

# Appendix 13.2 – Socio- economics, Tourism and Recreation Policy Context

# Appendix 13.2 Policy Context

## 13.2 Introduction

- 13.2.1 This appendix has been prepared on behalf of Drax by Stantec UK Ltd. It provides an overview of the policy assessment undertaken to support the assessment of likely socio-economic, tourism and recreation effects from Cruachan 2 ('the Proposed Development').
- 13.2.2 The purpose of this appendix is to outline the available policy guidance and research which is relevant to this socio-economic, tourism and recreation assessment.
- 13.2.3 The appendix is structured as follows:
- Policy Context, Guidance and Standards; and,
  - Research Review.

## 13.3 Policy Context, Guidance and Standards

- 13.3.1 The overarching planning policy framework applicable to this Environmental Impact Assessment Report (EIAR) from the Proposed Development is outlined in Chapter 5 – Planning Policy. The below provides an overview of the policies of specific relevance to this socio-economic, tourism and recreation assessment.

## 13.4 International Policy

- 13.4.1 The 26th UN Climate Change Conference of the Parties (COP26) was hosted in Glasgow on 31st October-13th November 2021. The COP26 summit brought nations together to outline how they will achieve the targets of the Paris Agreement and the UN Framework Convention on Climate Change. The COP26 agreement<sup>1</sup> allocates over \$20 Billion to facilitate the transition from coal to clean renewable energy, some of which includes:
- The \$2 billion Climate Investment Funds Accelerating Coal Transition and Renewable Energy Integration programmes, which will also leverage additional finance via multilateral and private partners; and,
  - A new \$10 billion energy fund, the Global Energy Alliance for People and Planet, which will bring reliable renewable electricity to a billion people by 2030 and avoid 4 billion tonnes of CO<sub>2</sub> emissions.
- 13.4.2 The COP26 agreement set out the strongest ever commitment to the development and use of renewable, green energies, with around 90% of world GDP and around 90% of global emissions now covered by net zero commitments.
- 13.4.3 Development of pumped storage hydro projects like Cruachan 2 play a key role in meeting both national and worldwide targets to enable the green transition towards reliance on renewable energies as they provide vital energy storage and back-up power.

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<sup>1</sup> COP26 The Glasgow Climate Pact (2021). Available at: <https://ukcop26.org/wp-content/uploads/2021/11/COP26-Presidency-Outcomes-The-Climate-Pact.pdf>

## 13.5 National Policy

### UK

- 13.5.1 The UK Government published **Build Back Greener**<sup>2</sup> in December 2021. This document provides an overview of the key agreements achieved at COP26, setting out policies and proposals to keep the UK Government on target to achieve its net zero ambitions while establishing the vision for a decarbonised economy in 2050. The Strategy sets a target for all homes in the UK to be powered entirely by clean electricity by 2035.
- 13.5.2 The historic agreement reached at COP26 follows in the footsteps of an ongoing transition to net zero for the UK. In December 2020, the UK Government published the **Energy White Paper: Powering our Net Zero Future**<sup>3</sup> which sets out ten measures to meet the challenges of the green transition but also to seize the economic opportunities presented by the continuing growth and innovation of the renewables industry. An energy network powered by renewables requires proven and flexible energy storage solutions therefore pumped storage hydro will be increasingly important during the transition to net zero and once the UK has achieved net zero.
- 13.5.3 The most recent policy document from the UK Government, the **British Energy Security Strategy**<sup>4</sup>, was published in April 2022. The Strategy is a plan to secure, clean and affordable British energy for the long term. The Strategy recognises that the British energy system requires power that can be relied on “when the sun is not shining, or the wind is not blowing”. Critical to this is a flexible and efficient energy system and the Strategy encourages all forms of flexibility with sufficient large-scale, long-duration energy storage which pumped storage hydro provides.

### Scotland

- 13.5.4 **National Planning Framework 3 (2014)**<sup>5</sup> describes the long-term vision for development and investment across Scotland over the next 20 to 30 years. It is the spatial expression of the **Scottish Government’s Economic Position Statement (2015)**<sup>6</sup> and highlights the opportunities for rural development.
- 13.5.5 NPF3 states that planning should address the development requirements of businesses and enable key opportunities for investment to be realised.
- 13.5.6 Paragraph 3.30 of NPF3 identifies hydroelectric power as a key asset and recognises that increasing the capacity of pumped storage hydroelectricity can complement ambitions for more renewable energy capacity. The expansion of Cruachan through the Proposed Development is specifically cited as being amongst the most advanced plans for new hydropower pumped storage schemes and the relationship with Cruachan 1 is noted.
- 13.5.7 Section 6, Delivery, identifies 14 National Developments that are needed to help deliver the spatial strategy and establishes the need for those developments. Paragraph 6.5 sets out that the strategy for a low carbon place reflects the opportunities for growth arising from natural energy resources and a

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<sup>2</sup> HM Government (2021) Net Zero Strategy: Build Back Greener. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1033990/net-zero-strategy-beis.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf)

<sup>3</sup> HM Government (2020) Energy White Paper. Available at: <https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future>

<sup>4</sup> HM Government (2022) British Energy Security Strategy. Available at: <https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>

<sup>5</sup> Scottish Government (2014) National Planning Framework 3. Available at: <https://www.gov.scot/publications/national-planning-framework-3/>

<sup>6</sup> Scottish Government (2021) Scotland’s Energy Strategy Position Statement. Available at: <https://www.gov.scot/publications/scotlands-energy-strategy-position-statement/>

range of infrastructure, including enhancement of existing facilities, is needed to meet the ambition. Three national developments are included to assist delivery of the low carbon place strategy, one of which is pumped hydroelectric storage at existing and new sites with particular support given to Cruachan which is recognised as a nationally important pumped storage facility with significant potential for enhanced capacity.

- 13.5.8 Following the Planning (Scotland) Bill receiving Royal Assent in July 2019, Scottish Ministers have been developing a new **National Planning Framework 4 (NPF4)**<sup>7</sup>. NPF4 will, for the first time, incorporate Scottish Planning Policy and will take on enhanced status as part of the statutory development plan. NPF4 will have a longer time-horizon, fuller regional coverage and improved alignment with wider programmes and strategies.
- 13.5.9 Part 2 of draft NPF4 sets out national developments which are explained as ‘significant developments of national importance that will help to deliver our spatial strategy’. There are eighteen national developments proposed with Pumped Hydro Storage included as national development number 9, which ‘supports additional capacity at existing sites as well as new sites’. Cruachan is described as a ‘nationally important example of a pumped storage facility with significant potential for enhanced capacity that could create significant jobs in a rural location’.
- 13.5.10 Draft NPF4 supports pumped storage hydro across all of Scotland but emphasises an initial focus on Cruachan. It recognises that pumped storage hydro will support the transition to a net zero economy through its ability to optimise electricity generated from renewables by storing and releasing energy when required.
- 13.5.11 Draft NPF4 was out for consultation until 31st March 2022 with a finalised version expected to be laid to parliament for approval in Summer 2022.
- 13.5.12 **Scottish Planning Policy (SPP) (2014)**<sup>8</sup> sets out national planning policies which reflect the Scottish Ministers priorities for the operation of the planning system and for development and use of land. The documents aims to contribute to the Scottish Governments goal of achieving sustainable economic growth.
- 13.5.13 SPP highlights that policies and decisions should be guided by a number of principles including appreciating the net economic benefit of a development and supporting the delivery of accessible business development whilst having regard to the principles of sustainable land use and supporting good design (Paragraph 29).
- 13.5.14 SPP also contains policies to support business and employment. SPP notes that the planning system should promote business development that increases economic activity (Paragraph 93). Sites which cater for different sectors and sizes of businesses which are important to LDP areas in a way which is flexible enough to accommodate changing circumstances and allow the realisation of new opportunities are encouraged. Due weight to the economic benefit of the development also needs to be taken into account.
- 13.5.15 Paragraph 94 identifies energy as a key sector for Scotland which has opportunity for growth and planning authorities should look to meet the needs of indigenous and inward investors operating in this sector.

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<sup>7</sup> Scottish Government (2021) Draft National Planning Framework 4. Available at: <https://www.gov.scot/publications/scotland-2045-fourth-national-planning-framework-draft/>

<sup>8</sup> Scottish Government (2014) Scottish Planning Policy. Available at: <https://www.gov.scot/publications/scottish-planning-policy/>

- 13.5.16 **The Scottish Governments Programme for Government (2021-2022)**<sup>9</sup> focuses on protecting and renewing Scotland, addressing the ongoing impact of Covid-19 on health and the wider health and social care sector, the economy and society. It emphasises the importance of the transition to low carbon renewable energy generation to meet the Governments net-zero emissions target and how it will assist Scotland's economic recovery from the impacts of Covid-19. Concerning Net Zero, the Scottish Government has set out a range of commitments between 2021-2022, including:
- The need to support the COP-26 agreement (discussed further below), having already published an indicative Nationally Determined Contribution, setting out how Scotland will become a net zero nation by 2045.
- 13.5.17 The **Scottish Government Programme for Government 2022-2023** is expected to be published in September 2022.
- 13.5.18 **Scotland's Energy Strategy Position Statement (2021)**<sup>10</sup> includes unlocking investment in new pumped storage hydro capacity as a key priority for energy.
- 13.5.19 **Scotland's National Strategy for Economic Transformation (2022)**<sup>11</sup> sets out the priorities for Scotland's economy and associated actions to maximise economic opportunities in Scotland. The Strategy outlines a range of priorities to 2032 to create a wellbeing economy; "a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places".
- 13.5.20 **The Scottish Government's Update to the Climate Change Plan 2018 - 2032**<sup>12</sup> recognises that to decarbonise the electricity system the substantial challenges associated with maintaining security of supply and a resilient electricity need to be addressed. The Plan identifies pumped storage as having an important role to play as it can release stored electricity when the demand is high and the system needs it most. The Scottish Government are working on measures to unlock investment in pumped storage hydro and have asked the UK Government to bring forward mechanisms which will enable the substantial investment needed to develop pumped storage hydro. The Plan reports that the Scottish Government will also seek to work with developers to ensure that pumped storage hydro can deliver sustainable and secure jobs and supply chain benefits to Scotland's rural areas.
- 13.5.21 In addition to the above policy considerations, the assessment has been carried out in accordance with the principles contained within the **Land Reform (Scotland) Act 2003**<sup>13</sup> and the **Countryside (Scotland) Act 1967**<sup>14</sup> with regards to access rights, including the protection of Core Paths and Public Rights of Way. The Land Reform (Scotland) Act 2003 establishes a statutory right of responsible access to land and inland waters for outdoor recreation and crossing land. Under Section 13(1) of the Act, local authorities have a duty to "assert, protect and keep open and free from obstruction or encroachment any route, waterway or other means by which access rights may reasonably be exercised". This emphasises the importance afforded to maintaining continuity of public access to recreational routes in the countryside.

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<sup>9</sup> Scottish Government (2021) The Scottish Governments Programme for Government 2021-2022. Available at: <https://www.gov.scot/programme-for-government/>

<sup>10</sup> Scottish Government (2021) Scotland's Energy Strategy Position Statement. Available at: <https://www.gov.scot/publications/scotlands-energy-strategy-position-statement/>

<sup>11</sup> Scottish Government (2022) Scotlands National Strategy for Economic Transformation. Available at: <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

<sup>12</sup> Scottish Government (2020) Update to the Climate Change Plan 2018 – 2032: Securing a Green Recovery on a Path to Net Zero. Available at: <https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/documents/>

<sup>13</sup> Land Reform (Scotland) Act 2003. Available at: <https://www.legislation.gov.uk/asp/2003/2>

<sup>14</sup> Countryside (Scotland) Act 1967. Available at: <https://www.legislation.gov.uk/ukpga/1967/86>

13.5.22 Limited exceptions to this statutory right of access are set out within section 6 of the Act, with section 6(g)(i) specifically excluding access to land where “building, civil engineering or demolition works” are being carried out. However, Section 7(i) of the Act confirms that this restriction does not apply to Core Paths, which in the absence of a formal closure order must be kept open. Similarly, defined Public Rights of Way are legally considered to be roads, regardless of their current state and usage. Consequently, to temporarily or permanently close or divert a Public Right of Way it is necessary to promote a formal order under the Countryside (Scotland) Act 1967.

### Regional and Local Policy

13.5.23 **The Argyll and Bute Economic Strategy, 2019 – 2023**<sup>15</sup> combines key priorities and an action plan to provide the foundation for the future implementation of the Argyll and Bute Rural Growth Deal and focus delivery on three main themes for the area:

- Critical economic infrastructure: connecting national and international markets;
- Place and people: attracting skills, residents, visitors and businesses; and,
- Smart growth: doing more that works.

13.5.24 The strategy seeks to build on the success Argyll and Bute has had in attracting inward investment and credits the regions increasingly diverse rural economy with a growing reputation for innovation for part of that success.

13.5.25 Influencing the delivery of a fit for purpose energy network forms part of the critical economic infrastructure theme. The need for the energy supply and the grid which distributes it to be fit for purpose to improve resilience and to reduce the regions carbon footprint coupled with the ability to export clean energy to other parts of the UK is acknowledged in the strategy.

13.5.26 The strategy sets out that there is a need to better support the skill needs of local people to meet the changing demands of the economy by bringing additional jobs, learning opportunities and improving linkages between skill providers and employers both in the private and public sectors. A top priority for Argyll and Bute Council is to address skills gaps, with engineering included in this, by improving educational choice in the region and raising awareness of existing and new career opportunities in Argyll and Bute. In doing so they aim to reduce the risk of businesses curtailing expansion plans or moving out of the region.

13.5.27 **The Argyll and Bute Local Development Plan (LDP)** was adopted in March 2015 and sets out the overarching vision, spatial strategy and policies for land use and development in Argyll and Bute. A review of all policies of relevance to the Proposed Development is set out in Chapter 5 – Planning Policy. The policies of relevance to this socioeconomic, tourism and recreation assessment are as follows:

- Policy LDP Strat 1 – Sustainable Development sets out that developers demonstrate how they meet a set of sustainable development principles which influence decision making on land use, regeneration, transport and strategic transport opportunities. The council will consider short term consequences and long term potential impacts when making decisions on land use planning matters. The council and its partners will also align their investment programmes and decision-making processes with established strategic priorities that take best advantage of economic, social and environmental opportunities;
- Policy LDP 6 – Supporting the Sustainable Growth of Renewables sets out that the Council will support renewable energy developments when they are consistent with the principles of sustainable development and where it is demonstrated that there would be no unacceptable

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<sup>15</sup> Argyll and Bute Council (2019) Argyll and Bute Economic Strategy 2019 – 2023. Available at: [https://www.argyll-bute.gov.uk/sites/default/files/economic\\_strategy\\_0.pdf](https://www.argyll-bute.gov.uk/sites/default/files/economic_strategy_0.pdf)

significant adverse effect, whether cumulative or individual, including on local communities, natural and historic environments, landscape character and visual amenity, and that the proposals would be compatible with surrounding land uses;

- Policy LDP 10 – Maximising Our Resources reports that the Council recognise that one of the central challenges for planning to tackle is climate change. The Policy sets out that to achieve the target set in the Climate Change (Scotland) Act 2009 to reduce carbon emissions by 80% by 2050 coordinated action is need including a framework for the development and deployment of renewable electricity generating technologies; and,
- Policy LDP 11 – Improving Our Connectivity and Infrastructure seeks to ensure development proposals maintain and improve Argyll and Bute’s internal and external connectivity and make the best use by ensuring; rights of way and public access are safeguarded, public access within the development is delivered as appropriate and consideration is given to the promotion of access to adjoining areas, in particular to the foreshore, core path network and green network. A more exhaustive list is included with the criteria relevant to this assessment covered here.

## 13.6 Tourism and Visitor Economy Sector Literature

- 13.6.1 The tourism industry is described as a “cornerstone of the Scottish Economy and vital to the economic performance of towns, cities, regions across the length and breadth of Scotland” by the Scottish Tourism Alliance . The tourism sector and visitor economy are an integral part of Scotland’s business base and have significantly contributed to employment growth in recent years, in particular generating economic activity across rural locations. Furthermore, following the COVID-19 pandemic the UK and Scottish tourism sector has witnessed an unprecedented rise in staycations and domestic tourism.
- 13.6.2 Many visits to Scotland can be attributed to the unique landscape setting, considered one of the nation’s most highly valued assets<sup>14</sup>. Visit Scotland’s surveys confirm that this is the single most important factor in attracting visitors.
- 13.6.3 It is not solely Scotland’s inland natural beauty which serves as a key determining factor for prospective visitors. In June 2021, Visit Scotland published a topic paper on coastal tourism which examined the importance of coastal locations (including beaches, inland lochs and waterways) to Scotland’s world-renowned tourism offering. The paper highlights the lure of Scotland’s coast for Scotland and UK based visitors and associated growing trend in visitor spend across the sector.

## 13.7 References

- Argyll and Bute Council (2019) Argyll and Bute Economic Strategy 2019 – 2023. Available at: [https://www.argyll-bute.gov.uk/sites/default/files/economic\\_strategy\\_0.pdf](https://www.argyll-bute.gov.uk/sites/default/files/economic_strategy_0.pdf)
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