removed over a ten year period is unchanged.
2. A lower figure for the future rate of net inward migration: the 2010 HNDA assumed that net inward migration would be 1,650 people per year and the 2015 assumption is 1,100 per year for the high migration scenario. The reasons for the lower figure are discussed in the background papers to our HNDA.
3. A significant revision to the assumptions on the way that household size will change in the future. The 2011 Census, in comparison with 1991 and 2001, has shown that household size continues to fall but at a slower rate than assumed in the previous HNDA and this is the main reason for the lower requirement.

There have been minor changes in the proportions of ineffective stock but these have not had a significant impact on the total requirement.

The breakdown by HMA shows that the greatest reduction in the housing requirement has been in Sutherland, Nairn and East Ross (42%, 45% and 47% of the 2010 figures respectively) with a lower reduction in Lochaber and Inverness (70% and 66% respectively).

Table 5-10 2010 HNDA: 20 Year Housing Requirement

Housing Market Area	Change in Number of Households 2010 to 2029	Existing Need (backlog removed over 10 years)	Effective Houses Required	New Houses Taking Vacant or Second / Holiday Homes Into Account
	1	**2**	**1+2**	
Caithness	656	0	656	701
East Ross	2,118	458	2,577	2,680
Inverness	10,171	2,166	12,337	12,756
Lochaber	1,363	444	1,808	1,872
Mid Ross	2,446	419	2,865	2,872
Nairn	1,682	335	2,017	2,032
Skye & Lochalsh	1,526	228	1,754	1,762
Sutherland	708	192	900	1,022
West Ross	1,055	114	1,169	1,173
Highland	21,725	4,357	26,082	26,869

Source: 2010 Highland HNDA

Table 5-11 2015 HNDA: 20 Year Housing Requirement

Housing Market Area	Change in Number of Households 2015 to 2034	Existing Need (backlog removed over 10 years)	Effective Houses Required	New Houses Taking Vacant or Second / Holiday Homes Into Account
	1	**2**	**1+2**	
Caithness	299	55	354	377
East Ross	986	225	1,211	1,272
Inverness	7,122	961	8,083	8,437
Lochaber	958	196	1,154	1,314
Mid Ross	1,260	239	1,499	1,566
Nairn	767	112	879	913
Skye & Lochalsh	648	141	789	974
Sutherland	304	54	358	428
West Ross	550	58	608	744
Highland	12,893	2,042	14,935	16,026

Source: 2015 Highland HNDA, high migration scenario

6 INFRASTRUCTURE AND SERVICES

6.1 Travel and Transport

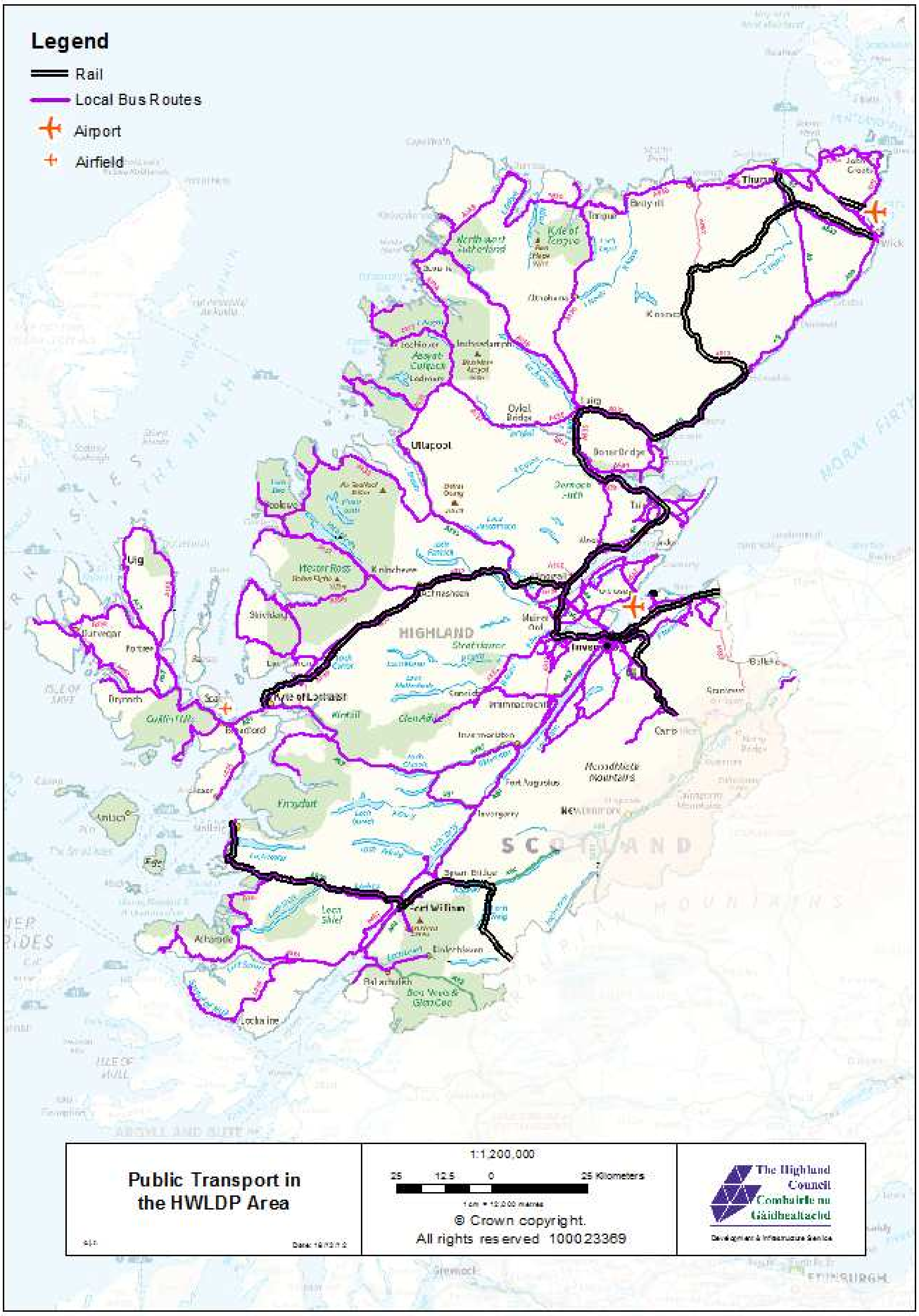
Map 6-1 below shows the public transport routes – bus and rail – in the Plan Area. Bus routes cover almost all of the strategic routes and significant settlements in the Plan area but this can give a misleading picture in the more rural areas where:

- Some services do not operate every day and have a limited timetable, making travel to work difficult.
- Some routes are request only and must be booked a day in advance.
- Some routes are linked with school transport, have a limited timetable, and may not run during school holidays.

The timetabled network is supplemented by dial-a-bus services, community minibus services, and community car schemes.

Many of the rural bus routes are financially supported by the Council and funding cut backs have meant that some seasonal tourism related services have been withdrawn in recent years, and post bus services were withdrawn in 2009. Broadford Airfield has not been used for commercial flights since 1988 and although there is ongoing interest in reintroducing flights feasibility studies have shown that the short runway and need for specialist aircraft, in combination with limited demand, mean that the viability is uncertain. Because of the limitations of public transport there is heavy reliance on the car for commuting to work and day to day activities.

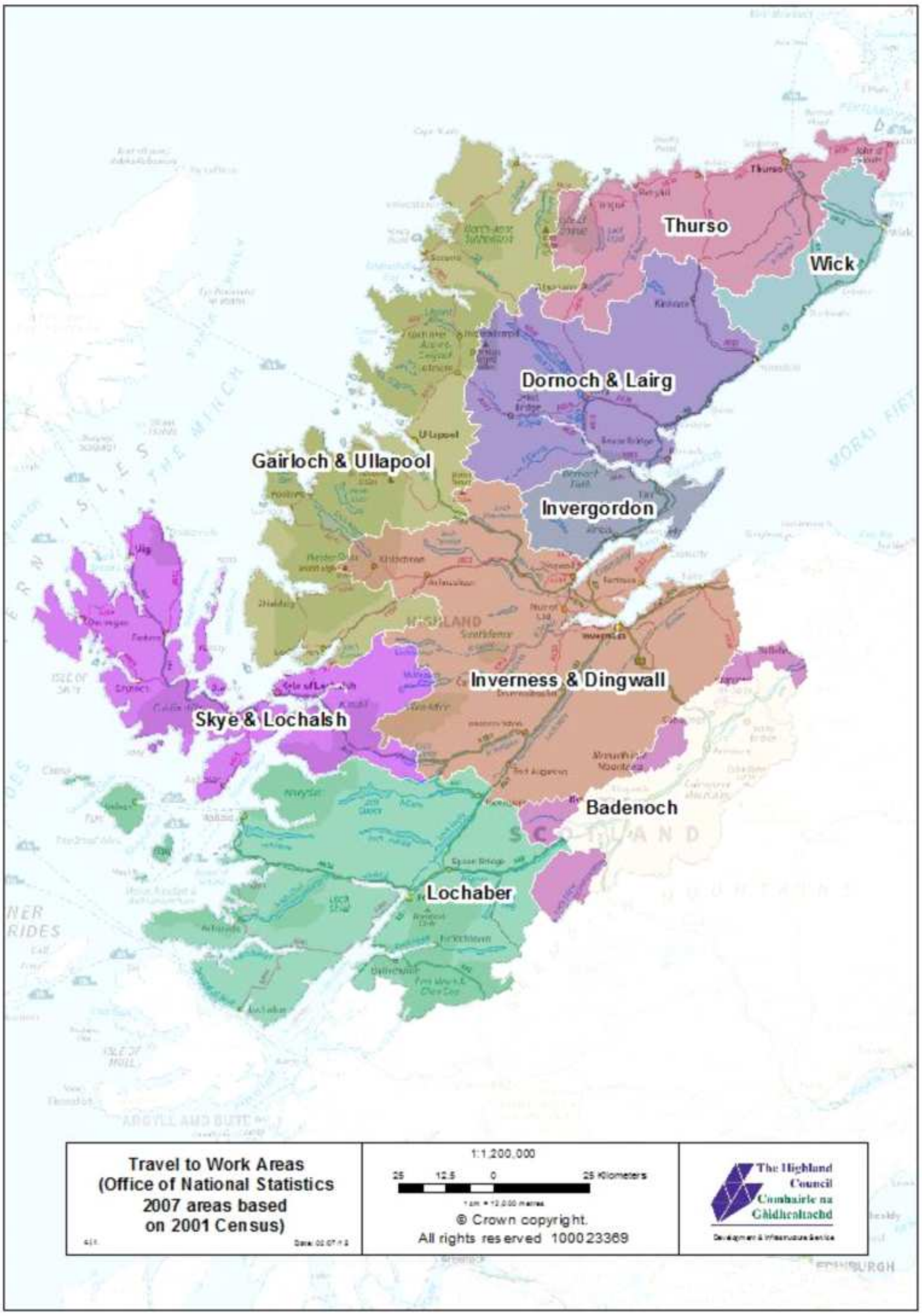
Map 6-1 Public Transport Routes



Source: Highland Council Records

At the time of preparing this Statement, most of the detailed results from the 2011 Census have been published. The Office of National Statistics produces strategic travel to work areas (TTWAs) covering the whole of the UK based on information from the Census but, to date, have not published revised areas based on the 2011 Census and the work below uses the 2001 based areas published in 2007. Map 6-2 shows that there are eight TTWAs within the Plan area, together with fragments of the Badenoch area.

Map 6-2 Travel to Work Areas



Source: Office of National Statistics

Detailed analysis of the 2011 Census travel results[8] shows that (in summary):

- Car availability increased over the last decade but travel to work by car fell slightly.
- The picture for active travel is mixed, with slightly more people walking to work but a slight fall in cycling.

[8] http://www.highland.gov.uk/downloads/file/13992/2011_census_travel_to_work_statistics

- There was a significant increase in home working (and studying) and 16% of workers now work mainly at or from home.
- 69% of Highland residents work at a fixed location in Highland; 11% have no fixed place of work.
- 2,766 residents work in the rest of Scotland and 1,837 work offshore.
- 2,575 people from the rest of Scotland work in Highland together with 861 people from England & Wales and overseas.
- Comparisons between home address and place of work show that Highland has a mobile workforce.
- The mode of travel to work varies across Highland. Public transport use in our towns is relatively low, but walking to work is relatively high.
- Driving to work is highest in accessible rural areas (within 30 minutes of Inverness).

Table 6-1 below gives information on car ownership and method of travel to work and confirms that car ownership in Highland is above the national average, although there has been diversification in the mode of travel to work and study since 2001.

Table 6-1 Key Travel Indicators, 2001 and 2011 Censuses

Car or van availability	Highland % 2011	Highland % 2001	Scotland % 2011
No car or van	20.6%	25.1%	30.5%
1 car or van	46.3%	49.2%	42.2%
2 cars or vans	25.6%	21.2%	21.6%
3 or more cars or vans	7.5%	4.6%	5.6%
Travel to work			
Work or study mainly at or from home	14.9%	9.8%	11.3%
Train	1.2%	1.2%	3.5%
Bus minibus or coach	9.5%	7.7%	13.4%
Driving a car or van	42.6%	50.6%	40.9%
Passenger in a car or van	9.6%	9.0%	9.0%
Motorcycle scooter or moped	0.2%	0.5%	0.2%
Bicycle	2.4%	2.9%	1.3%
On foot	17.7%	16.0%	18.5%
Other	1.8%	2.4%	1.9%

Source: 2001 and 2011 Censuses

6.1.1 Sustainable Travel

Table 6-2 below gives extracts from the Briefing Note referenced above and shows the percentage of people using sustainable forms of transport to work by urban / rural area (Scottish Government 6 fold classification) and by city. It confirms that Inverness has the highest percentage of people cycling to work of all of the Scottish Cities, and also the difficulties in cycling or walking to work in rural areas of Highland.

Table 6-2 Sustainable Travel to Work: Cities and Urban / Rural Areas

	Method of Travel to Work - Percentage					
Area	**Work mainly at or from home**	**Train**	**Bus, minibus or coach**	**Bicycle**	**On foot**	**Other**
Aberdeen	7.8	0.6	12.7	1.9	16.3	2.6
Dundee	8.7	0.9	13.9	1.3	12.8	0.8
Edinburgh	10.3	1.9	25.9	4.3	16.3	0.7
Greater Glasgow	9.3	7.6	13.3	1.1	8.9	0.7
Inverness	10.1	1.1	6.8	4.5	14.2	1.2
Perth	9.1	1.1	11.2	1.8	18.0	0.7
Stirling	10.3	4.6	6.3	1.6	10.9	0.9
Highland Other Urban Areas	10.7	1.0	6.7	4.5	14.1	1.1
Highland Accessible Small Towns	11.8	3.1	3.7	4.5	13.9	2.2
Highland Remote Small Towns	11.7	1.9	4.2	1.7	18.0	2.2
Highland Accessible Rural	16.5	2.5	2.8	1.2	4.2	1.9
Highland Remote Rural	22.1	1.2	2.6	1.2	8.5	2.0
Highland	15.8	1.4	4.2	2.5	11.5	1.7
Scotland	10.8	3.7	10.0	1.4	9.9	1.2

Source: 2011 Census

6.2 Education

In common with the rest of Scotland, birth rates in Highland fell steadily from the mid 1950s to the early 2000s before rising from around 2,000 per year to 2,300 per year in the mid 2000s and staying steady at that level from then on. The result is a dip and subsequent rise in school rolls that is working through our school system with a general trend at the moment to rising rolls. However, Table 3-2 above shows that population growth has not been evenly distributed across Highland with the highest rates in the Inner Moray Firth area and marginal decline in Caithness. The net result is that there is a general pressure on schools in the Inner Moray Firth area but with remote rural schools operating at well below capacity, although there are local variations.

The Council is rolling out its “Sustainable Schools Estate Review” in phases across Highland and at the time of preparing this Statement there are a number of major projects at various stages of implementation:

- In Inverness, a replacement for Inverness Royal Academy is under construction.
- In Fort William, the new Lundavra Primary, Fort William Gaelic School and Caol Joint campus with new denominational school are under construction, together with revised catchments.
- In Wick, a new primary and secondary joint campus south of the river and primary school north of the river are under construction together with revised catchments.
- In Tain, there are plans for a new joint campus with secondary and primary schools replacing existing schools in the town.

- The future of Alness and Invergordon Academies is being reviewed.
- Plans to rationalize primary schools in North West Skye have been turned down by the School Closure Review Panel and the Council has declared its intention to appeal.
- In addition, five primary schools are either mothballed or in the formal closure process (Achfary, Dalwhinnie, Inverasdale, Torridon, Uig).

School roll forecasts are an important part of managing education provision and the school estate. Baseline school roll forecasts are available on our website[9] and have been used as the basis for Map 6-3 and Map 6-4 below. These are operational forecasts which aim to give the most likely future rolls as an aid to managing our schools and the school estate. They give rolls in each school which are consistent with the rate of population change that we expect to see and the availability of land for new houses in the area – the maps below show the expected balance between rolls and capacity during the next decade. The School capacities used in this work and below have not been updated to reflect revised Government Guidance (which is in the early stages on implementation) and are given for the current schools in Fort William, Wick and Tain.

6.2.1 Primary Schools

Table 6-3 below shows that there are 19 primary schools where current forecasts suggest that rolls might exceed capacity during the next decade. For the Inverness primaries, works to increase capacities at pressured schools in the short to medium term are planned or underway. The future level of pressure on some schools will depend on the timing and build rate of building major housing developments which have yet to start: Croy – Tornagrain; Smithton and Cradlehall – East Inverness; Holm and Kinmylies - housing dependent on the new river crossing; (in order of decreasing dependency on major developments that have not started yet).

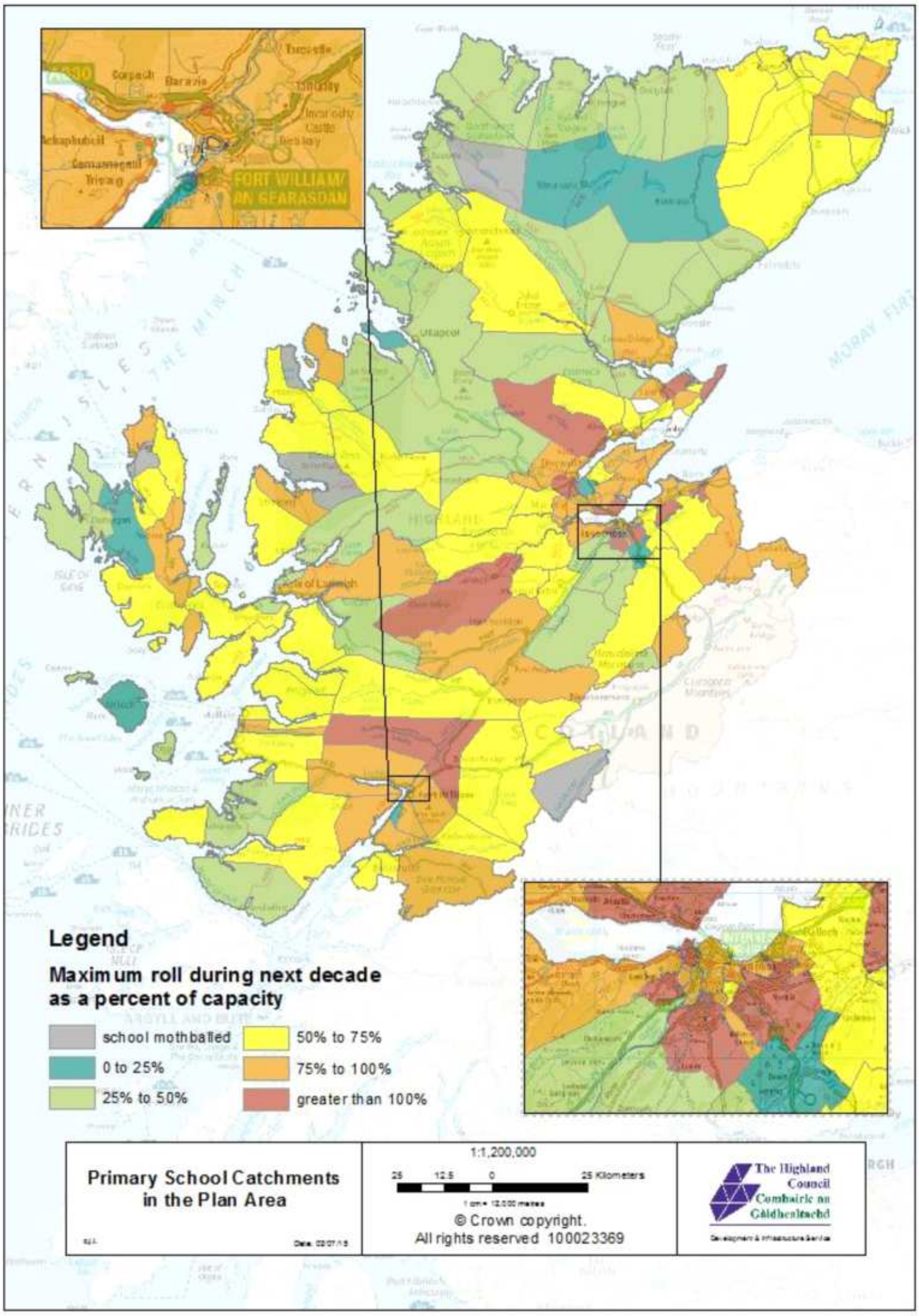
[9] http://www.highland.gov.uk/yourcouncil/highlandfactsandfigures/schoolrollforecasts.htm

Table 6-3 Forecast Primary School Roll as a Percentage of Current Capacity

Primary School	Forecast roll as % of Current Capacity
Smithton	158
Milton of Leys	156
Croy	149
Holm	143
Kinmylies	128
Aviemore	128
Knockbreck (Tain)	128
Cauldeen	127
Spean Bridge	123
Tarbat Old	118
Lochardil	116
Merkinch	115
Cannich Bridge	110
Millbank	108
Ben Wyvis	108
Cradlehall	105
Inshes	104
North Kessock	103
Kiltearn	100

Source: Highland Council 2014 based School Roll Forecasts

Map 6-3 Maximum Forecast Primary School Rolls
(as a percent of current total capacity)



Source: Highland Council 2014 based School Roll Forecasts

6.2.2 Secondary Schools

Table 6-4 and Map 6-4 below shows that there are four secondary schools in Inverness where the roll is expected to exceed capacity during the next decade. There is limited spare capacity in the other two secondary schools in the area

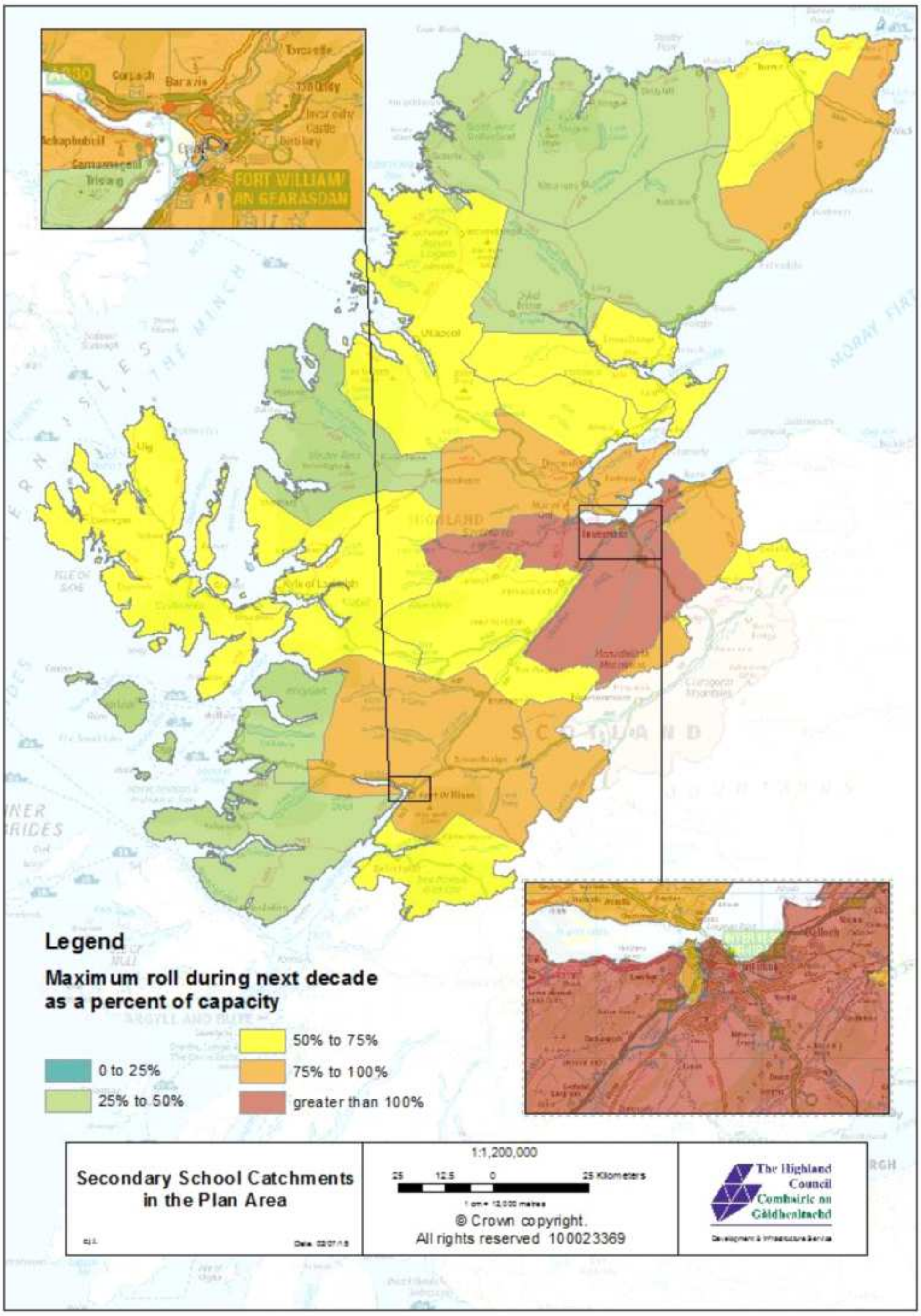
(Inverness High 82%, Nairn Academy 93%) and taking the Inverness to Nairn corridor in total we expect to see significant pressures during the next decade with only limited scope for management solutions such as the re-zoning of catchments. The position in rural areas is almost the exact opposite with six schools operating at less than 50% of capacity and 12 at between 50% and 75% of capacity.

Table 6-4 Forecast Secondary School Roll as a Percentage of Current Capacity

Primary School	Forecast roll as % of Current Capacity
Millburn Academy	129
Inverness Royal Academy	129
Culloden Academy	127
Charleston Academy	119

Source: Highland Council 2014 based School Roll Forecasts

Map 6-4 Maximum Forecast Secondary School Rolls
(as a percent of current total capacity)



Source: Highland Council 2014 based School Roll Forecasts

7 RESOURCE MANAGEMENT

7.1 Renewable Energy - Overview

In June 2015 the Council completed an exercise to collate information on the total capacity of renewables (constructed, under construction and approved) which are reported against targets given in the Highland Renewable Energy Strategy[10] (HRES), and are given in Table 7-1 below. They show that the current consented capacity exceeds the target even if offshore wind schemes and one pumped storage scheme are excluded.

Table 7-1 Renewable Energy, Consented Capacities and Targets

Type	Total Consented Capacity (MW)	Consented During 2014/15 (MW)	HRES Target (MW)
Onshore Wind	1,862	333	1,200
Offshore Wind	1,866	0	200
Hydro (1)	869	31	400
Tidal	86	0	100
Biomass	70	63	100
Other (2)	3	0.6	150
Total	4,756		2,180

Source: Highland Council Renewables Database

(1) Excludes Coire Glas consented pump storage scheme and 841 long standing "pre-existing" schemes

(2) Includes wave (zero) and local schemes.

7.1.1 Wind Energy

The map below shows the locations of approved and operational windfarms in the area in May 2015, classified using the classification given in our Onshore Wind Energy Interim Supplementary Guidance 2012. This information was collated before the work in the section above was completed so there are some slight definitional differences and inconsistencies. Micro schemes are not shown (initial findings are that there are 63 Micro schemes in the area). Table 7-2 below gives a breakdown of windfarms by size class and shows that two thirds of the schemes fall into the small and medium class.

[10] http://www.highland.gov.uk/info/198/planning_-long_term_and_area_policies/152/renewable_energy

Table 7-2 Overview of Wind Farms in the Plan Area

Class	Number of Windfarms	Generating Capacity KW
Small	171	7,084
Medium	18	15,955
Large	40	83,750
V Large	3	7,800
Total	295	114,800

Source: Highland Council Records

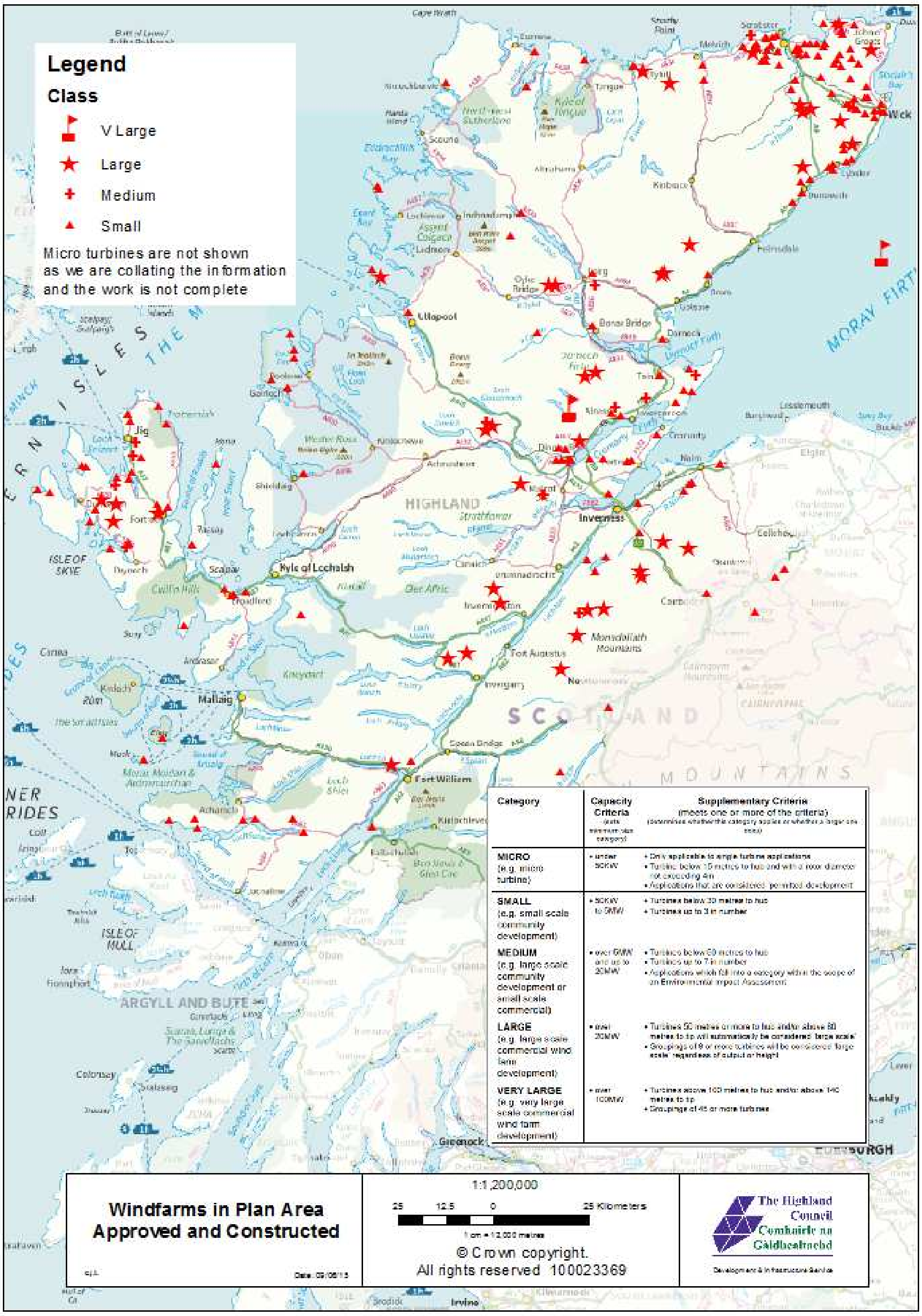
There are 42 large or very large windfarms in the Plan area with details given in Table 7-3 and Map 7-1 below. In addition there are plans for a major offshore development in the outer Moray Firth, to the east of the Beatrice installations shown on the map below. Plans are at an early stage and 7 scenarios are being investigated with a range of between 145 and 339 turbines and a total generating capacity of over 1,000 MW.

Table 7-3 Large and Very Large Windfarms in the Plan Area, May 2015 Snapshot

Site Name	Status	Class	Number of Turbines	Individual Turbine Output (KW)
Struan Road Portree	Approved	Large	1	500
Taigh Na Muir Dunnet	Constructed	Large	1	500
Yellow Wells	Constructed	Large	1	500
Buolfruich Wind Farm	Constructed	Large	15	850
Water Works Achvraie Achiltibuie	Approved	Large	1	900
Rosehall Wind Farm	Constructed	Large	19	1300
Beinn Tharsuinn Wind Farm	Constructed	Large	19	1750
Achlachan	Approved	Large	5	2000
Camster Wind Farm	Constructed	Large	25	2000
Corrimony	Constructed	Large	5	2000
Achany Wind Farm	Constructed	Large	19	2050
Fairburn Wind Farm	Constructed	Large	20	2050
Gordonbush Windfarm	Constructed	Large	35	2050
Coire na Cloiche	Approved	Large	13	2300
Halsary Wind Farm	Approved	Large	15	2300
Tom nan Clach	Approved	Large	17	2300
Ben Aketil Wind Farm	Constructed	Large	12	2300
Causeymire Wind Farm	Constructed	Large	21	2300
Edinbane Wind Farm	Constructed	Large	18	2300
Farr Wind Farm	Constructed	Large	40	2300
Strathy North	Under Construction	Large	33	2300
Stroupster	Under Construction	Large	13	2300
Corriemoillie	Approved	Large	19	2500
Druim Fada	Approved	Large	4	2500
Glen Kyllachy	Approved	Large	20	2500
Baillie Wind Farm	Constructed	Large	21	2500
Kilbraur	Constructed	Large	19	2500
Kilbraur Extension	Constructed	Large	8	2500
Millennium Wind Farm	Constructed	Large	26	2500
Burn of Whilk (Windfarm)	Constucted	Large	9	2500
Corriegarth	Under Construction	Large	23	2500
Glen Ullinish	Approved	Large	14	3000
Bettyhill Windfarm	Constructed	Large	2	3000
Lochluichart Wind Farm	Constructed	Large	17	3000
Dunmaglass	Under Construction	Large	33	3000
Moy	Under Construction	Large	20	3300
Beinneun	Approved	Large	25	3400
Bhlaraidh Wind Farm	Approved	Large	32	3400
Novar Wind Farm	Constructed	Very Large	34	500
Novar Wind Farm Extension	Constructed	Very Large	16	2300
Beatrice Demo	Constructed	Very Large	2	5000
Stronelairg	Approved	Large	67	tbc

Source: Highland Council Records

Map 7-1 Approved and Constructed Windfarms, May 2015 Snapshot



Source: Highland Council Records

7.2 Aquaculture

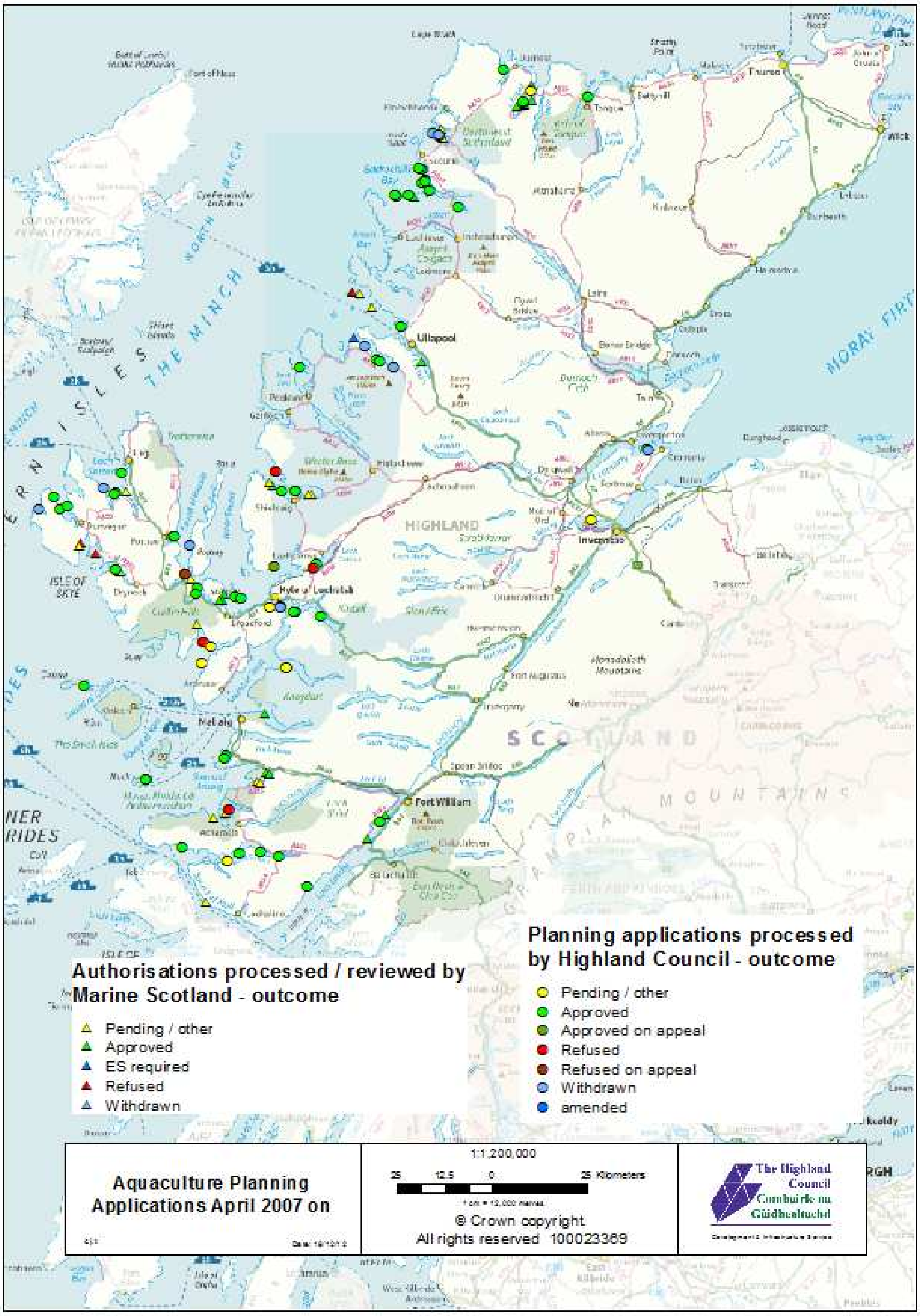
Prior to 1st April 2007 authorisations for aquaculture were processed by the Crown Estate, from this date onwards they have been managed through planning applications to the Council with the first application under the new legislative process received in September 2007. Since April 2007 outstanding applications to the Crown Estate have been processed by Marine Scotland who have also reviewed and audited some previous Crown Estate authorisations. The number of formal applications processed and their outcome is given in Table 7-4 below and their locations in Map 7-2. In addition to the 92 full applications shown below the Council has also received 51 requests for screening / scoping advice, 7 prior notifications under permitted development rights, and 44 consultations from Marine Scotland on sites that they are auditing or reviewing.

Table 7-4 Outcome of Aquaculture Planning Applications and Authorisations April 2007 to May 2015

Outcome	Highland Council Planning Application	Marine Scotland Audit / Review	Total
Amended	**1**		1
Approved	66	17	83
Approved on appeal	1		1
Environmental Statement Required		2	2
Refused	5	3	8
Refused on appeal	1		1
Withdrawn	11	1	12
Pending / Other	7	21	28
Total	92	44	136

Source: Highland Council Records

Map 7-2 Aquaculture Planning Applications and Authorisations



Source: Highland Council Records

8 AUDITS

8.1 Housing Land Audit

The Council has published a 2014 based Housing Land Audit with the results summarized in Table 8-1 below. It shows that we have 545 sites allocated in whole or part for housing development across the Plan area, with capability to deliver 29,399 houses. In addition to this, analysis of previous house completions has shown that as significant proportion of completions within the Plan area tend to be on windfall sites – sites which were not allocated in previous Local Plans and where planning permission was granted on the basis of general policies. If windfall completions continue at historic rates it is likely that 417 houses per year will be windfall (Table 4-4 above), and assuming that this rate continues through a 20 year period, the total capacity of sites in the Plan area is as shown in the table below. The total potential capacity of 37,682 units is greater than the housing land requirement of 26,263.

17,768 (60%) of the allocated sites have current extant planning permission. In rural areas (in particular), a combination of infrastructure constraints, challenging ground conditions, and difficulties in raising finance in advance of work starting mean that sites are not coming forward for development as quickly as we would like.

Table 8-1 Housing Land Audit Sites

HMA	Number of Allocated Sites	Capacity of Current Allocated Sites (1)	Estimated Number of Windfall Completions per Year (2)	Total 20 Year Capacity [20*(2)+(1)]	20 Year Housing Land Requirement (see above)	Number of Units with Current Planning Permission
Caithness	53	1,635	58	2,804	668	624
East Ross	69	3,136	21	3,549	2,312	1,031
Inverness	93	15,721	131	18,336	13,715	12,733
Lochaber	75	2,191	42	3,028	2,085	882
Mid Ross	75	1,867	22	2,311	2,736	921
Nairn	11	2,159	27	2,695	1,516	546
Skye and Lochalsh	63	898	39	1,683	1,607	329
Sutherland	59	1,258	42	2,089	732	624
West Ross	42	462	36	1,174	893	78
Plan Area	545	29,339	417	37,682	26,263	17,768

Source: Highland Council 2014 Housing Land Audit

8.2 Business and Industrial Land Audit

The Council monitors business and industrial land allocated in local development plans, relevant planning applications, and on-site development but has not published a formal audit. Table 8-2 below shows the sites that are allocated in existing Local Development Plans.

Table 8-2 Business Land Audit Sites

	Business		Industry		Business & Industry		Mixed Use		All Sites	
Ward	**No of Sites**	**Area HA**	**No of Sites**	**Area HA**	**No of Sites**	**Area HA**	**No of Sites**	**Area HA**	**No of Sites**	**Area HA**
Aird and Loch Ness	19	18.4							21	19.9
Black Isle	5	5.3	2	2.7					7	8.0
Caol and Mallaig	9	63.7					4	51.3	13	115.0
Cromarty Firth	11	47.6	10	272.8					22	492.5
Culloden and Ardersier	9	83.3	3	323.8			11	536.2	28	851.9
Dingwall and Seaforth	4	58.8	1	8.9					5	67.7
East Sutherland and Edderton	4	5.0	2	4.1			5	36.7	12	52.4
Eilean a' Cheò	30	315.7			1	1.4	25	311.7	35	457.8
Fort William and Ardnamurchan	15	29.4	1	18.3	1	18.3	15	66.7	29	264.7
Inverness Central	5	89.4	1	84.9	1	84.9	1	84.9	5	89.4
Inverness Millburn	4	131.1	4	392.8	2	125.2	3	235.9	6	398.6
Inverness Ness-Side							1	90.4	1	90.4
Inverness South	7	63.6					1	60.5	9	126.7
Inverness West							1	52.6	1	52.6
Landward Caithness	16	169.9	3	42.4			2	148.2	23	496.8
Nairn	8	255.9	4	25.5					17	397.7
North, West and Central Sutherland	6	10.3	1	1.9			2	3.0	9	15.3
Tain and Easter Ross	17	284.8	4	221.4	4	221.4			20	332.1
Thurso	5	13.6	2	10.6					8	36.2
Wester Ross, Strathpeffer and Lochalsh	26	70.5	3	31.5	1	30.3	1	1.5	29	134.7
Wick	4	17.7	3	215.2					7	232.9
Plan Area	204	1734.1	44	1656.9	10	481.5	72	1679.5	307	4733.3

Source: Highland Council Planning Monitoring Database

9 POLICY REVIEW

This section of the statement sets out the views gathered from a series of workshops held to gain views on the operation of all policy areas contained within the existing HwLDP. The views gathered are set out by policy area below and in other sections of the document.

9.1 Where we Guide Development

9.1.1 Settlement Hierarchy / Town Centres First

Discussions focussed on the Scottish Government's emphasis on the town centre first approach The current HwLDP retail policy is used to protect town centres from inappropriate retail development, however, SPP states that Development Plans should apply a town centre first policy and the current retail policy falls short of the new requirements. Further work will need to be carried out in preparing health checks to monitor the condition of town centres and any progress that has increased footfall and regeneration within these. The discussion session considered that policy development for HwLDP should augment the work that has already been undertaken in the development of the Inner Moray Firth LDP and the Main Issues Report of the Caithness and Sutherland LDP.

9.1.2 Settlement Development Areas/Growing Settlements/New Settlements

A review of this HwLDP policy area indicated that there is support for continued focus for development within existing settlements and groups of housing. It was recognised that development in these locations supports the use of existing infrastructure and service delivery. In more rural areas the levels of development on larger (allocated) sites was less pronounced driven largely by the lack of development pressure to facilitate delivery of key infrastructure.

In some of the smaller settlements where we wish to promote development to support local facilities and development pressure is less we have adopted a criteria based approach to development which is being progressed in both the Inner Moray Firth Local Development Plan and the Caithness and Sutherland Main Issues Report. Discussions at the workshop sessions considered that this approach should be rolled out across the entire Highland area through the further development of a consolidated "*Growing Settlements*" policy in the new Plan.

In relation to the existing new settlements policy, this was considered to be unnecessary as any proposals of the scale of a new settlement should be delivered through the development plan process where wider and greater scrutiny would be given to the requirement for and implications of the development of a new settlement.

9.1.3 Housing in the Countryside

The development of housing in the countryside is currently managed by two separate policies; Housing in the Countryside (hinterland areas) and Wider Countryside. The objectives of these policies are to manage the differing development pressures within these areas. In relation to the review of policy operation within the hinterland it was considered that the policy approach was working effectively although there were issues with some aspects of the policy operation. These issues related to the current exceptions contained in the policy and also the need to provide clearer explanations of the defined exceptions. The current exception that supports development of tourist related accommodation is discussed in section 9.1.9 below.

The workshop discussed the use of S75 legal agreements within hinterland areas. S75s are required where the case for development of a house is justified to support the proper functioning and management of a business or land use operation. The issue of their use has been considered onerous and problematic by some applicants, however, the workshop considered their use still to be appropriate although this position should be the subject of further investigation. In particular the issue of S75s being applied in cases of the provision of new croft houses the issue of their use had been raised by applicants citing the additional costs incurred and difficulties in securing mortgage funding. Issues surrounding housing in the countryside was considered worth being the subject of further discussion in the Main Issues Report.

In relation to the housing element of the existing Wider Countryside policy discussion centred around two main issues, firstly that it would be clearer if issues relating to housing were separated from the other forms of development currently supported in the policy. Secondly that this new policy should give clearer advice on the policy requirements for housing as the current approach was too loosely framed and permissive. The current approach, it was considered, did not support the settlement strategy by being too permissive, leading to suburbanisation of areas of the wider countryside and consequent impacts on the wider landscape. A potential approach put forward considered the consolidation of the two housing policies.

9.1.4 Wider Countryside – other issues

The existing policy (36) considers the development of housing (see above) and also other forms of development in the countryside. The workshop session considered that if the housing elements of policy 35 and 36 were to be combined, the remaining threads of the policy should focus on supporting rural economic development opportunities.

9.1.5 Affordable Housing

On the issue of affordable housing the review of the requirement for policy to help in its delivery remains a pressing issue for the Highland area. The Council's latest HNDA June 2015 has been submitted to the Centre for Housing Market Analysis for consideration. The HNDA 2015 evidences the continued housing need in the Highland area and is set out in brief in the section on affordability above.

Discussions within the workshop sessions reflected that the affordable housing policy has been operating well and has assisted in the approval to build over 400 affordable units during the past 5 years. It was considered that consideration should be given to reducing the current 4 house threshold to apply to all scales of housing development. It was considered that this would deliver additional funding to assist in the delivery of affordable housing.

9.1.6 Gypsies/Travellers

In respect of the existing policy approach to the provision of facilities for Gypsies/Travellers the HNDA makes an assessment of future needs for both permanent and transit sites across the Highland area. Discussion on this issue indicated that the HNDA provided an accurate assessment of the current needs of the gypsy/traveller community so there was no requirement to make changes to the current HwLDP policy in this respect.

9.1.7 Houses in Multiple Occupation

The discussion on the topic of Houses in Multiple Occupation (HMO) indicated the existing policy approach was operating well subject to the continued monitoring of levels of HMOs particularly in town centres. It was considered that monitoring of HMO levels would be particularly important given the likely pressure that the UHI will bring for student accommodation.

9.1.8 Accommodation for an Ageing Population/Specialist Provision

On the issue of the provision of accommodation for an ageing population, workshop discussions focussed the need for a specific policy of this nature, given there was no evidence of its use. The current HNDA, however, does identify a growing need in future years for specialist accommodation, a position supported in SPP, to accommodate an ageing population alongside increased prevalence of sufferers of dementia. Whilst the Council supports the delivery of Care in the Community the HNDA estimates that there will a need for further residential care home provision and supported accommodation.

SPP requires that local authorities consider the need for specialist provision covering accessible and adapted housing, wheelchair housing and supported accommodation, including care homes and sheltered housing.

In the context of this information and also workshop discussion it was considered that future housing and care requirements would benefit from the retention and amendment of this policy to give scope for the provision of specialist accommodation needs.

9.1.9 Tourism and Tourist accommodation

Policy review considered that that it would be appropriate to combine the two existing policies relating to tourism and accommodation, clearly setting out the Council's position to support the growth of key sectors.

There was discussion around the support currently given to the development of self-catering tourism related accommodation within the pressured hinterland areas. It was felt that this support was no longer appropriate. Evidence illustrated in the Employment section in this Statement indicates a decline in demand for self-catering accommodation in Highland, alongside an increasing number of applications to remove the occupancy restriction that forms part of the approval for tourism related accommodation. This information supported concerns that many proposals for holiday accommodation ultimately became permanently occupied and were not in fact supporting the tourism industry. It was considered that this exception was no longer necessary and in future proposals should be treated as any other application for housing the countryside.

9.1.10 Crofting

On the issue of crofting the workshop session discussion revolved around the two key policies within the HwLDP relating to the minimising the loss of inbye croftland, was considered alongside a wider discussion in relation to the consideration of good quality agricultural land. Discussion considered that a revised policy should consider both of these compatible issues.

The role of the existing HwLDP policy 48 New/Extended Crofting Townships was considered and opinion at the session was that proposals of this nature could be considered adequately by the existing policy coverage for housing in the countryside.

9.1.11 Business and Industrial Land

The delivery of an effective supply of business and industrial land is key to the wider aims of the Plan. The current policy approach protects the key strategic sites across Highland and it was considered that the existing strategic sites should continue to be identified alongside a wider protection of business and employment opportunities at all scales. The creation of defined “Economic Development Areas” would protect the larger economic sites situated outwith settlements, with safeguards for all other existing business and industrial sites across Highland. For rural areas, policy support should be given to guide rural economic development to the right locations avoiding negative impacts on the landscape and habitats while supporting rural communities. This policy would also seek to address the issue of assisting in the retention of key services and infrastructure. This area of policy discussion has a string cross-over with the discussion relating to the existing policy on development in the wider countryside as discussed above.

9.2 Infrastructure & Services

9.2.1 Developer contributions (Planning obligations)

The existing HwLDP Policy 31 is based on the former Circular 1/2010 which explains the legal position on Developer Obligations. This has since been replaced by Circular 3/2012 which provides greater emphasis on acquiring contributions towards addressing cumulative capacity constraints. This approach enables the collection of more equitable financial contributions, rather than just focusing on the larger development sites.

Matters which contributions can be sought for are already set out within HwLDP (Page 81) and the associated SG and include:

- affordable housing;
- education, library and nursery provision;
- healthcare facilities;
- recycling facilities and waste management;
- transportation, including achieving a more sustainable and active travel model share;
- infrastructure - road / rail / water;
- community facilities, including care in the community; and
- strategic landscaping, open space, green networks, outdoor access, and sports facilities.

Any developer obligations sought require to be properly costed, deliverable schemes with a clear relationship to addressing a service or infrastructure deficiency which requires to be overcome to facilitate future development. Such service and infrastructure schemes are proposed to be identified within a combination of the revised Developer Contributions SG with site specific and area wide services and infrastructure requirements being set out within Area LDPs which will undertake assessments to identify priorities for each HMA or settlement.

The workshop session recognised that there was an issue relating to the impact of developments that cumulatively cause a need for infrastructure and service improvements and that the scale of these developments may be lower than the current thresholds of the existing policy and supplementary guidance. The workshop highlighted the need to investigate the potential to widen the scope of policy to address cumulative development impacts. This would need also to consider revisions to the thresholds where we could secure developer obligations and to obtain more equitable delivery of developer contributions, whilst allowing for geographical variations to ensure development viability.

In terms of the development plans, these would continue to identify developer obligations within area LDP allocations and within site development briefs with sufficient clarity to minimise potential for additional unexpected substantial developer obligations at the planning application stage.

9.3 Resource Management

9.3.1 Renewable energy

The Highland Council area contributes toward Scottish Government's targets for the delivery of renewable energy. New renewables energy developments are making a continued contribution to these targets. At the end of March 2015, 5,597 MW had been consented in Highland (if including the pump-storage schemes and all of the older hydro schemes). The onshore consents total 3,645 MW and comprise 1,862 MW of wind schemes, 1,710 MW of hydro schemes and 73 MW of other schemes. The offshore consents total 1,952 MW and comprise 1,866 MW of wind schemes and 86 MW of tidal schemes.

The review of current policy HwLDP 2012 indicates that the policy framework needs to be updated to be compliant with SPP. Feedback from the users of the policy was that the policy could be clearer and also needed to reflect SPP requirements for the spatial framework. SPP is now being more prescriptive in terms of what can and cannot be included in the wind energy spatial framework. Given the pressure of development particularly for wind energy the issue of cumulative impact is increasingly to the fore and there is a need through work on the supplementary guidance associated with the HwLDP to consider this when seeking to identify, in accordance with SPP, strategic capacity for wind farm development.

Discussion also considered the issue of offshore renewables and the need for policy approach to address the individual issues this brings.

On the issue of Community renewables, this form of development currently benefits from a separate policy (68) which discriminates in favour of community schemes, the discussion focused on the disparity between the need to support schemes through the process and concerns about the robustness around the discriminatory approach.

The Main Issues Report sets out the approach that the Council considers to be appropriate to help meet Scottish Government targets and also to deliver the Councils vision for the area.

9.3.2 Coastal Development

It was considered the current policy would be best replaced by a new Coastal and Marine Planning policy to ensure terrestrial and marine planning are integrated and support future Regional Marine Plans. Areas of 'isolated' coast, as identified in the Highland Coastal Development Strategy, should be replaced by areas identified as 'unspoilt' coast, which would be safeguarded. It was considered that the issue of views over open water should be picked up in related sections of the future plan.

9.3.3 Aquaculture

Much of the detail of this policy was considered not be required as a greater degree of detail will be set out in the Aquaculture Supplementary Guidance. A revision of the policy was considered to be appropriate to cover the main issues relating to aquaculture whilst also retaining the key principles as a basis for the preparation, and subsequent reviews of supplementary guidance.

9.3.4 Electricity Transmission Infrastructure

The workshop considered that a stronger policy outlining expectations for the preparation and assessment of proposals for electricity infrastructure, covering distribution and storage as well as transmission, should be set in the context of the Council's role. The need for the policy to set out that though broad proposals, e.g. National Developments, may be supported in principle, route options should still be fully considered as well as detail. It was considered that there was a need also to set the context for any site-specific matters that may be picked up in Area LDPs – although possibly it is a job for the HwLDP to "identify areas which are weakly connected or unconnected to the national electricity network and facilitate development of decentralised and mobile energy storage installations" (SPP, para. 168).

9.3.5 Communications Infrastructure and Siting and Design

It was considered that a single policy should be developed (revision and amalgamation of 45 and 46), reflecting all the relevant considerations in SPP, which would be more rigorous in stipulating information requirements for applications, as well as expectations for good design and reduced adverse impacts. Additionally it should include encouragement as indicated in SPP for the provision of digital infrastructure to new homes and business premises as an integral part of development.

9.3.6 Heat Networks

The existing HwLDP currently gives little advice on Heat Networks and this is a policy areas that it was agreed would need a separate policy to cover a theme that is being promoted by Scottish Government to drive transformational change in how requirements for heat are met and the benefits that this can bring, for example in helping to reduce greenhouse gas emissions and potentially reducing fuel poverty.

This new policy would need to address the issues raised in Scottish Government's Heat Policy Statement[11]. This document states the challenges facing Scotland and the need to largely decarbonise its heat system by 2050, to reduce greenhouse gas emissions; Diversify its sources of heat generation and supply to reduce our reliance on fossil fuels, and therefore support a resilient heat supply; reduce the pressure on household and business energy bills through reducing heat demand and providing affordable heat, in particular supporting the fuel poor and to seize the sizeable economic opportunities that this transformation offers through the development of new heat generation, distribution and demand reduction programmes.

The HPS explains that a modern approach to decarbonising the Scottish energy system is the central plank of the approach to reducing greenhouse gas emissions in Scotland. In 2009, the Scottish Parliament unanimously set Scotland's ambitious

[11] Towards Decarbonising Heat: Maximising the Opportunities for Scotland

climate change targets, including an 80% reduction in greenhouse gas emissions by 2050. In addition, the Scottish Government has set linked targets including that by 2020, total final energy consumption in Scotland is reduced by 12% (against a baseline of the average final energy consumption in 2005-07) and that 11% of non-electrical heat demand is delivered from renewable sources.

9.3.7 Historic and Natural Environment

At present a suite of policies set out how we manage and guide development in relation to the historic and natural environment (policy 57), including biodiversity (policies 58 - 60), landscape (policy 61) and geodiversity (policy 62).

The outcomes from the workshop included broad consensus from stakeholders that Policy 57 is fit for purpose for managing development in relation to natural environment features, using a hierarchy of importance that divides features into local/regional; national and international. A minor requirement was to update the list of features in the appendix of the policy to reflect new designations and features that have emerged since HwLDP was adopted.

Some discussion centered on the limitations of Policy 57 for managing the historic environment. This was based on the current approach merging natural, cultural and historic features into a single hierarchy, which fails to provide detail on how we manage development in relation to historic environment features. Preference from stakeholders was for a separate historic environment policy that explained how development will be managed, reflecting and amplifying the importance of features and their sensitivities. It was also agreed that this new policy approach would enable specific historic environment supplementary guidance to be prepared.

There was consensus that our approach to managing the effects of development on all landscapes (both designated and undesignated) should continue to be separate on HwLDP2. A range of factors missing or limited in the policy require amplification, including setting out the Council's expectations for appropriate assessment of proposals effects on landscape resources and visual amenity; and setting our the role of baseline information for assessments, for example SNH Landscape Character Assessments.

Biodiversity policies that centre on safeguarding species and habitats follow a similar hierarchy of importance to policy 57, and there was consensus from stakeholders that it would be effective to merge these policies into a revised policy 57 that dealt solely with the natural environment.

9.3.8 Minerals

In consideration of the existing minerals policies it was considered that in the light of SPP several key issues to be addressed to ensure compliance with government policy. This would mean a redrafting of policy to include key requirements set out in SPP including; ensuring a 10 year landbank of permitted reserves construction aggregate supply for markets in Highland, allow for new non-aggregate mineral sites assessed against a hierarchy and identification of ''areas of search'. A key addition to the current policy approach would be to require all restoration schemes to have financial guarantees and to consider charging for ongoing monitoring. Consideration should also be given to integrating the two currently separate policies covering minerals and mineral waste.

9.3.9 Peat and soils

Minor revisions to this policy were suggested to strengthen the idea that all disturbance to carbon rich soil and peat should minimised whilst retaining the principle of limiting new areas of commercial peat extraction.

9.3.10 Physical constraints

Discussion on this policy area considered that whilst the policy generally was adequate, there was duplication within other policy areas within the Plan. It was considered that the policy should be refined and retitled to clarify that the policy would only deal with issues not covered elsewhere within the Plan. The related SG was found to include out of date references and “dead” hyperlinks. It was generally considered that the role of the SG could be better served through links to an online resource that could contain current information.

9.3.11 Previously Used Land

The issue of pollution considered the scope of the existing policy and the need to consider the introduction of references to contaminated soils and and reference to national planning advice and also links to existing guidance contained within the Council website to advise developers of information required by the Council and detailing the need for assessment and remediation of contaminated sites.

9.3.12 Woodland, Trees and development

Only minor amendments were considered necessary to improve the current usage of this policy area with updates to include clearer distinction of the role of the Highland Forest & Woodland Strategy; greater emphasis on the importance of the role of trees for placemaking and cross-referring to design policies. In discussion on the principle of development in woodland it was considered that the policy could be augmented with reference to the Policy on Control of Woodland Removal and Native Woodland of Scotland Survey(NWSS).

9.3.13 Pollution and Air Quality

Discussions on this topic sought there to be some minor amendments to the policy text to remove the emphasis from significant nuisance as this suggests only that major developments may provide a nuisance and we should seek to prevent nuisance and preserve amenity at all scales of development. It was suggested that guidance could be prepared that would set general amenity levels for noise etc that would be acceptable from new development and reduce impacts on amenity.

Consideration was also given to the merit of the pollution polcy area dealing with general air quality issues and the existing HwLDP air quality policy being amended to focus on the the issue of Air Quality Management Areas. It was noted that currently Highland only had one AQMA and introduction of electric buses may address the issue.

9.3.14 Landscape

Main issues raised in respect of the existing landscape policy were the need to update policy to set out that SNH Landscape Character Assessments are a starting point for further detailed assessment. Also the need to make greater emphasis on the Landscape and Visual Impact Assessment, setting out clearly the expectation for the assessment to focus on what effects are, rather that quantifying them (e.g. how many turbines are seen from a particular location) and to provide a clearer explanation of what cumulative effects are, and link to SNH guidance

9.3.15 Geodiversity

Limited discussion took place on the need for change with a request for a reference to geomorphology sought and the need to clarify that development provided the study opportunities.

9.3.16 Waste Management

On the issue of waste management the workshop identified the need to revise supporting HWLDP policy text to embody the principles incorporated within the emerging revised residual waste strategy. It was considered that there required to be more emphasis towards waste being a potential energy resource, and no longer a landfill burden. It was anticipated that the strategy will still require the delivery of a network of sites across Highland but there remains scope for an element of waste treatment outwith Highland.

It was considered that a new set of policy criteria could be applied when allocating sites within area LDPs and determining planning applications. Strengthening policy wording to require developers to provide more space within developments for source segregated waste collection, forming an integral part of their design of the scheme with a consequential revision of supplementary guidance accordingly.

9.4 Other Policy review issues

9.4.1 Green Infrastructure, Other Important Habitats, Open Space, Leisure and Recreation

Discussion at the workshop sessions considered that there was a poor level of understanding at present of what the green network is and in particular, understanding of its functionality in safeguarding and enhancing connections for both people and habitats. Other Important Habitats Policy 60 focuses on protection of habitat stepping stones, which form an intrinsic part of the green network; yet these policy topics remain fairly disjointed.

Playing fields and sports pitches Policy 76 represents a direct duplication of SPP para 226 and therefore is not required to be repeated at the Highland-wide level. The online open space calculator associated to the Supplementary Guidance, whilst beneficial to indicating the correct quantity of open space remains complex in application and does not adequately consider quality of provision. Equally the Green Networks SG is difficult to digest and therefore has limitation in being an effective development management tool to inform decision making.

Given the overlap in these policy areas it was considered that there should be a rationalisation of the related policy areas in order better link the topics and provide better clarity to the user.

9.4.2 Sustainable Design, Design Quality and Place and Travel

The workshop groups considered the current policy position on design of buildings and places in Policy 28 - Sustainable Design and Policy 29 - Design Quality and Placemaking. Collectively the policies were considered useful but would benefit from clearer wording on several of the key issues. These included the need to further promote active travel and links to accessible routes; protection of existing woodland and soils and for design to consider appropriate responses to site topography; also to consider issues related to the water environment such as flood avoidance and an integration of design of SUDS schemes as a feature in developments.

It was considered that as there is a clear overlap between the two policy areas the delivery of a single combined policy that would deliver a clearer message to all users of the plan by reflecting the six qualities of successful places as set out in Designing Places.

Workshops considered that the role that travel plays in our lives and the places we live was key to the emergence of a revised policy which would promote, more clearly, the need for design to consider the relationships between design, travel, work and recreation.

Further discussions on the issue of travel considered the effectiveness of existing HwLDP in driving modal shift. Evidence within Table 6-1 Key Travel Indicators, 2001 and 2011 Censuses of this Statement illustrates that whilst across the Highland area travel patterns have moved to a degree there was still a heavy reliance on car trips and policy should seek to improve modal shift.

The Local Transport Strategy seeks to deliver a strategy allied to the content of the Development Plan. In areas of greater development pressure there is opportunity to engage with developers to consider interventions to enhance the transport network where this is required alongside the delivery and improvement of active travel links through provision of cycling and walking networks. The majority of work will be undertaken in the development of Area LDPs but it was considered important that the principles for this approach were clearly set out in the review of the HwLDP. Additionally it was considered that currently the LTS was not being utilised effectively in the decision making process for development proposals and should have a higher profile in relation to planning policy.

A revised policy approach was considered to be required which could set out the various hierarchies of travel related issues, from the strategic transport network scale to issues that related more to day to day journeys.

On the related topics of Public Access (policy 77) and Long Distance Routes (policy 78) has clear links to the development of local active travel and the encouragement to more widely develop and use the existing path networks, both local and longer distance routes to promote the access resource of the Highlands. It was considered that this should form a further layer to the transport hierarchy.

9.4.3 Water Environment

The workshop session considered a range of issues relating to the water environment. This policy area covers Water Environment (policy 63), Flood Risk (policy 64) Waste Water Treatment (policy 65) and Surface Water Drainage (policy 66). Across these issues it was recognised that the existing HwLDP policies all need to be updated to reflect changes in legislation, national policy and best practice. Discussions relating to flood risk considered the requirement for strategic flood risk assessments, discussion considered that these had limited use within smaller catchments. The need for developers to undertake FRAs to support development plan allocations was also an area where it was considered that this should form a requirement where there were any concerns over flood risk. The principles for a revised Flood Risk and drainage impact assessment supplementary guidance would need to detail all risk triggers from SPP.

Waste water treatment considered issues relating to the safeguarding of waste water treatment plant and the potential re-introduction of cordon sanitaire safeguards. The issue was also raised regarding the potential of extending the approach taken in the IMFLDP to improving the water environment at Loch Flemington where a “buddy” scheme could see improvements to pre-existing foul drainage arrangements. Retention of the various thresholds and principles to private drainage already in place were considered still to be appropriate although a variety of options were discussed.