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THE HIGHLANDS WIDE LOCAL DEVELOPMENT PLAN

SUBMISSION BY HIGHLANDS AND ISLANDS ENTERPRISE (HIE)

AUGUST 2010

**Planning Department,
Graham and Sibbald,
Perth, August 2010**

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Summary

- This comprehensive submission is being lodged with the Highland Council on behalf of HIE, as a Key Agency in advance of the publication of the Proposed Plan for the Highland Wide Local Development Plan (LDP)
- In terms of the acquisition, servicing and disposal of employment land and/or in the provision of employment premises the key remit of HIE is to address instances of market failure
- Development assisted or undertaken by HIE is considerably facilitated by the appropriate allocation and protection of employment land and buildings in the Development Plan
- HIE's key operational priorities, from the 2010 to 2013 Operating Plan are fully reflected in this submission
- An evidential basis is set out but this does not fully reflect the scale of nature of the future land allocations that are sought nor does it capture the extent of land developed through HIE in the last 20 years
- Overall, there should be a clear 10 to 20 year supply in all of the main settlements
- Particular allocations are sought in Inverness, the A96 corridor, East Inverness, Cromarty Firth, Muir of Ord, The Moray Firth Rail Towns, Caithness and Sutherland, and the Coastal Area, and existing key allocations including allocations in Fort William and Portree, should be protected
- Particular allocations are sought for the key sectors of Life Sciences, Energy, Tourism, Food and Drink, Further and Higher Education, Inward Investment, Financial and Business Services, Creative Industries, Fish Farming and Marine Aquaculture
- HIE is committed to full involvement in the proposed Action Programme for the LDP
- Following the August Planning, Environment and Development Committee HIE will discuss with Planning Officers what further actions are required in relation to any more detailed studies for particular areas and particular sectors
- HIE will then undertake dialogue with the Council and prepare a further submission in respect of the Proposed Plan

- HIE will also undertake similar dialogue and submissions in respect of the subsequent local area LDPs for the Inner Moray Firth, Caithness and Sutherland and the West Highlands area

INTRODUCTION – BASIS OF THE HIE SUBMISSION

Background

Under the new Development Plan procedures in Scotland HIE is designated as a Key Agency. Circular 1/2009 defines the role of Key Agencies as being:

“..... bodies who are under a duty to co-operate with Planning Authorities at the following stages in the development plan process:

- Compilation of the main issues report
- The preparation of the proposed plan
- The preparation of the action programmes”

The Circular continues:

“The intention is that, through this full and early engagement, plan-making authorities will have access early to much of the key information they need to produce effective plans. The plans themselves will therefore be realistic and deliverable and tie in with the strategic objectives of other agencies, with these agencies “buying-in” to the strategy and proposals of plans and assisting in their delivery.”

This is a new role and new procedures arise from that role. In order to give proper recognition to the spirit of engagement that is envisaged for key agencies within the new planning procedures HIE decided to commission this report in order to form:

- A formal full submission prior to the Council’s consideration of the Proposed Plan for the Highland Wide Local Development Plan
- The basis for subsequent discussions with the Council before and during the formal public consultation stage of the Proposed Plan leading to any agreed Modifications prior to submission of the Plan to Scottish Ministers

- The basis of future dialogue and submissions in respect of the three Local Area Local Development Plans (starting with the Inner Moray Firth area) that the Council intends to prepare
- A framework and reference point for future detailed studies to inform dialogue on key topics or key areas in both the Highland Wide and the Local Area Local Development Plans

This submission builds on the work undertaken by HIE in relation to the West Highland and Islands Local Plan where the objective was to secure the safeguarding and supporting of the key employment land allocations.

Methodology and approach

The approach to this submission involved firstly using the knowledge of the Local Development Plan process to set out a framework for this report that would enable information and views to be presented in a way that best suited the needs of the Highland Council Planning Team and, at the same time, protected the position of HIE. That work also involved setting out an actions timeline for HIE showing how this report fitted into the overall process of engagement with the Local Development Plan (this work is reflected in the next stages part of this report). The next key task was to build up an evidential base from both Scottish Property Network (SPN) data and an assessment of the economic development effects of the HIE property investment and development activities over the last 10 years. Then a structured input was sought from key members of the HIE property team with this being supplemented by the views of the Graham and Sibbald commercial property team based in Inverness. Discussions were also held with the Highland Council Local Development Plan team and careful regard was given to the published Main Issues Report (MIR) and the update presented to Committee in May 2010. Finally, all of this information was incorporated into a draft report that was reviewed by the HIE property team, with that report being fully reviewed and edited to form this final report.

The main document contains the HIE submission whilst the relevant background information has been placed in appendices to the main submission. The detail of the SPN data is set out in an accompanying document. It is considered that this is the most appropriate way in which to

present the submission which must recognise the key principle of “front loading” that is a driver of the new Local Development Plan system. That principle means that the detail of any party’s case must be set out as fully as possible at the earliest possible stage in any particular planning process as there are limited opportunities to add to it at a later stage.

It should be clearly understood that HIE see this submission as being the starting point for future dialogue, agreement and planned actions in the spirit of the text from Circular 1/2009, rather than simply being a stand-alone document. However, the document itself has adopted a formal approach in setting out the HIE position. That is because whilst it is intended that full agreement be reached with the Council on the Plan’s provisions, it remains a possibility that other interested parties might disagree with the HIE position. Therefore, this report has to be capable of standing as a statement of evidence for this stage of the Local Development Plan.

However, in making this submission now, HIE also recognises that the formalised process of co-operative working between the Highland Council and Key Agencies is new in terms of the new Local Development Plan regime, and that it will need time to develop in order to achieve the optimum processes and outcomes. In the meantime HIE is committed to working with both the Council and with other Key Agencies to ensure that the new Local Development Plans for the Highland Council area are as effective as possible.

STATUTORY AND STRATEGIC REQUIREMENTS

National Planning Framework 2 (NPF2)

NPF2, published in June 2009, sets out a number of key issues for the Highlands including:

- Co-ordinated development of the A96 corridor
- Energy improvements including opportunities for tidal energy in the Pentland Firth
- Dealing with the decommissioning of Dounreay
- Development opportunities in the Cromarty Firth including Nigg
- Better use of the Caledonian Canal for freight
- The role of Fort William
- Targeted development of fragile areas in partnership with HIE
- Natural heritage, tourism and sustainability links
- Development of the strategic transport routes including the A9, the A835, the A82 and the rail lines links to the south and east

HIE would support policies and actions that directly address the taking forward of these national priorities.

Scottish Planning Policy (SPP)

The consolidated SPP sets out the Scottish Government's policy on land use planning. The Scottish Government believes that a properly functioning planning system is essential in achieving its central purpose of increasing sustainable economic growth. A key element in this is that the planning system should be genuinely plan led. The planning system should proactively support development that contributes to sustainable economic growth. Planning Authorities should take a appositive approach to development, recognising and responding to economic and financial conditions in considering proposals that could contribute to economic growth. Removing unnecessary planning barriers to business development and providing scope for expansion and growth is essential. The planning system should be responsive and sufficiently flexible to accommodate the requirements of inward investment and growing

indigenous firms. Plans should identify an appropriate range of strategic business locations such as mixed developments, business parks, science parks, medium and large industrial sites and high amenity business locations. Marketable land should meet business requirements, be serviced or serviceable within 5 years, be accessible by a range of transport modes and have a secure planning status. The land supply should be regularly reviewed.

HIE endorses the full detail of this Scottish Government policy approach and that is why, as a Key Agency, it attaches importance to the co-operative dialogue with the Council to ensure that these policy objectives are met in the Local Development Plan. However, within the HIE area, ensuring that land is available and serviced will often involve intervention by HIE, sometimes in partnership with other public and private sector interests. Therefore, HIE will have a detailed interest in employment land policies and allocations throughout the Highland Council area.

The Approved Highland Structure Plan

The Highland Structure Plan became operative in March 2001, with the aim of setting a strategic land use planning framework, with which all the Local Plans in The Highland Council area must comply.

Section 4(1) of the Planning etc (Scotland) Act 2006 requires Strategic Development Plans (SDP) to be prepared in lieu of Structure Plans - however SDPs are only required for the 4 city regions of Glasgow, Aberdeen, Dundee and Edinburgh. In areas such as The Highland Council, where no SPD will be prepared, then there is a requirement for Local Development Plans (LDPs) to include a vision statement – with this to provide a realistic expression of what the plan area could be like in 20 years time. LDPs are also required to give a broad indication of the scale and location of growth up to year 20 for non-SDP areas – in effect providing some of the long-term guidance which would otherwise be set down in the SDP.

The Highland Wide Local Development Plan will thus be the key planning document relative to The Highland Council's vision for the next 20 years, and in terms of Council-wide land requirements. Given that consultation on the Proposed Plan has not yet formally

commenced, this position is simply noted at this stage – more detailed comments will be provided during the formal consultation period.

For now the legislation does not make specific provision for clarifying the status of Approved Structure Plans in non-SDP areas. In the absence of clear guidance it is understood that the Approved Structure Plan will be regarded as a material consideration in determining planning applications until it is formally superseded by the Highland Wide Local Development Plan, and any Supplementary Guidance.

The relevant detailed policies are contained in Appendix 1 in this submission. However, for the purposes of this submission it is the HIE position that they endorse the approach in the Structure Plan of specifically allocating and safeguarding a long term supply of key employment land sites. This was the approach taken in the West Highland and Islands Local Plan Examination and it was an approach that was endorsed by the Reporter in that case.

HIE Operating Plan 2010/13

The relevant details from the HIE Operating Plan 2010/13 are set out in Appendix 2. The HIE vision is to:

“... see the Highlands with more people, a wider jobs base, higher incomes, dynamic businesses and stronger communities and to see success reflected in every part of the area.”

Achieving this vision will require a responsive planning system as set out in the consolidated SPP and as summarised above.

The HIE focus areas are:

- Supporting growing businesses – converting business plans into business growth
- Strengthening communities – including delivering growth in the most fragile areas and areas of employment deficit

- Improving regional competitiveness – through a long term focus on the key high growth sectors of energy, universities, life sciences, tourism, food and drink, creative industries and financial services

These key operational priorities are fully reflected in this submission. They will also guide the inputs to the Local Development plan Action Plan and the inputs to the local area Local Development Plans.

EVIDENTIAL BASE

Introduction

It was considered important to assemble an evidential base to underpin and inform the submission. It is not anticipated that this will need to be referred to in detail unless there are unresolved matters by the time the Plan is submitted to Scottish Ministers. It is the intention of HIE to actively work with the Council to ensure that there are no such unresolved matters.

The evidential base consists of an analysis of the SPN data, the structured views of the HIE Property Team, an assessment of the impact of HIE property investments over the last 10 years, and a market based commentary from the Graham and Sibbald Inverness based Agency Partners.

SPN Data Analysis

The SPN data is submitted as a separate document and the data is presented in summary form in Appendix 3. This information is included as it is the only comprehensive commercial property transaction database that can provide a consistent basis for analysis throughout Scotland. However, it must be clearly understood that there is a significant level of under-reporting for various reasons including some set out below.

There is a clear concentration of available land and property in Inverness, by comparison with other settlements, and this is reflective of the strategic importance of Inverness to the Highlands economy. Yet, with the “market failure” remit of HIE it has had limited locus to become involved in land acquisition and servicing in the City to date. The age profile of available properties seems relatively well balanced, with around 30% of available property dating from 2000. Around 30% of available properties are 99 square metres or less. The number of properties for lease far exceeds those for sale.

In terms of HIE’s role, SPN recorded 430 land and industrial and office property transactions from July 2005 to July 2010 – in 36 of these transactions HIE was the seller or lessor.

However, this data is not picking up the HIE sales, say to sitting tenants, where there is no

open marketing. In total HIE estimate that they are involved themselves in 30 transactions a year.

Between 60 and 159 properties have been available at any one time during the 5 year period reviewed. The highest take-up of properties during this period in one month has been 11.

However, it is considered that the SPN data does not paint the full picture of land and property related activity in the Highlands area and it does not contain a forward projection of activity or requirements. Therefore, further sources of information have been analysed in the following sections.

Views from HIE team

A series of structured telephone call interviews were undertaken with key members of the HIE property team. The list of prompt questions that was used in the telephone conversations is enclosed as appendix 4.

The views that were obtained covered both Highland wide and key local area issues. The individual responses have been amalgamated into an overall HIE view. The key outcomes of the generic questions are summarised below. The outcomes in terms of policy provision and employment land allocations, along with future consultation processes, are set out later in this submission.

- Overview – many key HIE Estates have been developed out over an extended period of time. Other projects, such as Inverness Medical, have been successfully delivered because land was identified and protected and thus available when a key enquiry was received. The key is to ensure that similar successes can be delivered in the future
- Planning policy successes – planning approval of key projects such as the Airport Business Park and the Beechwood Campus, the review of the A96 corridor, the re-appraisal of the city role of Inverness, review of infrastructure provision, the new pre-application workshop process, the ease of company expansion and investment processes when sites are properly allocated in Development Plans

- Planning policy problems – policy cycle is too long, need for more frequent review, problems do crop up and will do, local problems like Tain where the release of employment land is caught up in the supermarket issues, lack of match between planning permissions and occupier uses, lack of zoned land for particular developments leading to planning being *seen/perceived* as a problem (eg Golspie Business Park), uncertainty in developer contribution requirements, lack of a clear coastal development strategy that identifies the scope for development, lack of a spatial vision for the west coast, insufficient support for renewable energy projects
- For the future – better/closer dialogue, Planning Officers to interact more with the business community, culture change, greater recognition by Planning Officers of the challenges of fragile areas, greater front end consultation and joined up approaches
- HIE's future role in Planning – a greater strategic focus, involvement where there is evidence of market failure, more business focused support, more focus on clusters, more focus on peripheral areas, , a more holistic approach and this means catching up now, have to influence with limited powers and less money, a need for greater inter agency working to be effective
- Peripherality and remoteness – Planning officers do not see their worlds through these concepts, more pro-active approach needed to link communities and economies in these areas, these aspects must be addressed in the West Coast strategy, connectivity is the key to address these aspects in the future, need inward investment to these areas, need a fragile areas spatial strategy, need to focus on development not development constraints

HIE actions to date and impacts

Because the SPN data always tends to give an impression of low transactional activity it was considered important to consider the likely impact of the main HIE property investments over the last 10 years. This information is presented in tabular form in appendix 5. The information was drawn from a table supplied by HIE in July 2010.

This table is being further reviewed with the intention of submitting further information during the consultation stage of the Proposed Plan.

Views from G&S Agency Partners

The Agency team in the Graham and Sibbald Inverness office has extensive experience in the selling, leasing and acquiring of industrial and business land throughout the Highlands and Islands area. In addition they have managed the HIE industrial property portfolio for the last 5 years. Given this experience it was considered that there would be value in seeking an area by area commentary, from the two relevant Partners, on the likely requirements for business and industrial land. The outcome of that commentary is set out in appendix 6 to this report.

In general the commentary reflects the conclusions from the interviews with the HIE property team and considerable confidence can be taken from that co-incidence of views as neither set of interviewees was aware of the other parties' comments at that time.

This commentary has informed the preparation of this report but it is not part of the submission and should not be interpreted in any way other than as background commentary.

Conclusions

There is a general consensus on the range of issues to be tackled in the Local Development Plan and on the need to allocate a range of sites to facilitate economic development. There was nothing raised in the discussion that would appear to be an overwhelming challenge for the Local Development Plan. Therefore, subject to detailed discussion between HIE and Council Planning Officers on how and when to move forward with more detailed assessments and submissions on particular topic or geographic areas, there is every confidence that full agreement can be reached with the Council on the content of the Highland Wide Local Development Plan.

LOCAL DEVELOPMENT PLAN – PREFERRED POLICIES AND ALLOCATIONS

Introduction

It is recognised that some of the points set out below are already under detailed consideration by the Council. However, as indicated earlier, this report has to be capable of standing on its own as a statement of the HIE position at this stage of the Plan. Therefore, matters are set out in full whether or not they are currently under consideration.

Equally, it is recognised that some of the points might be more appropriately taken forward in the local area Development Plans rather than in the Highland Wide Local Plan. However, the points are all set out at this stage since the split between strategic and local is not always clear and, in addition, there is a concern to ensure that any points that are considered as local have been properly “flagged up” first in the Highland Wide Local Plan.

Policies

A range of policy preferences arises from the evidence base set out in the previous sections of this submission. Some of the policy preferences will be refined in the light of the published Proposed Plan later this year. In the meantime the key policy provisions that HIE would wish to see in the Proposed Plan are as below:

- A clear strategy for the continuing economic development of Inverness
- A clear West Coast spatial development strategy that facilitates development
- Support for the development of both incoming and existing businesses to contribute to sustainable economic development
- Support for multi-agency activity to bring land forward for economic development uses
- Policy provision to ensure that key employment sites are available, protected as appropriate and brought into use
- Policy provision that positively supports both growth and diversification

- Policy guidance and procedural guidance, for Scottish Development International (SDI) and HIE on dealing with major inward investment enquiries, and the associated infrastructure requirements, so as to ensure a consistent and timely response

Overall Allocations

A range of overall land allocations is sought and the related policy provisions should cover:

- Recognition of the need to provide a supply of land for small developments, for larger bespoke developments and for inward investment projects such that the size of sites matches the geographic profile of the area in which they are located
- Recognition that the delivery of key employment sites might well need integrated planning including the relocation of other facilities or planned developments
- Accepting a scale of provision that reflects the aspirations for future growth in the Highland economy – the Plan should ensure that there is a sufficiency of high quality allocations such that land availability is not a concern in the locations, developments or expansion decisions
- Addressing the related need to allocate and deliver a range of housing opportunities such that housing availability is not an adverse factor in business or location or expansion decisions
- Ultimately, the objective should be for a clear 10 to 20 year supply in all of the main settlements with some provision in all other settlements
- That supply should provide for business growth including what could be called the “anticipation factor” – existing businesses with an aspiration to expand their businesses may not log their requirement on SPN for example, but business growth comes with its own particular challenges in terms of either in situ expansion or relocation

Key Locality Allocations

At this stage there is a need to clearly identify and protect key economic development land allocations in a series of strategic locations. These are identified below. As set out later in this

submission, HIE recognises the need to discuss, in detail, with the Highland Council Planning Officers how and when to undertake further detailed work on some of these proposed allocations. It is anticipated that the further work will be to inform both the Highland Wide Local Development Plan and the subsequent Local Area Plans. For all localities there is a need to ensure that existing allocations are protected. The suggested key localities are:

- Inverness
 - The future development of the City is key to the development of the Highlands
 - The Plan, therefore, needs to provide a comprehensive strategy for development investments in Inverness, particularly for non class 4 uses
 - That strategy must enable and facilitate employment related development in a scenario where infrastructure investment is not fundable as currently envisaged
 - Much of the investment in Inverness will be undertaken by the private sector
- A96 corridor
 - This area, extending out to Nairn, will be a key economic driver for the Inverness area
 - As the other main employment sites in Inverness are basically full, there will need to be early release of employment land in this corridor, possibly in advance of overall infrastructure provision
 - This land release needs to provide for service industries and manufacturing as well as office based employment
 - HIE intends to discuss with Highland Council Planning Officers how and when to undertake further detailed work to set out the case for the early identification and release of key employment sites
- East Inverness
 - The Inverness Campus area is a key employment locality and it is a fundamental socio-economic driver for future development as it delivers a key part of the actions to reverse the outmigration of young people from the Highlands. It is therefore key to the Highlands as a whole and its development needs to be encouraged and protected within the Plan
- Cromarty Firth including Nigg
 - Continuation of the current allocations at Invergordon and Nigg is considered to be the most appropriate planning strategy

- The Plan should support the HIE and Highland Council Nigg Development Masterplan, May 2009
- Muir of Ord
 - Land needs to be allocated, soon, in Muir of Ord, especially for the expansion of major local industries
 - This might need detailed, integrated planning for the release of other land in the nearby area
 - Again HIE will discuss with Highland Council Planning Officers how and when to undertake further detailed work to assist and inform the Council on this particular matter
 - That additional work could usefully also address employment land availability in the Eastern Coastal settlements in the Inner Moray Firth
- The rail route towns in the Moray Firth
 - The Plan should promote development in the arc of towns, along the railway line, from Dingwall to Tain in addition to investment in the A96 corridor
 - There should also be an integrated strategy for these towns incorporating plans for better use of the rail line resource
- Caithness and Sutherland, including Dounreay
 - The land allocation implications of the sheer scale of job replacement, due to the decommissioning of Dounreay – around 2,000 jobs by 2025 – needs to be clearly reflected in the Plan
 - Effective allocations of employment land needs to be made at Scrabster as well as at all of the main settlements on the western, northern and eastern coastal areas
 - The long term development of John o’Groats needs to be fully reflected in the Plan
 - Flexibility is needed to be able to respond positively to inward investment projects
 - There is a need to address industrial land allocations in South-east Sutherland, particularly in Golspie
- Coastal Spatial/Development Strategy
 - This strategy should be fit for purpose in terms of the future development of the Highlands

- It should provide a policy framework and land allocations, throughout the coastal area, that will enable the provision of development and infrastructure
- It is considered that it should not simply be a snapshot of where settlements and constraints are just now
- Cairngorms National Park Authority Area
 - HIE is in active discussion with the Park Authority and recognises the need to undertake a similar type of assessment to identify both demand and key sites in the relevant sector of the National Park Authority area. This will be progressed in due course
 - This dialogue reflects the combination of circumstances of continuing strong demand and the full development of existing sites

Policies and Land Allocations for Particular Key Sectors

Certain industrial sectors are seen as being key to sustainable economic development in the Highland and the Local Development Plan should make appropriate provision for these sectors as below:

- Life Sciences
 - The Inverness Campus site and the Inverness Airport Business Park should provide key locations for the expansion of this key sector
 - Provision should also be made outwith this area including in the smaller settlements
- Energy
 - For Marine based energy, including wind, the key planning requirements in respect of the Inner Moray Firth and Kishorn are set out in the National Renewables Infrastructure Plan Stage 2 (July 2010). The Local Development Plan should provide for the implementation of these national projects
 - The key harbours and quays are key assets that need to be both protected from non essential developments and have land allocations for support services

- The Plan should set out the interaction between on shore planning and marine planning is to be managed so as to ensure the most effective development of marine based energy projects
- The Plan should recognise the need and provide for manufacturing sites (in addition to operations and maintenance) and the construction of infrastructure facilities in association with development sites
- There might well need to be an allocation of on shore support services locations that are in remoter areas rather than in existing harbours and quays
- Tourism
 - There are no obvious additional site specific allocations that can be identified at this stage but, again, a flexible, supportive approach is sought
 - Support should be given to the provision of support infrastructure for marine tourism and outdoor activity tourism
- Food and Drink
 - There has been investment in food and drink related development through individual companies but little development of clusters
 - Consideration should be given to the identification of a series of food park development sites or cluster points in key locations
- Higher Education
 - The Plan should provide a development framework and land allocations to ensure the continuing contribution of both Further and Higher Education and related spin outs to sustainable economic growth
- Inward Investment
 - There is often a need to move quickly to secure inward investment projects. Dedicated land allocations are not sought for inward investment. However, the Plan should contain a commitment to working flexibly and positively on inward investment opportunities
- Financial and Business Services
 - The Plan should encourage the development of centres for combined administrative functions so as to extend this sector beyond the provision of call centres

- Creative Industries
 - Provision for these developments should be ensured in smaller settlements
- Fish farming and marine aquaculture
 - These developments are now under planning control for inshore and near coastal waters and clear policy and locational guidance should be given as these sectors are of considerable economic importance

Protection of allocations

It is considered essential that the Local Development Plan policies safeguard the provision and allocation of the existing and new key employment land sites for employment uses.

Additional Matters

In addition to the specific policies and allocations set out above it is considered that the Local Development Plan's background text should clearly reflect the Scottish Government's priority support for sustainable economic development and the support for the key sectors that will contribute to that sustainable economic development.

Overall, it should also be noted that in all cases HIE welcomes discussion with the private sector in relation to potential financial assistance towards funding a "gap" in business land development costs where there is proven market failure.

ACTION PROGRAMME INPUTS

Introduction

The new Development Plan system requires the production of Action Programmes with these to be updated every two years. The Programmes will set out a list of actions required to deliver the Plan's policies and proposals, who will carry out that action and the timescale for the action. As a Key Agency it is considered that HIE needs to be closely involved in preparation, implementation and review of the Action Programme. This section of the submission sets out initial ideas in that regard.

Key actions for HIE

The HIE submission to the Highland Wide Local Development Plan takes full account of the published three year HIE Operating Plan. The current Operating Plan is for 2010 – 2013. It is considered that the starting point for the Action Programme, in terms of HIE's involvement, should be the three yearly Operating Plan. This is available to the Highland Council staff and the proposed investments are not repeated in this submission.

The Action Programme will provide a basis for HIE to further set out its priorities for investment in land and property. It will enable the identification of projects or geographic areas where expenditure will be targeted either at present or in the future. The Action Programme will enable HIE to look ahead at potential future spending on projects beyond the Operating Plan period. Overall, the Action Programme should continue the process of facilitated interaction between HIE and the Highland Council Planning Officer. This will ensure that there are no surprises, for either party, in terms of priorities, investments and intentions.

Key monitoring points/stages

The monitoring cycle for the Operational Plan will form the basis for the future inputs by HIE to the Action Programme review process. However, it is considered that there would be significant benefit in a six monthly review involving HIE staff and the Highland Council

Planning Officers. It is suggested that the first review might take place prior to the Proposed Plan being submitted to Scottish Ministers.

NEXT STAGES

August Committee Report

It is intended that HIE will undertake work to assess both the Planning Officers' report to the Planning, Environment and Development Committee and the Plan as proposed at the stage of Committee approval. That assessment, along with this submission and the additional work outlined below, will then form the basis for the future detailed dialogue between HIE and the Highland Council Planning Officers, including dialogue on how and when to take forward more detailed area or sectoral studies .

HIE would find it of particular value if there could be a detailed discussion, based on this submission, with the Highland Council Planning Officers before the Proposed Plan is published.

HIE Response to the Proposed Plan

It is the intention of HIE to prepare a formal response to the Proposed Plan with this to be ready by the end of the proposed formal consultation period. However, this process will be subject to what is said below.

Consultation and the Local Development Plan Examination

It is considered critical that there is effective dialogue and consultation between HIE and the Highland Council Planning Officers both before and during the formal consultation period. It is considered that it would be helpful if there could be an early seminar involving the key staff from both bodies to review key issues, key actions, and land allocations.

It is the intention of HIE to work with the Highland Council Planning to ensure that, in due course, there are no unresolved issues between them that would require to be considered at the Local Plan Examination of unresolved objections.

However, it is recognised that there might be other parties who take a different view from HIE on some of the key economic development and associated land development issues. Therefore, both this submission and the additional work listed below, will be prepared in a format that can be readily used as statements of evidence for any Examination issues.

Additional Area or Sector Specific Studies

HIE is committed to entering into detailed discussion with the Council Planning Officers on how and when to support this submission with follow up studies to inform both the Highland Wide Local Development Plan and the subsequent Local Area Development Plans. Subject to those discussions with Council Planning Officers the priority topics for consideration as areas of further work are currently seen as:

- East Inverness the A96 corridor – focussing on what needs to be released in early course and in advance of major infrastructure provision
- Muir of Ord (and associated study areas) – focussing on the future expansion of industrial land
- The “rail route” corridor towns along the Moray Firth
- Key locations for the support of offshore renewable energy projects, especially in fragile areas and including Kishorn and Caithness
- The West Coast Development Strategy (including the role of Fort William) and enabling development on the coast where people live and work
- The National Park settlements
- Review of the possible locations for and infrastructure requirements of data centres so as to ensure that spin off development is also captured

A start will be made immediately on discussing these topics with the Planning Officers. Working papers, for any agreed early piece of work, can be progressed as agreed. At that stage there would be further discussions with Planning Officers to assess whether any additional work is needed in advance of the local area Plans.

Intention to participate in the Local Area LPDs

As a Key Agency it is the clear intention of HIE to fully participate in the preparation and implementation of the three local area Local Development Plans. There will be various settlement and area policy and allocation issues that will need to be addressed during that process, over time, for the three areas of the Inner Moray Firth, Caithness and Sutherland, and West Highland.

However, an issue that guidance is sought on at this stage would be the extent to which these issues need to be Highland Wide Local Plan

Key Agencies Forum

In preparing this submission consideration has been given to how HIE interacts, currently, with the other named Key Agencies. This general conclusion is that the interaction is variable and is often not at operational level. Therefore, in moving forward with the Highland Wide Local Plan, the local area Plans, and the regularly reviewed Action Programmes, HIE is of the opinion that there would be considerable merit in a six monthly meeting of all Key Agencies with Highland Council Planning Officers to ensure both an effective and early exchange of views and an effective dissemination of priorities to operational staff.

It is understood that the Highland Council Planning Officers would find such a Forum, providing the link to operational Officers and operational decisions, to be of considerable value in the current and future Local Development Plan work and in taking forward work on the Action Programme and its regular review and monitoring.

Appendix 1 Approved Structure Plan Policies

Policy B1 is the key policy in terms of the allocation and safeguarding of key employment related sites.

Policy B1 Industrial and business sites

“Local Plans will safeguard and support a portfolio of industrial and business sites of the following types

and locations (as shown in Figure 10):

- *large petrochemical site protected in the national interest (see Policy B5) -*

Nigg;

- *large single user industrial site -*

Delny;

- *strategic industrial and business development sites -*

Achnagonalin Industrial Estate, Grantown-on-Spey

Cairngorm Technology Park, Aviemore

Thurso Business Park

Murkle Bay, Thurso

Inverness Retail and Business Park

Kinlochleven Business Park

Annat Point Industrial Estate, Fort William

Blar Mhor Industrial Estate, Fort William

Glen Nevis Business Park, Fort William

Balmakeith Industrial Park, Nairn

Alness Point Business Park

Dingwall Business Park

Highland Deep Haven, Evanton

Cromarty Firth Industrial Park, Invergordon

Inverbreakie Industrial Estate, Invergordon

Lochalsh Business Park, Auchtertyre

Broadford Industrial Estate

Dornoch Business Park; and

- *other sites for small and medium sized enterprises (see Policy B3).”*

Policies B2 and B3 set further requirements for the allocation of industrial and business land:

Policy B2 Industrial and business sites

“Local Plans will identify new high quality business and industrial sites in the following locations:

- Wick;
- Portree;
- Golspie; and
- Inverness to Nairn (A96 Corridor).”

Policy B3 Local industrial land supply

“Provision will be made in Local Plans for a supply of land for general industry and business development so that there will always be availability as follows:

<i>Badenoch & Strathspey</i>	<i>5ha</i>
<i>Caithness</i>	<i>5ha</i>
<i>Inverness</i>	<i>20ha</i>
<i>Lochaber</i>	<i>5ha</i>
<i>Nairn</i>	<i>2ha</i>
<i>Ross & Cromarty</i>	<i>20ha</i>
<i>Skye & Lochalsh</i>	<i>3ha</i>
<i>Sutherland</i>	<i>2ha”</i>

Policy

Specific provisions are made for oil and gas related development and diversification following the over-dependence on Dounreay. Policy B7 sets out the position relative to business development in rural areas:

“Small-scale business development or extensions to existing indigenous industries will be encouraged in rural areas. Where there is potential demand, Local Plans will allocate sites for small-scale workshops, including workshops attached to new housing developments.”

Policies B8 and B9 make particular reference to the Enterprise Network, and to the telematics industry respectively:

“The Council will encourage and support the development of small value adding enterprises where appropriate in partnership with industry and the Enterprise Network.”

“The Council, in conjunction with the Local Enterprise Companies, will actively promote Highland as a location for telematics activities. It will continue to encourage local businesses to develop and utilise the advantages offered by the application of information technology.”

Appendix 2 HIE Operating Plan 2010/13

The Operating Plan sets out HIE’s role and purpose:

“HIE is the Scottish Government’s economic and community development agency for the north-west part of Scotland, from Shetland to Argyll and the Outer Hebrides to Moray. In line with the Government Economic Strategy (GES), HIE’s purpose is to generate sustainable economic growth in every part of the Highlands and Islands.”

HIE’s articulated vision is summarised as below:

“In short, we aim to see the Highlands and Islands with more people, a wider jobs base, higher incomes, dynamic businesses and stronger communities and to see success reflected in every part of the area.”

The stated priorities to achieve this vision are:

- *“a world-leading, diversified renewable energy sector*
- *high-speed, universal digital connectivity and its exploitation*
- *a successful, growing universities sector*
- *a renowned life sciences sector*
- *the growth of tourism, food and drink, creative industries and business services*
- *increased internationalisation, innovation and entrepreneurship*
- *a strong and expanding social enterprise sector*
- *a low-carbon economy”*

The 3 areas of HIE focus are noted as:

- *“Supporting growth businesses, so raising regional and local growth rates*
- *Strengthening communities, especially in the fragile parts of the area*
- *Creating the infrastructure and conditions to improve regional competitiveness.”*

Under the ‘supporting growth businesses’ focus, the Operating Plan notes that the emphasis from 2010 will be converting business plans of the 500 key customers into business growth, and that HIE will continue to work with Scottish Enterprise and the Scottish Government towards creating and implementing the Scottish Investment Bank.

Under the “strengthening communities” focus, one of the key activities will be delivering growth in the most fragile areas of the region, through measures including economic participation and development of new revenue streams.

The ‘regional competitiveness’ focus recognises that many aspirations will be long-term. A key element in this respect is the development of the high growth sectors. HIE is committed to working alongside its partner agencies and delivering sectoral plans to guide implementation of the growth strategies.

The key economic activity sectors for targeted growth are:

- Energy
- Universities
- Life Sciences
- Tourism
- Food and Drink
- Creative Industries
- Financial and Business Services

HIE’s Area Policy recognises that the Highland’s and Islands low population density (50% of Scotland’s land mass but less than 10% of Scotland’s population) and dispersed settlement pattern creates particular issues. The Operating Plan notes that:

“...the associated infrastructural challenges mean that the ‘regional economy’ in practice comprises a number of individual, local economies. The small scale of these economies and the relatively weak linkages between them dictate that the approach required to stimulate growth involves sustained effort over a long period of time.”

Two types of priority area are defined:

- Fragile areas, “are characterised by a number of factors including weakening of communities through population loss; low incomes; limited employment opportunities; poor infrastructure and remoteness...”
- Areas of employment deficit, “are characterised by over-reliance on a single employer (or sector), or have experienced (or are at risk of) significant job losses resulting from major closures and / or persistent long-term unemployment caused by structural change...”

HIE’s role in fragile areas includes assisting small businesses to implement development projects which make a contribution to the wider community.

In areas of employment deficit, key roles relate to broadening employment opportunities and attracting inward investment.

Other activities in the wider Highlands and Islands area include assisting locally significant businesses in the more accessible rural areas and supporting growth businesses in the major settlements.

The Operating Plan sets out how HIE’s activities link to the Scottish Government’s 15 National Outcomes and 7 Purpose Targets.

HIE’s role is well articulated and clearly aligned to the Scottish Government’s wider targets. HIE has a number of activities, many of which support business development and are closely tied to the support and delivery of development projects. HIE is expert in the unique challenges faced by businesses operating in the Highland and Islands and is thus well placed to advise on business requirements and to represent the interests of local businesses – and the interest of other businesses which may be attracted to the area.

Appendix 3 Summary of SPN Data

The full SPN analysis is set out in separate document lodged with this report. The key results are summarised below.

Scottish Property Network data was interrogated on 1st July 2010 to obtain a snapshot of supply and demand issues at a Council-wide level.

Property Requirements

It should be noted that whilst SPN's data is included in this report as SPN is the only comprehensive commercial property transaction database in Scotland; there is a significant level of under-reporting, for a number of reasons. For example, SPN is often not used by small businesses looking for start-up premises, and for bigger enquiries regarding strategic sites or inward investment opportunities, contact is normally made with HIE direct.

Available Property

An SPN search for available land, and available industrial and office property revealed 283 records as noted in **Section 1** of the SPN data document.

Clearly this snapshot of land and property that is available commercially, does not give any indication of whether 'available' property matches demand with regard to size, location and other particular requirements.

Inverness is the settlement with the highest availability of land and property – with 99 records on SPN. When available land is excluded, there are 173 records (i.e. 173 logged available industrial and office properties throughout The Highland Council area).

- **Available Property Age**

Of the 173 logged available properties:

38 are pre-1960s

3 are 1960-1969

23 are 1970 to 1979

27 are 1980 to 1989

24 are 1990 to 1999

42 are 2000 to 2009

8 are 2010

(This age breakdown totals 165 properties – suggesting that the age of 8 of the logged properties may not be recorded)

The age make-up of the available property appears to be reasonably well-balanced, with around 30% of the properties whose age are recorded dating from 2000.

- **Available Property Size**

54 of the properties are 0-99 sq m

38 are 100 to 199 sq m

51 are 200 to 499 sq m

21 are 500 to 999 sq m

8 are 1000 to 1999 sq m

0 are 2000 to 4999 sq m

1 is 5000 to 9999 sq m

1 is greater than 10,000 sq m

(This age breakdown totals 174 properties – one of the properties may have been double counted when the search was broken down by size of it was on the border of 2 of the size breakdowns).

The size mix of available properties is clearly weighted towards the smaller size bands, with over 50% of the available properties being under 200 sq m.

- **Available Property – Lease / Sale**

By far the majority of available properties are available for lease – 125 are for lease, 23 are for sale and 25 are either for lease or for sale.

- **Available Land Size**

There are 110 records of available land in The Highland Council area.

2 of the land records are 0-99 sq m

1 is 100 to 199 sq m

2 are 200 to 499 sq m

13 are 500 to 999 sq m

15 are 1000 to 1999 sq m

40 are 2000 to 4999 sq m

14 are 5000 to 9999 sq m

23 are greater than 10,000 sq m

It should be noted that the land search includes **all land** – i.e. residential / agricultural etc as well as industrial land. This caveat applies to all SPN land searches. Whilst land records are noted here for completeness it is difficult to draw any firm conclusions with respect to available land which may be developed for industrial or business development.

- **Available Land – Lease / Sale**

11 of the land records are for lease, 84 are for sale and 15 are either for lease or for sale.

Transactions

430 transactions relative to land and industrial and office property were recorded from July 2005 to July 2010 in The Highland Council area. In 36 of these transactions Highlands and Islands Enterprise was recorded as the seller / lessor.

As noted previously, there is significant under-reporting by SPN and HIE estimates that they are involved themselves in 30 transactions a year.

Analysis

- **Available Industrial and Office Property**

The average availability of industrial and office property in The Highland Council area from May 2005 to April 2010 is listed at **Section 2**. Between 60 and 159 properties have been available at any one time during this 5 year period.

This data provides a snapshot only and cannot be used as a forward planning tool. SPN's data does not consider how commercially available property matches up with demand relative to size, location and other particular requirements.

The average available industrial and office property during that period is broken down into size bands in **Section 3**. The weighting towards smaller properties has been a consistent trend during this period.

The average available industrial and office property during that period is broken down into age bands in **Section 4**. There do not appear to have been any dramatic trends in terms of the age mix of available properties in this 5 year period.

- **Available Land**

The average availability of land in The Highland Council area from May 2005 to April 2010 is listed at **Section 5**. The number of records of available land rose sharply from January to February 2010 – this may be a sign of the general current slowdown in transactions – although as noted above since land records refer to all land, then it is not considered

appropriate to draw any particular conclusions relative to land which may be developed for business or industrial development.

The average available land during that period is broken down into size bands in [Section 6](#). There do not appear to have been any dramatic trends in terms of the size mix of available land in this 5 year period.

As with available property; the snapshot of available land does not consider the compatibility between available land, and requirements including appropriate land use allocations, planning permissions and infrastructure provision.

- **Take-up of Industrial and Office Property**

The recorded take-up of industrial and office property in The Highland Council area from May 2005 to April 2010 is listed at [Section 7](#). The highest number of properties which has been taken up during this period in a month has been 11.

The recorded take-up of industrial and office property during that period is broken down into size bands in [Section 8](#).

The recorded take-up of industrial and office property during that period is broken down into age bands in [Section 9](#).

- **Take-Up of Land**

The recorded take-up of land in The Highland Council area from May 2005 to April 2010 is listed at [Section 10](#). The highest take-up was in February 2008 – with 9 areas of land.

The recorded take-up of land during that period is broken down into size bands in [Section 11](#).

Appendix 4 HIE Property Staff Interview Questions

The questions below were used as a conversational prompt rather than as a rigid question and answer approach. The same prompts were used for all of the interviews and all interviewees saw the prompts list several days in advance of the telephone call with them.

- What have been The Highland Council planning policy successes in the last few years in your/HIE's view
- Have there been any planning policy related problems with the Highland Council in the last few years that have impacted on HIE programmes
- How would you want to see the successes continue and the problems avoided
- What are the main economic development policies that you would like to see in the LDP
 - Overall
 - For your geographic area
 - For key sectors
- Do you see HIE's role in land use planning and development changing in the next 5 years either due to the fluctuating state of the economy or due to changes (budget related or others) within HIE
- What are the main employment related land allocations (these should be the main sites) that you would like to see in the LDP
 - Overall
 - For your area
 - Are the key sites listed in the 2008 Bidwells Report still relevant
- Is the whole issue of peripherality and remoteness addressed sufficiently in your/HIE's view
- Are there issues that you would like to see flagged up now for the next phase of the local area LDPs – starting with the Inner Moray Firth
- Once the Council publishes the Proposed Plan (roughly, September) they must consult HIE as a Key Agency. How would you like to see that process operating
- As a Key Agency HIE should also be involved in the LDP Action Programmes

- Action Programmes should contain – a list of actions to deliver the Plan and its policies, the person responsible for each action, the timescale involved
- What would you want to see listed for HIE in this Action Programme
- Can you match budget allocations to projects in the Action Plan
- As a Key Agency do you meet regularly with the other key Agencies such as SNH, SEPA, Scottish Water, Regional Transport Partnerships, Crofting Commission, Health Boards
- Would you see value in a Highlands key Agencies Forum that met regularly with the Highland Council as Planning Authority
- How would you see regular liaison on evolving issues and on the updating of the Action Plan (every two years) taking place
- How would you see HIE being involved in the local area LDPs – centrally or devolved to the area offices

Appendix 5 Summary of HIE Property Investments

HIE Capital Direct Procurement Property Projects in The Highland Council Area 2005-2010

Rok Project Number	Project Name	Location	Type of project	Initial Contract Value	Net/Gross Floor area (sq m)	Estimated Potential Employment capacity
4030	Sub-div of existing factory	Broadford Ind Estate, Isle of Skye	Workshop	£100,439.15	Allowed letting of 198 sq m	5
4002	Centre for Health Science Phase 1	Raigmore Hospital , Inverness	New build offices/labs etc	£8,959,244.33	2859*	Approx 275-300 full-time employees spread between the three phases.
4040/1021	Ph 2	Do.	Do.	£6,044,114.00	2238*	See above
5028	Ph 3	Do.	Do.	£9,000,000	2052*	See above
4033	Bespoke extension for Essentia Ltd	Brora, Sutherland	Call centre/office	£147,398.97	97	25
4035	Carn Mor House	Glen Nevis Business Park, Fort William	Call centre/office	£1,200,000	Semi-det units; 459 & 468 sq m	100
5023/1009	1 & 2 Fyrish Way, Alness	Alness Industrial Estate	Workshop & office	£267,673.88	495	25
5046/1007	Earl Thorfinn House	Dingwall Business Park	Advance Office	£1,858.000	1055	100
5047/1008	Units 2A & 2B	Wick Business Park	Advance Offices	£1,324,870.00	2 x 186	40
5048/1006	Stob Ban House	Glen Nevis Business Park, Fort William	Advance Office	£1,352,154.00	1024	100
6005/1025	Units 7-9 Annat Point, Fort William		Storage extension of existing factory	£403,031.35	549	10
6033/1023	Plots 5 & 7 - Wick		Advance office units	£ 1,470,312.00	2 x 372	70
7047/1041	4 Druimchat View, Dingwall	Dingwall Business Park	Advance Office Units	£1, 732,807.00	440 & 589	100

This table provides some examples of HIE’s recent projects; however the information is not fully comprehensive, and this table is to be expanded upon and developed. The revised and updated version will be lodged with the Council at a later stage in the Local Development Plan process.

**Appendix 6 Commentary by Graham and Sibbald Commercial Agency Team,
Inverness Office**

It is stressed that this section below is based upon the views of Graham and Sibbald Inverness based Partners and not the views of HIE staff. Therefore, the comments cannot be directly attributed to HIE.

A number of key issues and requirements were identified in discussion with the Inverness based Agency team. These are summarised below on a local area by area basis.

Badenoch & Strathspey

- Development relative to employment land should focus around the proposed new settlement at An Camus Mor, near Aviemore.
- Kingussie and Grantown on Spey continue to experience demand for serviced land for small SME type businesses.

Caithness

- Thurso and Wick generally have a plentiful supply of employment land, which can remain on the market for a long time, as experienced in relation to the land owned by the Highland Council in Wick.
- Issues affecting this area include the geographical make-up – two settlements of approximately the same size 20 miles apart mean there is no natural hub, and so the towns can compete against each other for jobs and development land. The improvements to the A9 have improved the links with Inverness, creating further competition for employment land as travel time to Inverness now easier
- Job creation and economic stimulus from Dounreay decommissioning hasn't really brought the benefits envisaged
- Service industries / Dounreay decommissioning, harbour uses and public sector are major employers in this area.
- This area may benefit from targeted investment to stimulate economic activity.

Inverness

- Inverness is clearly the central focus for employment land, and employment land should continue to be allocated and safeguarded
- Longman Industrial Estate is the economic “powerhouse” within the Highland Council area but it is physically constrained and at capacity. There are areas of land that are subject to Highland Council ground leases. In recent years this has had less impact upon the market but with restrictions on secured lending it is possible that ground leases will affect market demand.
- There are some other sites available e.g. Carse Industrial Estate, but they do not benefit from the same strong links to the A9, and there are perceived by some occupiers to be social problems (vandalism etc) in the area which can impact upon demand. Again there is land that is subject to ground leases from Highland Council which may restrict demand and availability of secured lending.
- Businesses want immediate access onto the A9 and A96.
- The general direction of growth is expected to be in the Inverness to Nairn direction, and development land allocations should reflect this. Planning issues in this area need to focus on delivery – infrastructure problems associated with A96 Inverness to Nairn corridor (drainage and water supply connections) which need to be addressed to ensure longer term demand is met
- Inverness airport is the most logical area for Class 6 uses

Lochaber

- The conclusion of a Local Plan process secured the existing key allocations and now there is a need for a forward look
- The submission made by Graham and Sibbald on behalf of HIE relative to the West Highlands and Islands Local Plan 2008 is noted below as a summary/

“In relation to Planning Gain, HIE maintains its objection to Policy 15 of the Draft WHILP on the basis that it is unclear, it may act as a deterrent to development and it will not be possible for prospective developers to gauge likely requirements and so

applicants will be totally reliant on accurate Planning Officer advice at an early stage. In addition, it is submitted that an allowance for abnormal ground condition / build costs must be explicit in this Policy – a number of allocated sites do have a number of development constraints, such as peat, and the Contributions Policy should not lead to any allocated sites being undevelopable as a result of financial burdens.

More generally; the new SPP clarifies the role of the planning system in increasing sustainable economic growth, and the need for Local Plans to contribute positively to this role by leading and guiding change. The rationale here is that forward looking Local Plans will provide a degree of certainty, and thus reassurance to potential developers or investors. In particular, Local Plans are encouraged to contain Policies which will, “achieve predictable outcomes.”

It is submitted that a heavy reliance on mixed use sites is inconsistent with the aim of providing clear guidance and predictable outcomes – there is nothing in the Draft WHILP to explain how one acceptable use within a Mixed Use area will be assessed in relation to another, nor is guidance provided as to the areas of land which should be allocated for each of the acceptable uses.

SPP 2 requires the provision of a 5 year supply of marketable land. As noted in Section 3 above; it appears that quantitative provision of employment land is high in Lochaber, but that the majority of sites are constrained in terms of physical constraints, or are restricted to certain types of use. A significant proportion of the allocated land in Fort William comprises the Corpach Paper Mill site, which is to be developed in a phased manner by BSW for provision of the new sawmill. This site thus involves the relocation of an existing operator; and so the site is not available for other third party large scale developments. It is considered that the range of sites which are marketable and deliverable within 5 years, and which would be available to a range of Class 4, 5 and 6 users, is extremely low.

SPP 2 requires further that marketable land should have a secure planning status. It is not considered that Mixed Use allocations meet this requirement, given the scope

for competing uses. This is particularly the case where industrial users may include bad neighbours.

The Highland Structure Plan seeks to diversify the local economy; to counteract the inherent issue of peripherality; and to encourage population growth and a more balanced age structure within the resident population. HIE is fully supportive of all these aims, but they cannot be delivered by housing development alone. To support an increased population and to encourage a higher proportion of economically active residents, sufficient employment land is critical and must be delivered hand-in-hand with housing land.

Based upon data review from SPN, the role of THC and HIE in the delivery of business and industrial land and units is clear. HIE, as the lead economic agency, is well suited to know the challenges in delivering a range of land and premises, and have, as a result, made their case for sufficient safeguarded land consistently.

HIE and its predecessors have developed a number of locations within Fort William over the years – Annat Industrial Estate, Blar Mor Industrial Estate, Nevis Bank Industrial Estate / Ben Nevis Estate / Caol Industrial Estate and Glen Nevis Business Park – but the supply is now all but exhausted. HIE's successful involvement has been required due to market failure in the supply of speculative land by the private sector. The planning system has a clear role to play in avoiding the supply being depleted, by continuing to safeguard appropriate employment sites, and thus providing a degree of certainty to prospective developers, and reducing the scope for potential employment sites to be 'lost' to other competing land uses.

It is respectfully requested that the comments, information and suggestions contained within this report are given due consideration by the Council as Planning Authority in moving forward with its Local Plan."

Nairn

- Two hectares of allocated and safeguarded employment land (as identified in the Structure Plan) is probably about right
- Nairn is only 15 miles from Inverness and effectively a commuter town, however there is scope for increased demand in Nairn as the economy picks up and where prices in Inverness are too high, Nairn can offer an alternative. Development of Sandown Farm and possible bypass route may improve prospects of commercial and industrial development in Nairn.

Ross & Cromarty

- About 75% of employment land allocations in this area should be directed towards Easter Ross (Alness, Invergordon, Dingwall and Nigg). Invergordon has historically benefitted from significant investment due to its Enterprise Zone status
- In Ullapool, there is a shortage of employment land. Morefield has been developed but there may be a requirement for further land. The marshalling yard for the ferry terminal in Ullapool is small and there are possible conflicts in Shore Street between tourism and freight uses. Long term development of the harbour area with a port side marshalling yard may present further development opportunities. Land reclamation is an aspiration of the Harbour Authority and there is a clear shortage of flat, developable land, including for employment uses
- Gairloch would similarly benefit from further employment allocations

Skye & Lochalsh

- There is unmet demand for employment land in Portree – this should be the main focus on terms of allocations in this area.
- Broadford is generally well catered for, and has benefited from HIE involvement. HIE have acquired further land for future development.
- Kyle of Lochalsh suffers from a shortage of flat developable land.

- Any allocations here must be deliverable – based on topography, development costs etc – there is a strong justification for more land allocations in Kyle of Lochalsh

Sutherland

- Golspie, Brora and Dornoch (East Sutherland) all have reasonable employment land to meet current demand although there are issues in matching user requirements to the detail of the relevant planning permissions for sites
- There appears to be little demand in Wester Sutherland (Lochinver, Durness, Kinlochbervie) – requirements here are mostly associated with fishing, and no apparent unmet demand

General comments

- It is recognised that in the Highland Council area with the exception of Inverness and possibly Fort William, the development of land and buildings for Classes 4,5 and 6 has a certain amount of attached risk and there will be instances where the value of the built development will not be reconciled with the cost of the development; hence the need for public sector intervention / stimulus
- HIE's role can involve:
 - Pursuing land allocations; or
 - Pursuing land allocations and then purchasing sites; or
 - Pursuing land allocations; purchasing sites and then selling the serviced sites.This redresses the disparity in costs of development for businesses, and allows them to undertake development to their own specification.