Chapter 2 : Area Profiles and Position Statement

Highland Areas

2.1 The Highland Council serves one third of Scotland's land area spanning 26,484km^2 which includes the City of Inverness, a surrounding network of accessible rural towns and countryside, alongside remote, sparsely populated areas. Highland has the 7th highest population of the 32 authorities with 237,290 people (NRS mid 2024 estimates) with the lowest population density at 9 persons per km^2. There are 21 electoral wards and 9 administrative (committee) areas within the Council. Some committee areas represent a single ward owing to their large size, while many cover at least 2 wards.

Table 2:1 Highland Administrative Geographies

Area LDP	Administrative Area	Ward(s)	Settlements
IMFLDP2	City of Inverness	Inverness Central	30 SDAs and 19 Growing Settlements
		Inverness West	
		Inverness Millburn	
		Inverness South	
		Inverness Ness-side	
		Aird & Noch Less	
	Nairnshire	Nairn & Cawdor	
	Dingwall & Seaforth	Dingwall & Seaforth	
	Black Isle & Easter Ross	Black Isle	
		Cromarty Firth	
		Tain & Easter Ross	
WestPlan	Wester Ross, Strathpeffer & Lochalsh	Wester Ross, Strathpeffer & Lochalsh	23 SDAs and 18 Growing Settlements
	Isle of Skye and Raasay	Eilean a' Cheò	
	Lochaber	Caol & Mallaig	
		Fort William & Ardnamurchan	
CaSPlan	Caithness	Wick & East Caithness	15 SDAs and 18 Growing Settlements
		Thurso & Northwest Caithness	
	Sutherland	North, West & Central Sutherland	
		East Sutherland & Edderton*	
CNPA LDP	Badenoch & Strathspey	Badenoch & Strathspey	

** Partially extends into the IMFLDP2 Area at Edderton*

2.2 Owing to this scale, there is significant variation in the profiles and characteristics of many diverse communities, economies and environments, which explains why the Council has previously prepared separate Area LDPs that are tailored to these. Authority-wide demographic and socio-economic indicators while useful, can often obscure wider variations at area or ward level. It is often impractical to insert settlement or facility specific detail within the body of the Evidence Report for many topics, as there are 78 settlement development areas (SDAs) within the Council, and a further 55 growing settlements. Detail at this scale is often best provided within supplementary documents to avoid tabular data exceeding multiple pages. In the interests of brevity therefore, much of the information within this Evidence Report is reported by ward or administrative areas.

2.3 Place Planning in Highland has been organised and administered at area level. The Highland Local Development Plan Area Profile Summary provides an interactive dashboard with demographic and economic indicators at area level.

2.4 The Highland Council's Area Place Plans (APP) which collates an overview of local priorities development, investment and service delivery across these Areas, identified through stakeholder and public engagement in addition to reviewing the content of existing plans and strategies across public and community partners.

2.5 Individual APPs have progressed differently, with some adopting a hybrid APP/LPP position owing to similar geographic coverage. While Black Isle and Easter Ross are now one administrative area, they were previously two during the period when their APPs were progressed. Place Standard Tool exercises (further detailed in **Chapter 13: Design, Wellbeing, Local Living and Placemaking**) have also been collated by Area level and are provided in the relevant APPs which include:

- Caithness Area Place Plan
- Easter Ross Area Place Plan
- Black Isle Local Place Plan (hybrid)
- Inverness Strategy
- Lochaber Area Place Plan
- Nairn and Nairnshire Local Place Plan (hybrid)
- Skye and Raasay Future
- Wester Ross, Strathpeffer and Lochalsh Area Place Plan
- Sutherland Area Place Plan

2.6 The Inverness Strategy serves as the Inverness Area Place Plan. For those perhaps less familiar with Highland Geography, the APPs can be consulted upon to provide greater background to the profile, challenges and community aspirations for the diverse places within Highland.

2.7 The APPs will comprise a key source of evidence for consideration in development planning, future service delivery and community action.

2.8 The Highland Investment Plan – HIP detailed in **Chater 8: Business Economy, Tourism and Productive Places** seeks to improve essential services and facilities provision in various locations across the Highlands, informed by APPs. A new generation of community facilities is being established for the Highlands, with Points of Delivery (PODs) seeing a range of public services brought together at single locations with master planning shaped by feedback from local communities.

Key Areas of Change

2.9 The profile, economy, opportunities and challenges within the Highlands at present have evolved since the HwLDP was adopted in 2012 and HLDP will therefore require responding to these, alongside concurrent planning reforms and direct development cognisant of a new reality. The key areas of change that the HLDP will require to accommodate are summarised in this section.

Strategic Energy and Infrastructure

2.10 Overall, the biggest change since 2012 is how the Highland economy is conceptualised. In 2012, economic policy focused on mitigating fragility in remote and rural areas. By the mid-2020s, the focus has shifted to managing transformational growth, ensuring local capture of value, and balancing environmental, social and economic outcomes. In 2012, the Highland economy was still largely characterised by tourism, public services, construction, food & drink and legacy hydro/oil-support activities. Since then, the economy has shifted decisively toward being nationally strategic in the net-zero transition.

2.11 The region is now seen by Scottish and UK Governments as a core delivery zone for offshore wind, marine energy, pumped storage hydro and green hydrogen, rather than a peripheral rural economy. **Chapter 4: Climate Change and Energy** and **Chapter 8: Economy, Business Tourism and Productive Places** detail the recent growth and unprecedented scale of regional transformation opportunities in the sector. The designation of the Inverness and Cromarty Firth Green Freeport (ICFGF) in 2023 is a clear marker of this shift, re-framing the IMF as a logistics, fabrication and operations hub for offshore energy. Renewables sites (particularly onshore wind) carry strong national policy support and are often sought in areas with sensitive landscapes or designated sites (detailed in **Chapter 5: Nature and Environment**), meaning the HLDP will need to continue to suitably balance these aspects when directing strategic energy and infrastructure development.

2.12 The planning implication is that economic growth is now much more tightly linked to port capacity, grid reinforcement, land for energy manufacturing, and alignment between development planning and national infrastructure programmes than it was in 2012.

Housing Challenge

2.13 Scotland has declared a housing emergency and the planning system must increasingly justify any real or perceived burden to the delivery of homes. In 2012, housing need in Highland was largely discussed in terms of affordability and rural viability. In recent years, it is increasingly framed explicitly as a core economic issue, and a constraint to growth in the region. While **Chapter 9: Housing** provides the Council's evidence on this topic, the inter-relationship between housing and the wider economy including workforce housing, provides cross-linkages with **Chapter 8: Economy, Business Tourism and Productive Places**. This is not simply a planning consent issue. It reflects limited local construction capacity, high build costs in remote locations, and infrastructure constraints that delay or prevent implementation even where land is allocated. Major energy, infrastructure and service employers increasingly cannot expand, or recruit, because housing supply cannot respond at pace or scale. Acute affordability pressures driven by non-local demand are reflected in small local housing markets where house prices are increasingly disconnected from local income bands, coupled with cumulative loss of supply through conversions to second homes and short term lets in high-amenity areas with tourism and recreational potential.

2.14 The planning implication is that economic growth is now tied to housing availability. If housing delivery is not aligned in scale, location and timing with energy, infrastructure and service-sector growth, that growth will not happen locally. Allocating employment land without guaranteed workforce housing nearby now carries a high delivery risk. Ports, grid upgrades and Freeport investment depend on early delivery of workforce and rental housing alongside up-front resolution of water, wastewater and transport constraints. For site allocations, HLDP will increasingly need to prioritise locations where housing can unlock labour supply for strategic sectors.

Growth of Tourism

2.15 Tourism has grown strongly in volume since 2012 as detailed in **Chapter 8: Economy, Business Tourism and Productive Places**. The structure has shifted toward high-volume, spatially concentrated tourism, with acute pressures in Skye, Loch Ness, Wester Ross and the NC500 corridor, rather than dispersed year-round activity. This has created infrastructure strains and a growing debate around visitor levies and sustainable destination management, which was largely absent in 2012. Increased conversion of residential property to increase tourism accommodation has caused tourism growth to intensify housing competition rather than support supply. With staff shortages now affecting the tourism sector, tourism is therefore now indirectly constraining the workforce needed to sustain tourism itself, creating a self-limiting growth dynamic.

2.16 The planning implication is that tourism is no longer solely an economic development issue; it is a place-management and infrastructure-capacity issue, increasingly intersecting with housing and transport policy. Tourism and housing must be planned in tandem, where HLDP will have to balance the demands of the sector with retention of permanent communities essential to economic function.

Economic Opportunity and the Labour Market

2.17 One of the starkest changes since 2012 is the decoupling of economic opportunity from workforce capacity. Despite the economic investments in the region and the need for widespread strategic infrastructure, wider structural effects on the Highland economy detailed in **Chapter 8: Economy, Business Tourism and Productive Places** have presented challenges to the Highland economy. While Highland has always to some extent relied on net-migration to sustain the population, the UK exit from the European Union has coincided with a change to the demographic profile of Highland's net migration, who are now proportionally more represented by early retirees, not working-age households, changing the demographic profile and labour supply base. At the same time, employers consistently report recruitment and retention difficulties, particularly in construction, care, hospitality, energy and public services.

2.18 Improvements to digital connectivity have proved to be a welcome but imperfect solution to this issue as some of Highland's remote rural workforce are employed in home-based and remote roles. In 2012, poor broadband was a weakness of the Highland economy. **Chapter 11: Infrastructure** details that major public and private investment through UK and Scottish Government programmes has transformed connectivity, facilitated home-based and remote working, alongside the wider economy and service provision. Challenges remain in connecting a proportion who still lack comparable access. The planning implication is that digital infrastructure is now treated as essential economic infrastructure, equivalent in importance to transport and utilities.

Spatial Imbalance

2.19 The urban-rural disparity across the Highlands creates challenges. Rapid growth in population within the Inner Moray Firth (IMF) Area has outpaced investment in infrastructure and placed considerable pressure on road congestion, health facilities and schools. In contrast, the remoter rural areas generally have seen populations decline or remain heavily reliant on net-migration to remain constant. They often have greater infrastructure capacity but facilities dependent on resident populations are often of a considerable age and at risk of closure and relocation due to sustained declines in population.

2.20 Unlike urban authorities, land allocation alone does not unlock housing delivery in much of Highland. Allocated sites can remain undeveloped for long periods, affordable housing can be delayed despite need, and development can concentrate in locations with existing infrastructure, reinforcing spatial imbalance.

2.21 The City of Inverness is the economic, public facility and transport network hub for wider Highland, with the surrounding IMF area being better connected, and characterised by developable and agriculturally productive land and greater pressure for housing in the open countryside. The Council's previous approach to manage development in the accessible rural and hinterland countryside and to direct development in these areas to more sustainable locations remains broadly compatible with NPF4, albeit the transition away from settlement hierarchies towards the concept of local living will require a more holistic assessment as to what sustainable development means in practice.

Summary

2.22 The Council will produce a single LDP for Highland to replace its current four LDPs. This new HLDP will set the strategic land use framework to support economic growth, address the area's housing challenge and protect our culturally important natural and built assets for the benefit of all our communities into the 2030's and beyond. The new HLDP will be a new-style LDP, produced subsequent to the reformed approach to local development planning introduced under the Planning (Scotland) Act 2019 and supported by National Planning Framework 4 (NPF4). Intended for adoption in 2028/2029, it will have a lifespan of 10 years and will therefore be in force during a critical point in Highland's economic transformation.

2.23 It is clear from the evidence gathered that there are significant economic opportunities that Highland can embrace, most of which are dependent upon the area's abundant natural assets and unique character. The sectors most likely to provide such opportunity are those relating to energy, tourism and the blue/green economy. This comes at a time where there are many challenges such as an ageing population, declining working age population, access to employment and services within our rural areas in particular, and also significant housing pressures. Having a robust LDP will support the expected outcomes and vision of the Highland Outcome Improvement Plan to 'Build a Thriving Highland for All'.

2.24 The Inverness and Cromarty Firth Green Freeport (ICFGF) detailed in **Chapter 8: Business, Economy, Tourism and Productive Places**, will continue to play a central role in the ongoing restructuring within the Highland economy. Wider economic diversification through the growth in the renewables and land economy sectors supports opportunities for jobs to support communities outwith the IMF area.

Position Statement

2.25 This position statement accompanies this HLDP Evidence Report. It regards each topic area covered and summarises where there is an evidence gap, or if the evidence has been disputed. Table 2:2 sets out which key stakeholders provided comments during the preparation of this Evidence Report, to which chapters they provided comments to, whether any evidence was disputed and if any evidence gaps have been identified. Following Table 2:2, each evidence chapter is summarised, and the reporter is signposted to where all identified evidence disputes or gaps can be found within this Evidence Report.

Table 2:2 Summary of representations, disputes and evidence gaps

Evidence Chapter	Stakeholder Representations	Evidence Dispute	Evidence Gap
Chapter 4: Climate Change and Energy	NatureScot **(THC088)** Network Rail **(THC431)** Homes for Scotland **(THC090)** SEPA **(THC089)** HES **(THC066)** Scottish Forestry **(THC438)** RSPB Scotland **(THC440)** SP Renewables **(THC429)** Scottish Renewables **(THC428)** SSEN Distribution **(THC437)** SSEN Transmission **(THC436)** Defence Infrastructure Organisation **(THC430)** Highland Adapts **(THC432)** HIE **(THC433)**	Yes – **THC446** is Council response to ScottishPower Renewables and Scottish Renewables representation, and points of difference and dispute that remain.	Yes – baseline assessment of lifecycle emissions relevant to types of development occurring in Highland.
Chapter 5: Nature and Environment	NatureScot **(THC088)** SEPA **(THC089)** RSPB Scotland **(THC418)** Homes for Scotland **(THC090)** HES **(THC420)** Scottish Forestry **(THC416)** SP Renewables **(THC429)** Scottish Renewables **(THC428)**	No	Yes – New Highland Forestry and Woodland Strategy commissioned and will inform HLDP.
Chapter 6: Coastal Development	NatureScot **(THC088)** Fisheries Management Scotland **(THC067)** SEPA **(THC089)**	No	No

and Aquaculture	Marine Directorate **(THC092)** Bakkafrost **(THC075)** Cromarty Harbour **(THC076)** HES **(THC066)** HIE **(THC080)** Scrabster Harbour **(THC078)** Scottish Seafarms **(THC081)** THC Flood Risk Management **(THC069)**		
Chapter 7: Flood Risk Management	NatureScot **(THC088)** SEPA **(THC089)** Homes for Scotland **(THC090)**	No	No
Chapter 8: Economy, Business, Tourism and Productive Places	NatureScot **(THC088)** SEPA **(THC089)** Homes for Scotland **(THC090)**	No	Yes – BILA is out of date and needs updated before proposed plan
Chapter 9: Housing	HIE **(THC080)** NatureScot **(THC088)** SEPA **(THC089)** Homes for Scotland **(THC090)** HES **(THC066)** Cairngorm National Park Authority **(THC199)**	No	Yes – HNDA to be completed, MCA's are still progressing, Deliverable land supply needed to meet iLHLR will require updating to reflect this.
Chapter 10: Transport	SEPA **(THC089)** Transport Scotland **(THC135)** HITRANS **(THC402)** Moray Council **(THC406)** NatureScot **(THC088)** Network Rail **(THC407)** ScotRail **(THC408)** Walk Wheel Cycle Trust **(THC410)** THC Access Officer **(THC414)** THC Transport Planning **(THC411)** THC Active and Sustainable Transport **(THC415)** THC Corran Ferry Project Manager **(THC413)** CalMac **(THC409)**	No	Yes – limited active travel, community transport, and road transport trip data. Cumulative Transport Appraisal required to inform proposed plan.

Chapter 11: Infrastructure	HIE **(THC080) – Awaiting response** NatureScot **(THC088)** Homes for Scotland **(THC090)**	No	Yes - Current evidence on primary healthcare facilities is not considered sufficient. Community facilities condition and capacity remain unknown.
Chapter 12: Historic Assets, Brownfield Land and Empty Buildings	HES**(THC066)** THC Contaminated Land Team **(THC183)** NatureScot **(THC088)**	No	Yes – Urban Capacity Study in key locations will be helpful to assess brownfield opportunities for future housing.
Chapter 13: Design, Wellbeing and Local Living	NatureScot **(THC088)** SEPA **(THC089)** NHS Highland **(THC120)** THC Active Travel and Sustainable Transport **(THC200)** THC Environmental Health **(THC201)** SportScotland **(THC202)** Public Health Scotland **(THC203)** Defence Infrastructure Organisation **(THC206)**	No	No