Kyleakin Fish Feed Factory

Marine Harvest

Environmental Impact Assessment - Volume 2 of 4: Main Report

Chapter 12: Socio Economic

Final

May 2017

Contents

12. Socio Economic

12.1 Introduction

This chapter sets out the proposed scope and methodology for the assessment of the potential socio-economic effects associated with the construction and operation of the Kyleakin Salmon Feed Plant ('the Proposed Development'). The assessment includes consideration of potential effects on the local economy in terms of job creation and investment, as well as effects on land use, tourism and community interests.

Data was primarily collected from desk-based research. Consultation responses general to the overall project were taken into account, although no specific / direct socio-economic consultation was undertaken.

The assessment is broadly divided into the following five sub-sections.

- employment, including effects resulting from the creation of temporary and permanent jobs;
- economic activity, including the potential for effects on the local and regional economy, and effects on private property;
- land use, including consideration of potential land use change;
- tourism, including the potential for effects on the local and regional tourism industry; and
- community, including public access and recreation, access to local businesses, and integration and social cohesion. Combined effects on community amenity were also considered.

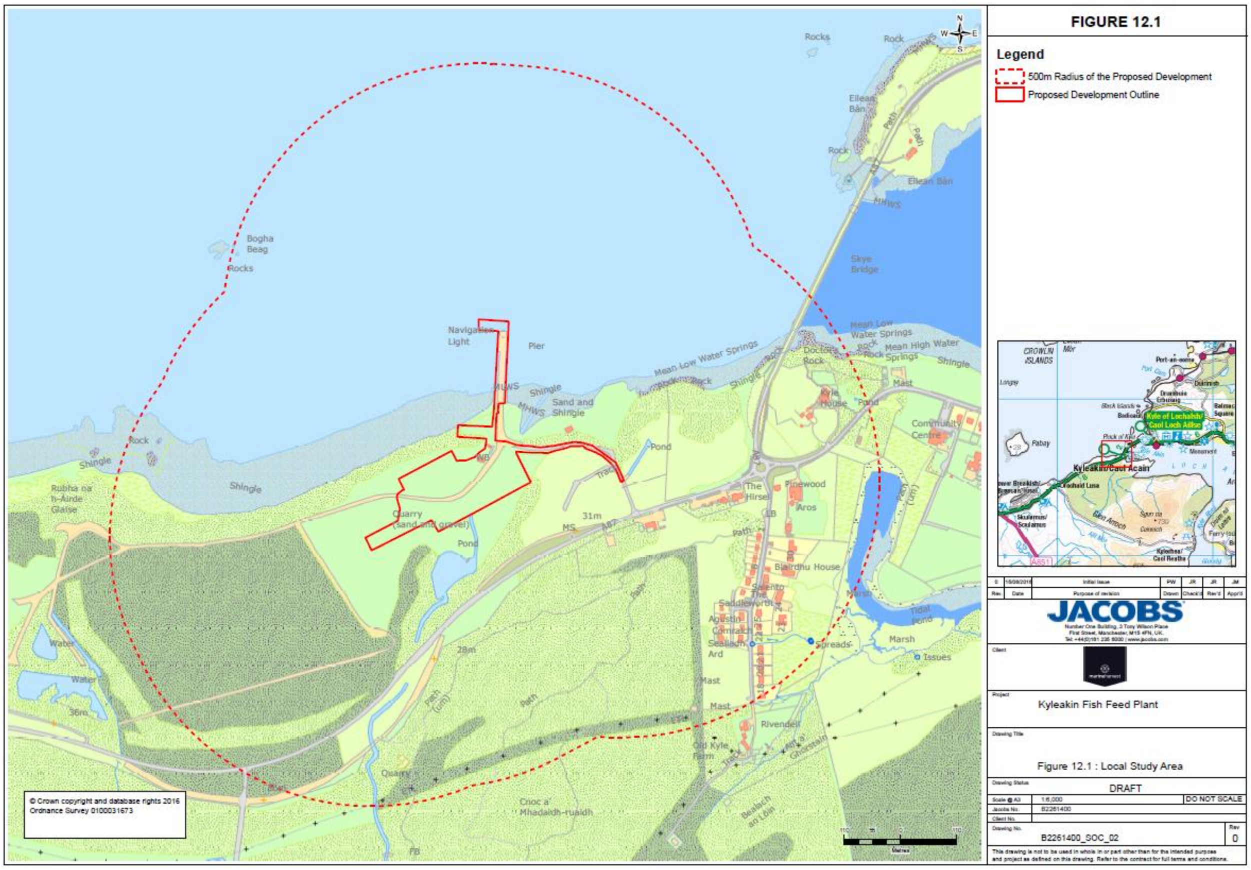
The construction phase of the Proposed Development is estimated to last a total of 18 months from January 2017, with the handover for operation expected at the end of June 2018.

12.1.1 Geographical Scope

The local study area was defined as the area within a 500m radius of the Proposed Development. The wider study area was defined as the Skye, Lochaber and Badenoch Scottish Parliamentary Constituency and the Highland Council Area.

Direct effects such as land use, community amenity and access were considered within the local study area. Employment, economic activity and tourism were considered within the wider study area. Kyleakin village, located approximately 1.5km from the Proposed Development, is the closest community to the project. The village is situated on the south-east coast of the Isle of Skye, opposite the north-west Scottish mainland town of Kyle of Lochalsh on the strait of Kyle Akin. Facilities in the village include restaurants, tourist accommodation, a tour agency, local shops and the Bridgewater Visitors Centre. Key natural heritage features include Castle Moil, which lies to the east, the Loch Alsh to the north, the Obbe to the south, and a sand and gravel quarry to the west. **Figure 12.1** below shows the study area.

Figure 12.1 : Study Area



12.1.2 Planning and Policy Context

The Proposed Development is located within The Highland Council (THC) local authority area. THC has a number of key objectives with relevance to the project from a socio-economic perspective (Highland Wide Local Development Plan, 2012)[1]. These include the following:

- providing opportunities which encourage economic development and create new employment across the area focusing on the key sectors of life sciences, energy, tourism, food and drink, higher education, inward investment, financial and business services, creative industries, aquaculture and renewable energy, whilst at the same time improving the strategic infrastructure necessary to allow the economy to grow over the long term;
- promoting opportunities that allow for investment in services and infrastructure, and opportunities for investment and diversification in the economy, in deprived areas and areas at risk of long term unemployment as a result of changes in the wider economy;
- aiming, specifically for west Highland and Islands area, to have a more diverse economy by 2030 that can deliver genuine and proportionate benefits to local communities; and
- increasing the number of jobs, people and facilities, especially to the A96 and Easter Ross Corridors where the growth of jobs and population is underpinned by the competitive and sustainability advantage of the Inner Moray Firth improved rail route connections.

In addition to these key objectives, there are a number of development policies relevant to the socio-economic assessment of the development (Highland Wide Local Development Plan, 2012). These are:

[1] Highland Wide Local Development Plan, Highland Council (2012). [online] available at: http://www.highland.gov.uk/info/178/local_and_statutory_development_plans/199/highland-wide_local_development_plan

- Policy 28 – Sustainable Design: the Council would support developments that promote and enhance the social, economic and environmental wellbeing of Highland residents.
- Policy 31 – Developer Contributions: for development proposals that create a need for new or improved public services, facilities or infrastructure, the Council would seek from the developer a fair and reasonable contribution in cash or kind towards these additional costs or requirements.
- Policy 42 – Previously Used Land: the Council would support development proposals that bring previously used land back into beneficial use.
- Policy 43 – Tourism: the Council would safeguard opportunities for visitors to come into contact with the natural, built and cultural heritage, to enable growth in high-quality tourism development.
- Policy 49 – Coastal Development: development proposals for the coast or for installations in nearshore waters should consider existing interests and ensure best use of resources, taking account of existing and planned marine activities and development.
- Policy 77 – Public Access: the existing paths or water access points should be retained while maintaining or enhancing amenity value or alternative access should be provided to ensure that access is safe and convenient for public use, and does not damage or disturb species or habitats.

Specific objectives relevant to the Proposed Development are also set out in the Highland and Islands Local Development Plan[2], including aspirations to create a growing and diverse local economy and to enhance the region's reputation as a heritage tourism destination. The Proposed Development is located on land defined as preferred for industry and businesses (KAI1) by the Local Development Plan (2016). The Plan states the need to i) safeguard sand and gravel economic resources and ii) facilitate existing and potential future quarrying operations.

12.2 Methodology

12.2.1 Assessment Approach

For the purposes of EIA, significance of effects is typically assessed according to the sensitivity of the receptor and the magnitude of the effect. The Design Manual for Roads and Bridges (DMRB), for example, provides sensitivity and magnitude guidance applicable to the assessment of effects of proposed road developments. For the sub-topics covered in this chapter, however, no published guidance is available. Consequently, the assessment of significance is based on professional judgement and experience, taking account of the relationship between the sensitivity of the receptor and the scale of effect. Effects are assessed as being 'significant' or 'not significant', and further qualified as 'adverse' or 'beneficial'; otherwise it is concluded that there is 'no effect'. The assessment of employment was based on estimates of spend and labour during construction and operation, including analysis of additionality.

The Additionality Guide[3] method was used to estimate net employment benefits. The Additionality Guide provides multipliers for leakage, displacement and deadweight, which are defined in the context of an assessment of employment as follows:

- *Leakage*: The proportion of benefits that accrue to those outside of the target group. Here, this refers to jobs that go to those who live outside the Highland region.
- *Displacement*: In terms of this project, this refers to those who are already employed and change jobs in order to take roles with the project.
- *Deadweight* (or the reference case): This refers to what proportion of the effects would arise without this scheme. In an employment impact assessment this can be seen as jobs going to those unemployed workers who would soon get a different job, such as high-demand workers.

[2] West Highland and Islands Local Development Plan, Highland Council (2016). [online] available at: http://www.highland.gov.uk/downloads/download/871/west_highland_and_islands_local_development_plan
[3] Additionality and Economic Impact Assessment Guidance Note, Scottish Enterprise (2008).

- *Economic multiplier effects*: Further economic activity associated with additional local income and supplier purchases as a result of the project. These are known as the indirect and induced effects.

The assessment of physical assets, community facilities, social infrastructure and land use was completed primarily in relation to land use and access, drawing on DMRB Volume 11, Section 2, Part 6 (Highways Agency, 2008), as well as emerging draft guidance on People and Communities[4].

The Proposed Development falls under section A of SIC classification (2007), namely the Agriculture, Forestry and Fishing industry. The classification is based on the basis that the main activity of the company is fish farming, resulting in a sub class classification under marine aquaculture. These classifications were used for the assessment of the % increase in GVA during the Operation of the Proposed Development as well as for the additionality calculations.

12.3 Baseline Conditions

12.3.1 Population

There are around 74,000 people residing in the Skye, Lochaber and Badenoch area, with approximately one third of the population residing in the Highland Council area. As shown in **Table 12.1**, according to 2011 Census data, there is a higher proportion of people over 65 years old in Skye, Lochaber and Badenoch (19%) compared to the national average (17%). The working age population, namely those aged between 16 and 64 years old, account for 63% compared to the national figure of 66%.

Table 12.1 : Age structure, 2011[5]

Age	Skye, Lochaber and Badenoch	Highland	Scotland
0 to 4 years old	5.1%	5.5%	5.5%
5 to 15 years old	12.7%	12.4%	11.8%
16 to 29 years old	13.7%	15.0%	18.5%
30 to 44 years old	17.8%	18.7%	20.0%
45 to 59 years old	23.9%	22.7%	21.1%
60 to 74 years old	18.6%	17.6%	15.5%
75 years old and over	8.2%	8.3%	7.7%
16 to 64 years old	63.3%	63.6%	65.9%
65 years old and over	18.8%	18.5%	16.8%
All people	**74,059**	**232,132**	**5,295,403**

Table 12.2 presents the educational attainment within the wider study area in 2011. Skye, Lochaber and Badenoch constituency area has a lower proportion of working age (16-64) people with no qualifications (24%) than the Highland or the Scottish average (26% and 27% respectively), and higher proportion of those with the highest qualifications (Level 4 at 29%), compared with a national average of 26%.

[4] Interim Advice Note 125/15, Environmental Assessment Update (2015). [online] available at: http://www.standardsforhighways.co.uk/ians/pdfs/ian125r2.pdf
[5] Census 2011

Table 12.2 : Highest Qualifications, 2011[6]

Qualification	Skye, Lochaber and Badenoch	Highland	Scotland
No qualifications	24.3%	25.5%	26.8%
Level 1 qualifications[7]	23.6%	24.5%	23.1%
Level 2 qualifications[8]	14.6%	14.4%	14.3%
Level 3 qualifications[9]	8.6%	9.2%	9.7%
Level 4 qualifications and above[10]	28.8%	26.4%	26.1%
All persons aged 16 and over	**60,856**	**190,734**	**4,379,072**

12.3.2 Employment

There are some key differences in employment broken down by industry between the Skye, Lochaber and Badenoch area and Scotland (**Table 12.3**). A much greater proportion of people are employed in the agriculture, forestry and fishing sector in Skye, Lochaber and Badenoch (5%) compared to the national figure (2%). The construction industry occupies a larger share of people in both the constituency area and the Highland council area (both at 10%) than in Scotland as a whole (8%). The proportion of people occupied in accommodation and food service activities in Skye, Lochaber and Badenoch (12%) is double the Scottish figure (6%).

Table 12.3 : Employment by industry, 2011[11]

Industry	Skye, Lochaber and Badenoch	Highland	Scotland
A. Agriculture, forestry and fishing	4.5%	3.7%	1.7%
B. Mining and quarrying	1.0%	1.2%	1.4%
C. Manufacturing	6.1%	6.3%	8.0%
D. Electricity, gas, steam and air conditioning supply	0.8%	0.8%	0.8%
E. Water supply; sewage, waste management and remediation activities	0.8%	1.3%	0.8%
F. Construction	10.2%	9.8%	8.0%
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	13.7%	14.9%	15.0%
H. Transport and storage	5.0%	5.0%	5.0%
I. Accommodation and food service activities	11.8%	9.1%	6.3%
J. Information & communication	1.7%	2.4%	2.7%
K. Financial & insurance activities	1.1%	1.3%	4.5%
L. Real estate activities	1.6%	1.3%	1.2%

[6] Census, 2011
[7] O Grade, Standard Grade, Access 3 Cluster, Intermediate 1 or 2, GCSE, CSE, Senior Certificate or equivalent; GSVQ Foundation or Intermediate, SVQ level 1 or 2, SCOTVEC Module, City and Guilds Craft or equivalent; Other school qualifications not already mentioned (including foreign qualifications).
[8] SCE Higher Grade, Higher, Advanced Higher, CSYS, A Level, AS Level, Advanced Senior Certificate or equivalent; GSVQ Advanced, SVQ level 3, ONC, OND, SCOTVEC National Diploma, City and Guilds Advanced Craft or equivalent.
[9] HNC, HND, SVQ level 4 or equivalent; Other post-school but pre-Higher Education qualifications not already mentioned (including foreign qualifications).
[10] Degree, Postgraduate qualifications, Masters, PhD, SVQ level 5 or equivalent; Professional qualifications (for example, teaching, nursing, accountancy); Other Higher Education qualifications not already mentioned (including foreign qualifications).
[11] Census, 2011

Industry	Skye, Lochaber and Badenoch	Highland	Scotland
M. Professional scientific and technical activities	4.2%	4.5%	5.2%
N. Administrative and support service activities	3.7%	4.0%	4.3%
O. Public administration and defence; compulsory social security	5.9%	6.6%	7.0%
P. Education	8.4%	7.6%	8.4%
Q. Human health and social work activities	13.8%	15.2%	15.0%
R,S,T,U. Other	5.6%	4.9%	4.9%
All persons aged 16 to 74 in employment	**37,360**	**115,270**	**2,516,895**

Table 12.4 shows the occupational breakdown (SOC 2010) according to Census 2011 data within the wider study area and Scotland. Focusing on the constituency area, there is a larger share of people employed in skilled trades occupations (18%) compared to the national average (13%), suggesting skilled local workforce suitable for the construction of the Proposed Development. A higher proportion of people are also employed as managers, directors and senior officials in Skye, Lochaber and Badenoch (12%) than in Scotland (8%). There is a lower proportion of working age (16-64) population classified as professionals in Skye, Lochaber and Badenoch (15%) compared to the Scottish figure (17%).

Table 12.4 : Occupational Breakdown, 2011[12]

Occupation	Skye, Lochaber and Badenoch	Highland	Scotland
Managers, directors and senior officials	11.5%	9.7%	8.4%
Professional occupations	14.6%	14.6%	16.8%
Associate professional and technical occupations	9.9%	11.0%	12.6%
Administrative and secretarial occupations	9.3%	9.7%	11.4%
Skilled trades occupations	18.0%	16.9%	12.5%
Caring, leisure and other service occupations	9.8%	10.3%	9.7%
Sales and customer service occupations	7.5%	8.2%	9.3%
Process, plant and machine operatives	8.0%	8.2%	7.7%
Elementary occupations	11.5%	11.4%	11.6%
All persons 16 to 74 in employment	**37,360**	**115,270**	**2,516,895**

As shown in **Table 12.5**, the unemployment rate in Skye, Lochaber and Badenoch (4%) is slightly lower than the national average (5%). The proportion of retired people in the constituency area (17%) and the council area (16%) is slightly higher than the Scottish figure (15%).

[12] Census, 2011

Table 12.5 : Economic Activity, 2011[13]

Economic Activity	Skye, Lochaber and Badenoch	Highland	Scotland
Economically active	72.0%	71.5%	69.0%
Employees - part-time	15.3%	15.2%	13.3%
Employees - full-time	37.7%	39.5%	39.6%
Self-employed	13.7%	11.0%	7.5%
Unemployed	3.6%	4.0%	4.8%
Full-time student - employed	1.5%	1.5%	2.9%
Full-time student - unemployed	0.3%	0.3%	0.8%
Economically inactive	28.0%	28.5%	31.0%
Retired	16.5%	16.0%	14.9%
Student	3.1%	3.2%	5.5%
Looking after home or family	3.5%	3.8%	3.6%
Long-term sick or disabled	3.3%	3.9%	5.1%
Other	1.5%	1.7%	1.9%
All persons 16 to 74	**54,792**	**171,557.0**	**3,970,530**

Table 12.6 below presents the total number of employed people, including the number of self-employed workers, in the wider study area between 2010 and 2014. Employed people in Highland and Skye, Lochaber and Badenoch increased by 8% and 7% respectively between 2010 and 2014, almost double the national figure (4%).

Table 12.6 : Employment, 2010-2014[14]

Employment	Skye, Lochaber and Badenoch	Highland	Scotland
2010	26,704	104,684	2,435,314
2011	27,192	105,860	2,472,564
2012	25,345	102,886	2,428,439
2013	27,244	109,807	2,461,055
2014	28,650	112,720	2,540,188

The gross annual pay in Skye, Lochaber and Badenoch and Highland (£24,000 and £26,000 respectively) was lower than the national average (£28,000), while the total number of weekly workings hours were slightly greater than in Scotland in 2015 (**Table 12.7**).

Table 12.7 : Annual Survey of Hours and Earning, 2015[15]

Employment	Skye, Lochaber and Badenoch	Highland	Scotland
Weekly pay – gross (£)	425.8	473.3	527.0
Annual pay – gross (£)	24,033	26,115	27,710
Hours worked - total	38.4	38.3	37.5

[13] Census, 2011
[14] Office for National Statistics (ONS)
[15] Office for National Statistics (ONS)

Unemployment figures can be found in **Table 12.8** below. According to Census 2011 data there is a much larger proportion of unemployed people aged between 50 and 74 in Skye, Lochaber and Badenoch (25%) compared to the national average (8%). The proportion of unemployed young population (16-24) is slightly lower in the constituency (25%) and council area (29%) compared to the Scottish figure (30%).

Table 12.8 : Unemployment, 2011[16]

Unemployed	Skye, Lochaber and Badenoch	Highland	Scotland
Last worked in 2010 to 2011	60.9%	56.2%	47.4%
Last worked in 2005 to 2009	24.1%	25.7%	28.0%
Last worked before 2005	8.8%	8.9%	10.7%
Never worked	6.2%	9.3%	13.9%
All persons aged 16 to 74 who were unemployed (excluding full-time students)	**1,957**	**6,817**	**189,414**

Counts of total claimants by quarters in 2012 are shown in below **Table 12.9**. The number of people claiming for Jobs Seeker's Allowance (JSA) seems to decrease from the first to the last quarter of 2012 with Skye, Lochaber and Badenoch recording the highest decrease (26%), followed by Scotland (20%) and Highland Council (19%).

Table 12.9 : Job Seeker's Allowance (JSA) Claimant Count, 2012

Date	Skye, Lochaber and Badenoch	Highland	Scotland
Q1 2012	310	1,170	44,610
Q2 2012	200	960	40,320
Q3 2012	170	950	39,870
Q4 2012	230	950	35,540
% change Q1/Q4	26%	19%	20%
Total	**910**	**4,030**	**160,340**

12.3.3 Economy: Highland region

Table 12.10 below shows the number of registered enterprises in each sector in Highland council area and Scotland. The proportion of businesses in Highland in agriculture, forestry and fishing industry (20%) is almost double the Scottish figure (10%). The construction industry and accommodation and services activities hold also a larger share in Highland (13% and 10%) compared to the national figures (11% and 8% respectively).

Table 12.10 : Number of registered enterprises by industry, March 2015[17]

Industry	Highland		Scotland	
	Number	%	Number	%
A Agriculture, Forestry and Fishing	2,215	19.5%	17,380	10.2%
B Mining and Quarrying	25	0.2%	265	0.2%
C Manufacturing	560	4.9%	8,785	5.2%
D Electricity, gas, steam and air conditioning supply	50	0.4%	510	0.3%
E Water supply; Sewerage, waste management and remediation	25	0.2%	460	0.3%

[16] Census, 2011
[17] http://www.gov.scot/Topics/Statistics/Browse/Business/Corporate/table6sic07

Industry	Highland		Scotland	
	Number	%	Number	%
activities				
F Construction	1,430	12.6%	18,560	10.9%
G Wholesale and retail trade; Repair of motor vehicles and motorcycles	1,515	13.4%	24,735	14.5%
H Transportation and storage	360	3.2%	5,165	3.0%
I Accommodation and food service activities	1,095	9.7%	13,265	7.8%
J Information and communication	240	2.1%	9,200	5.4%
K Financial and insurance activities	80	0.7%	2,075	1.2%
L Real estate activities	295	2.6%	5,295	3.1%
M Professional, scientific and technical activities	1,495	13.2%	31,900	18.7%
N Administrative and support service activities	720	6.3%	11,575	6.8%
P Education	100	0.9%	1,840	1.1%
Q Human health and social work activities	420	3.7%	6,760	4.0%
R Arts, entertainment and recreation	290	2.6%	4,005	2.4%
S Other service activities	430	3.8%	8,565	5.0%
Total	**11,340**	**100%**	**170,335**	**100%**

Table 12.11 below presents the Gross Value added (GVA) in Scotland between 2008 and 2013. The construction industry experienced a significant decrease across the years by approximately 22%, while the accommodation and food service activities experienced a 24% increase. The GVA in Highland is presented in **Table 12.12**, and shows that the reverse is true for the Highlands: the construction sector has grown strongly in recent years with an increase of 14% between 2008 and 2013, while accommodation and food services activities experienced a decrease of 18% over the same period, albeit with a steady recovery following the dip in performance in 2009.

Table 12.11 : Gross Value Added in Key Sectors in Scotland, 2008-2013[18]

GVA at basic prices (£million)	2008	2009	2010	2011	2012	2013
Manufacturing	13,053.6	12,675.5	12,500.0	12,018.3	11,937.0	12,499.5
Construction	7,909.0	5,979.4	6,153.7	5,841.5	5,953.5	6,206.1
Wholesale, retail and repairs	11,798.7	12,020.0	10,471.0	11,523.4	10,266.9	13,358.0
Transport and storage	4,781.9	4,925.4	4,520.4	4,973.0	5,048.1	5,340.7
Accommodation and food service activities	2,652.7	2,627.4	2,872.7	2,764.9	3,199.8	3,277.3
Information and communication	3,425.7	3,347.8	2,863.1	3,075.4	3,218.6	4,081.3
Real estate activities	1,418.3	1,098.3	1,213.7	1,370.1	1,425.7	1,567.8
Professional, Scientific and Technical Activities	8,378.9	7,666.2	8,477.1	8,655.3	9,190.4	10,803.4
Administrative and support service activities	5,520.1	5,018.5	4,770.7	5,538.9	5,648.3	6,735.3
Education, human health and social work activities	1,823.0	2,075.4	2,257.3	2,247.5	2,547.5	2,962.2

[18] Scottish Annual Business Statistics

GVA at basic prices (£million)	2008	2009	2010	2011	2012	2013
Arts, entertainment and recreation	1,437.5	1,717.0	1,179.9	1,573.5	3,058.0	3,873.1
Other service activities	721.3	685.2	692.7	892.6	880.3	1,004.6
All	**90,739.0**	**81,096.4**	**80,957.2**	**86,008.4**	**84,564.0**	**94,758.3**

Table 12.12 : Gross Value Added in Key Sectors in Highland, 2008-2013[19]

GVA at basic prices (£million)	2008	2009	2010	2011	2012	2013
Manufacturing	456.3	349.8	400.4	468.5	521.3	501.7
Construction	376.9	265.8	391.8	267.5	297.2	428.6
Wholesale, retail and repairs	310.4	282.8	254.0	305.2	455.1	580.6
Transport and storage	183.1	146.9	164.9	194.1	201.4	194.6
Accommodation and food service activities	257.4	140.1	157.7	184.6	201.9	211.0
Information and communication	97.1	101.7	86.3	116.0	119.1	103.2
Real estate activities	40.1	36.9	45.7	60.7	62.7	65.6
Professional, Scientific and Technical Activities	250.4	167.9	198.3	257.6	256.1	288.2
Administrative and support service activities	179.6	191.1	151.7	178.1	169.5	132.3
Education, human health and social work activities	52.7	50.4	50.6	49.7	86.4	83.7
Arts, entertainment and recreation	33.4	42.2	26.4	37.3	81.0	80.3
Other service activities	11.1	6.6	20.9	16.2	18.8	18.1
All	**2,547.9**	**2,091.8**	**2,217.3**	**2,473.3**	**2,993.7**	**3,054.5**

In 2013[20] out of all the local authorities in Scotland, Edinburgh and Glasgow hold the largest share of tourism turnover, £1.16 billion and £0.95 billion respectively, followed by Aberdeen (£0.49 billion), and Fife (£0.42 billion). The Highland region comes in fifth with a turnover of £0.4 billion. Turnover generated by the tourism sector represents 29.4% of the Highland economy compared to 9.4% overall for Scotland.

12.3.4 Economy: Supplementary data for Kyle

The village of Kyle of Lochalsh is located approximately 3.4km away from the Proposed Development, on the opposite side of Loch Alsh. The Skye Bridge connects the villages of Kyleakin and Kyle, extending from the north part of Kyleakin to the west side of Kyle. Kyle is approximately three times the size of Kyleakin with a population of 649 residents, and is a slightly less economically deprived area than Kyleakin (refer to Section 12.3.8).

The economic outlook for the two villages of Kyle and Kyleakin, given their close proximity, is considered analogous. Given that Kyleakin has a higher rate of deprivation than Kyle, the socio-economic challenges of Kyleakin are in fact likely to be equal to or more acute than those faced by Kyle.

Baseline information on Kyle's socio-economic profile was provided by the Kyle and Lochalsh Community Trust and is summarised here (Kyle Development Group 2011[21]).

[19] Scottish Annual Business Statistics
[20] Growth Sector Statistics
[21] Kyle Development Group (2011). Our Way Ahead. Kyle of Lochalsch Community Consultation and Socio Economic Report November 2011.

Kyle is an important transport and commercial hub for the west coast of Scotland, and has traditionally provided employment and services to the surrounding hinterland. However, in recent years Kyle has faced social and economic challenges. The Skye Bridge, opened in 1995, benefited the area in terms of improved transport links, but also led to a reduction in visitor numbers once Kyle was no longer a natural stop off on the road to Skye. Factors such as recession, the pressure on fisheries, an ageing population and reductions in government expenditure have all contributed to Kyle's need for regeneration. As a result, the Highlands and Islands Enterprise (HIE) is looking to strengthen the economic resilience of this community.

One of the key objectives identified for Kyle is to consolidate the village's role as an employment centre. The Kyle Development Group report states that new development, job creation, educational provision and new housing development has tended to happen outside of Kyle, so that the fall in population is not balanced by the new opportunities and housing which might attract new residents.

The socio-economic issues facing Kyle are listed as follows (Kyle Development Group 2011[22]):

- an aging population;
- high levels of single households;
- high rates of unemployment;
- a decline in job numbers;
- low levels of household income;
- high rates of alcohol and drug related illness;
- limited opportunities for development; and
- high rates of eligibility for free school meals.

12.3.5 Economy: Supplementary data for Skye and Lochalsh

A recent economic study of the Highlands and Islands looked at the benefits of a proposed air service at Skye airport (HIE 2016). The study area for the Skye air service covered the Isle of Skye, Lochalsh, and the adjoining areas of Wester Ross including Torridon, Kishorn and Lochcarron. Although this differs from the study area for this assessment, a selection of the findings is reported here by way of supplementary information:

- In 2015, there were circa 1,150 businesses in the Skye catchment area, an increase of 6% from the previous year. Since 2010, the business base has grown at a faster rate than that across the Highland region (14% versus 11%), although between 2014 and 2015 this dropped below the longer term growth rate of 16% across Scotland as a whole from 2010.
- The business base is spread relatively evenly throughout the intermediate zones in the catchment area, with the main concentration of businesses being located on Skye. Skye has had the fastest growth in its business base over the last five years, growing by 18% overall since 2010, strongest in the North East of the island (24%), likely to be driven by Portree, and much higher than the Highland (11%) and Scotland (16%) business base growth over this period. Growth has been slower in Ross and Cromarty South West (8%) and Lochalsh (6%).

The results presented here indicate that business growth in Lochalsh has been much lower than for Skye as a whole (18%), and Scotland as a whole (16%).

12.3.6 Land Use

The Isle of Skye covers an area of 1,656km^2 and is located to the north-west coast of Scotland. The Proposed Development is located in close proximity to the village of Kyleakin, between the mainland and the Isle of Skye. The south side of the Isle of Skye is characterised by steep ground and poor ground conditions, which limit the

[22] Kyle Development Group (2011). Our Way Ahead. Kyle of Lochalsch Community Consultation and Socio Economic Report November 2011.

potential for development, while in the central part well-drained land can be found. With the exception of the quarry site, the land within the local study area mainly consists of grassland suitable for pasturage.

The Macaulay Land Capability for Agriculture (LCA) classification ranks Scottish land on the basis of its potential productivity and cropping flexibility[23]. It is a seven class system and four of the classes are further subdivided into divisions. Class 1 represents land that has the highest potential flexibility of use whereas Class 7 is land of very limited agricultural value.

Based on the Macaulay LCA classification, it was observed that the majority of both the local and the wider study area are classified as land capable of supporting only rough grazing (Classes 6.1, 6.2 and 6.3) with significant proportion of land being under Class 6.3 suggesting that the semi natural vegetation provides grazing of low value[24]. Scotland as a whole has approximately 4 million hectares of land classified in Class 6, representing half of the country's land area[25]. Small parts of the land in the wider study area are classified as land capable of supporting improved grassland (Classes 5.1, 5.2 and 5.3). There are 1.4 million hectares of land in this category in Scotland, covering 18% of the national land area[26].

In August 2009[27], Lafarge Aggregates prepared an Environmental Statement (ES) for a new schedule of planning conditions for the continuation of sand and gravel extraction at Kyleakin quarry. According to the ES, the quarry has operated at low output for many years.

12.3.7 Tourism

Total visitor expenditure in Scotland in 2015 was around £8.9 billion, split between £5 billion from overnight visitors and £3.9 billion from day visitors[28]. Tourism spending in Scotland generated around £12 billion of economic activity in the supply chain in 2015 and accounted for approximately 5% of the total national GDP. The Scottish Government estimated that the employment in the tourism related industries in Highland was 14,100, while in Scotland it was 196,000 in 2014 representing approximately 7.7% of employment in the country[29].The total turnover of tourism related industries in Highland in 2013 accounted for £399 million while the Scottish figure was around £6.7 billion.

In 2014, people aged between 16 and 29 and working in the tourism industry accounted for 41.9% of workers in Scotland compared to 39.1% in the UK as a whole[30]. Skye, Lochaber and Badenoch constituency had one of the highest proportions of 16 to 64 year olds employed in the tourism sector (17.3%) according to the Annual Population Survey 2014 data.

According to the official tourism website for the Isle of Skye (http://www.skye.co.uk/about-us.php), the Skye and Lochalsh Marketing Group 'steering committee' began promoting business in the Skye and Lochalsh area in early 2002. The committee sought to exploit the area's identify and marketing potential for the benefit of business and the wider community. Consultants were brought on board to work with the steering group to raise funds and undertake PR on behalf of the area. Business categories promoted by www.skye.co.uk include: Accommodation, Ancestry & Genealogy, Arts & Crafts, Boat Trips & Tours, Festivals, Food & Drink, Gaelic Culture, Heritage, Outdoor Activities, Romance & Weddings, Travel & Island Hopping, and Wildlife & Outdoors.

A detailed breakdown of tourist accommodation occupancy and stock rates for the local and regional areas was not available. Instead, the following general information was compiled, allowing high level conclusions to be drawn:

[23] http://www.macaulay.ac.uk/explorescotland/lca.html
[24] http://www.hutton.ac.uk/sites/default/files/files/ladss/CAP-bright-future-conf-poster1.pdf
[25] http://www.macaulay.ac.uk/explorescotland/lca_leaflet.pdf
[26] http://www.macaulay.ac.uk/explorescotland/lca_leaflet.pdf
[27] Kyleakin, Quarry Isle of Skye Environmental Statement, Lafarge Aggregates (2009).
[28] http://www.gov.scot/Topics/Statistics/Browse/Tourism
[29] Office for National Statistics (ONS)
[30] http://www.parliament.scot/ResearchBriefingsAndFactsheets/SB_16-17_Labour_Market_Update_February_2016.pdf

- There are 18 hotels, 26 Bed and Breakfast (B&B) businesses, 39 self-catering units, two hostels, and six caravan and camping sites in the Isle of Skye and Lochalsh[31].
- Average hotel bed and room occupancy levels in 2014 in Skye and Lochalsh[32] were 54% and 64% respectively.
- The average B&B bed and room occupancy levels were at 44% and 50% respectively in the same year, while the average occupancy for self-catering units was 59%.

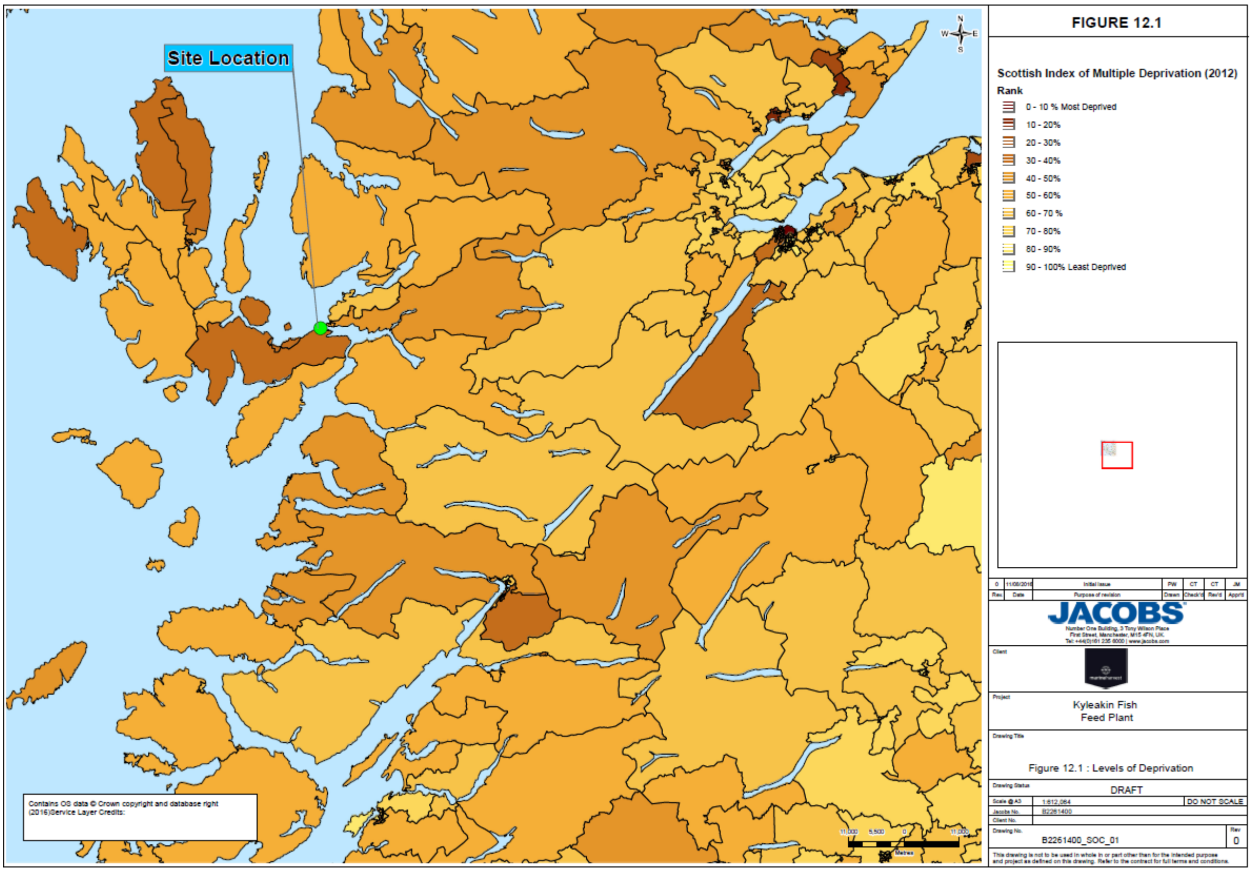
12.3.8 Deprivation

The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying small areas where there are concentrations of multiple deprivation, and is based on small geographical areas (called datazones). The index provides a measure of seven different aspects of deprivation – Employment, Income, Health, Education, Crime, Access to Services, and Housing. There are a total of 6,505 datazones in Scotland, and each datazone is given a SIMD rank. A rank of 1 is the most deprived and 6,505 is the least deprived.

The SIMD ranks can be divided into ten equal-sized categories, called deciles. Decile 1 contains the most deprived 10% of SIMD ranks, then decile 2 contains the next most deprived 10%, and so on (up to decile 10, which contains the least deprived 10% of SIMD ranks). Most of the datazones in Skye, Lochaber and Badenoch are found in decile 4 to decile 6 (40% to 60%), indicating moderate levels of deprivation. The local study area, however, is located within a datazone that falls in the 3rd decile (20% to 30%), indicating a relatively high level of deprivation, as shown in **Figure 12.2**. Kyle of Lochalsh falls in the 4th decile (30% to 40%), being slightly less deprived than the Kyleakin datazone.

[31] http://www.skye.co.uk/accommodation.php
[32] http://www.visitscotland.org/research_and_statistics/tourism_sectors/accommodation.aspx

Figure 12.2 : Levels of deprivation in Skye, Lochaber and Badenoch in SIMD 2012 by quintile[33]



12.3.9 Physical Assets and Social infrastructure

Physical assets and social infrastructure receptors identified within the local study area (500m radius) are listed below in **Table 12.13**. Residential and commercial property numbers are based on manual counts from overhead photography and OS mapping.

Table 12.13 : Local Receptors

Receptor Name	Description	Location
Taste of India	Commercial property	On A87, Highlands and Islands, IV41 8PQ
Le Fleurs	Commercial property	On A87, Kyleakin, IV40 8PQ
Kings Arms Hotel	Commercial property	On A87, Kyleakin Roundabout, IV41 8PQ
Agustin B&B	Commercial property	Old Kyle Farm Rd, IV41 8PR
Mo Dhachaidh Guest House	Commercial property	Old Kyle Farm Rd, IV41 8PR
Blairdhu House	Commercial property	Old Kyle Farm Rd, IV41 8PR
Inver Rose Self Catering Cottage	Commercial property	Old Kyle Farm Rd, IV41 8PR
Several residential properties	Residential property	Along Old Kyle Farm Road
Residential properties	Residential property	Along Coal Acain Road – A87 roundabout
Cnoc a' Mhadaidh-ruaidh (Hill of the fox)	Community land (Low	South of A87

[33] Scottish Parliamentary Constituency Profile; Skye, Lochaber and Badenoch Document revised June 2014, available at: http://www.gov.scot/Topics/Statistics/SIMD/DataAnalysis/SPconstituencyprofile/SkyeLochaber-Badenoch

Receptor Name	Description	Location
	summit walk and woodland)	

Three companies nearby the Proposed Development site share an access road. Fergusons Transport uses the quarry as timber storage, Keltic Seafayre have a facility on site, and Bernard Spalding runs a firewood business on site. If the Proposed Development is approved Marine Harvest will take control of the site and will undertake to continue these operations.

Table 12.14 presents a number of receptors that fall outside of the immediate study area but they still might be affected by the construction and operation of the development. These are all commercial properties with the exception one community facility: Kyleakin Primary School, located approximately 0.8 km from the development.

Table 12.14 : Key Receptors Outside the Immediate Study Area

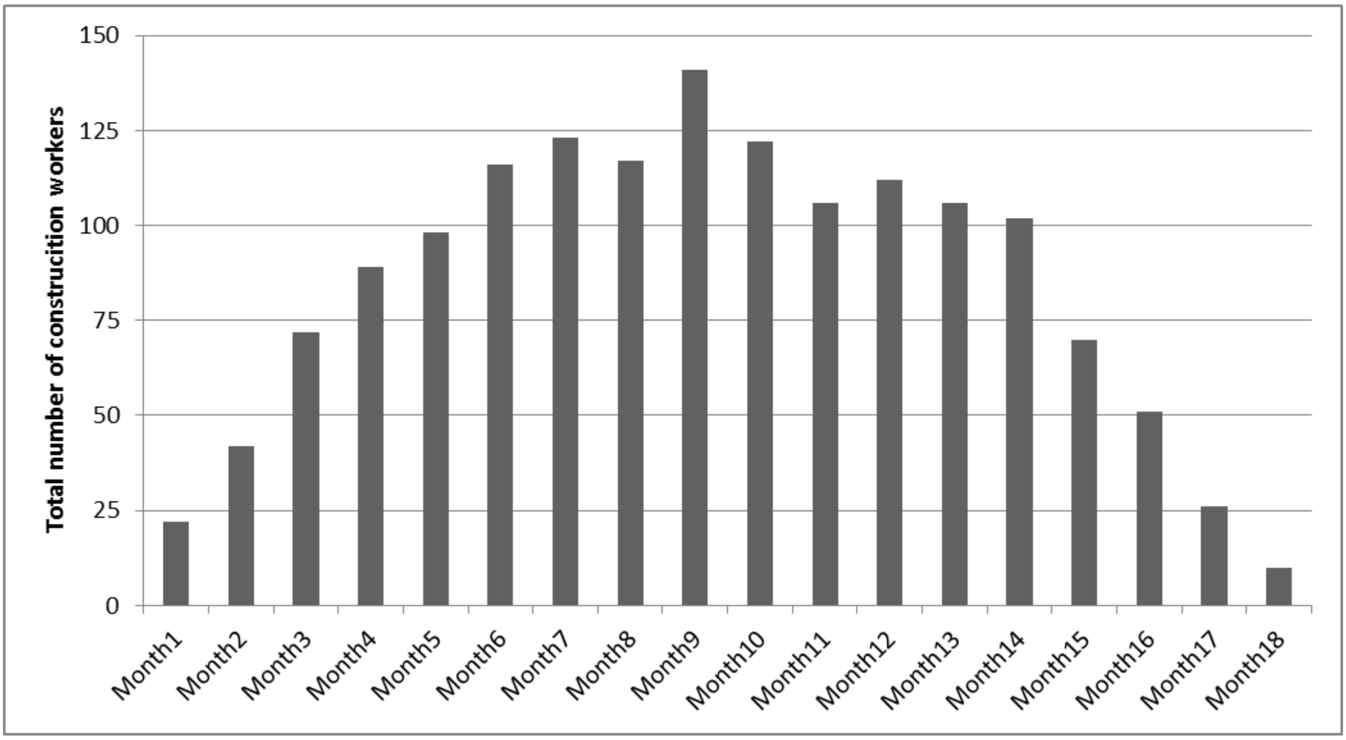
Receptor Name	Description	Location
Mrs. E. MacLennan B&B	Commercial property	16 Kyleside, IV41 8PW
Skye Island Tours, Kyleakin	Commercial property	2 Achmore Rd, IV41 8PT
Kyleakin Primary School	Community facility	Achmore Rd, IV41 8PH
Fir Chlis B&B	Commercial property	19 Olaf Rd, IV41 8PJ
Kings Arms	Commercial property	King Street, IV41 8PH
Skye Backpackers	Commercial property	Meuse Lane, IV41 8PH
Saucy Mary's Lodge	Commercial property	Meuse Lane, IV41 8PH
Corran Guest House	Commercial property	Meuse Lane, IV41 8PH
Castle Moil Restaurant	Commercial property	Kyleside Road
Saucy Mary's Pub	Commercial property	Kyleside Road
Harry's Coffee Shop	Commercial property	Pier Road, IV41 8PL
White Heather Hotel	Commercial property	The Harbour, Kyleakin, IV41 8PL
The Cliffe House, The Pier	Commercial property	Kyleakin
The Brightwater Visitor Centre	Commercial property	The Pier, Kyleakin, IV41 8PL
Ceol-Na-Mara	Commercial property	South Obbe, IV41 8PN

12.4 Predicted Impacts during Construction

12.4.1 Employment

Figure 12.3 shows that the number of jobs created by the Proposed Development would ramp up steadily from peak in the ninth month of construction.

Figure 12.3 : Number of construction workers during the construction phase



As described in the methodology section, additionality was applied to estimate the level of employment that could be temporarily captured within the local area and the Highland region during construction, as summarised in **Table 12.15**. Applying the assumptions detailed in the table below and rounding down to the nearest whole number, it was estimated that the 141 construction jobs would result in a direct net increase in local jobs of 14 and a direct net increase in regional jobs of 63. Indirect and induced employment was estimated at 13 jobs for the local area and 26 for the Highland region, combining to give total net jobs (all sectors) of 26 for the local area and 90 for the Highland region.

Table 12.15: Employment captured within the local area and the Highland region during construction

	Local	Description/Assumption	Regional	Description/Assumption
Gross direct jobs	141	Peak number of jobs is expected in June 2017.	141	Peak number of jobs is expected in June 2017.
Leakage	80%	Data provided by Marine Harvest: Assumes 20% of workers are local residents.	10%	The proportion of people working in the construction industry is higher in the Highland region than in Scotland, therefore it is assumed that construction workers would be sourced locally and leakage would be low.
Displacement	50%	Displacement is assumed to be moderate due to the short term nature of the employment	50%	Displacement is assumed to be moderate due to the short nature of the employment.
Substitution	0%	Substitution effects were considered unlikely.	0%	Substitution effects were considered unlikely.
Multiplier	1.9	Scottish Government multiplier for Construction (2013)[34].	1.9	Scottish Government multiplier for Construction (2013)[34].

[34] http://www.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/Downloads

	Local	Description/Assumption	Regional	Description/Assumption
Deadweight	0%	All the benefits are expected to be as result of the project.	25%	Assumed low as the majority of the benefits is expected to be as result of the project.
Net local direct effects	14	Additionality calculation.	63	Additionality calculation.
Indirect and induced employment	13	Additionality calculation.	26	Additionality calculation.
Total net jobs captured locally (all sectors)	26	Additionality calculation.	90	Additionality calculation.

Table 12.16 below shows that the 63 net direct jobs would increase construction employment in the Highland region by 0.56%. Employment across the region in all sectors would increase by 0.08%. This does not include indirect or induced employment.

Table 12.16: Percent change in regional employment (Highland region) as a result of net direct construction employment

Parameter	Value	Source
Net direct job creation in the Highland region	63	**Table 12.15**
Total number of persons aged 16 to 74 employed in Construction in the Highland region	11,278	Census 2011
% change in Construction employment in the Highland region	0.56%	Calculated
Total number of persons aged 16 to 74 in employment in the Highland region (all sectors)	115,270	Census 2011
% change in Highland employment (all sectors)	0.08%	Calculated

12.4.2 Economic activity

The following effects on economic activity were considered for the construction phase of the project:

- Diversification of the local economy: As reported in the baseline assessment, the 2011 Census indicates that proportion of people occupied in accommodation and food service activities in Skye, Lochaber and Badenoch (12%) is double the Scottish figure (6%). According to the Annual Population Survey 2014, Skye, Lochaber and Badenoch constituency had one of the highest proportions of 16 to 64 year olds employed in the tourism sector (17.3%) compared to other constituencies. These figures illustrate the dominance of tourism within the local economy. The Proposed Development would greatly improve the diversity of employment opportunities for young people, thus improving Skye's economic sustainability.
- Economic resilience: The Proposed Development could potentially result in an increase in year-round trade for local businesses, thus improving the resilience of businesses that currently rely on seasonal trade.
- Direct investment in the local economy: The local study area is located within a datazone that falls in the 3rd decile (20% to 30%), indicating a relatively high level of deprivation. The overall investment in construction of the Proposed Development is estimated to be in the region of £30 million, with a significant proportion expected to be invested in the local and regional economy through the use of local contractors and facilities.
- Regional gross value added (GVA): **Table 12.17** shows that the net direct job creation during construction would increase the Highland region construction GVA by 0.89%. Note that although the baseline assessment largely draws on 2011 Census data, more up-to-date data was available for the GVA calculations, which are therefore based on 2013 data.

- Private property: Private property was considered where a portion of the private holding is affected by the project's footprint, and where this has potential to result in a loss of land, and / or severance of access to land and resulting alteration in the way the land is used, and / or change in the viability of use. The size of the property, ownership and access routes were also considered. It was concluded that there would be no significant effect on any private property.

Table 12.17 : Regional GVA increase as a result of net direct construction employment

Parameter	Value	Source
Net direct job creation in the Highland region	63.45	Table 12.15
Employment in construction in the Highland region (2013)	7,100	Scottish Government (2013)[34]
GVA for Construction in the Highland region (2013)	£428,600,000	Scottish Government (2013)[34]
Individual GVA for employees in the Highland region	£60,366	Calculated
Value of jobs created (net direct job creation) in Construction	£3,830,235	Calculated
% increase in Construction GVA in the Highland region	0.89%	Calculated

12.4.3 Land Use

The Proposed Development will be constructed on previously-quarried land. The quarry is still active and would remain in operation during construction of the facility. The land-take required for construction is within a disused (already quarried) section of land. In conclusion, there would be no significant effect on any economically active land use.

12.4.4 Tourism

The following effects on tourism were considered for the construction phase of the project:

- Changes to local visitor numbers: Construction-related effects (noise, traffic congestion etc.), as well as the visual impact of the Proposed Development, have the potential to act as a tourism deterrent, resulting in a reduction in repeat visits, and the redistribution of visitors to other tourist attractions in the region. This change would result in a displacement of visitors rather than a real loss, and therefore the overall effect would be negligible. Furthermore, the LVIA chapter states that many visitor locations would not be significantly affected by the Proposed Development. Locations that would be significantly affected according to the LVIA are limited to the following:
  - In Kyle of Lochalsh, Lochalsh Hotel (B14).
  - In Kyle of Lochalsh, visitors' views from a few places such as Plock of Kyle Viewpoint (Vp6), the nearby car park and picnic area (02) and museum, shops and cafes by the waterfront (B14).
  - In Badicaul, visitors' views from Tigh a Cladach B&B (B2).
  - On Eilean Ban, visitors' views from the lighthouse (B20).
  - Visitors' views from the Skye Bridge (R5), railway line (R1, Vp2) and public road via Badicaul (R2). The Proposed Development would be visible in main or oblique views when travelling southward, partially screened by trees and foreground structures or islands. Skye Bridge is notable as a gateway landmark, marking the transition between mainland and the Isle of Skye. The visual effect on the Skye Bridge would therefore be of particular importance to visitors, but would be short-term.
- Changes to local tourism accommodation: The number of workers requiring accommodation will vary across the project period, but is expected to peak in the ninth month of construction, at which time 113

workers are expected to require local accommodation (80% of the 141 peak total workers). All other workers are expected to reside locally. Given the volume and variety of visitor accommodation (as detailed in Section 12.3.7), and given that average occupancy rates are typically around 50% - 60% for the year, the local tourism industry should have no difficulty in absorbing temporary construction workers during the off peak season. During this time, the increase in occupancy during construction could in fact provide a significant boost to the local tourism industry. However, if construction worker numbers peak during the spring / summer months then there could be a problem with over capacity.

- Change in the regional tourist industry: The proposed construction has the potential to deter visitors from the Isle of Skye, resulting in a beneficial effect on other tourist locations in the region.

Although the potential for adverse tourism effects is recognised here, it is also important to acknowledge the value of an authentic visitor experience and, in turn, tourism sustainability. When an area becomes too dependent on tourism there is a risk that events are put on purely for the benefit of tourists, negating the authenticity of the visitor experience. A diverse and vibrant community is much more likely to sustain its reputation as a visitor destination.

The site of the Proposed Development is defined as ‘preferred for industry and businesses (KAI1)’ by the Local Development Plan, and as such is allocated for employment generation. It was assumed therefore that the best economic outcome for the area is employment generation, and this would also in turn improve the economic outlook of the tourism sector.

12.4.5 Community

The following effects on Community were considered for the construction phase of the project. Note that no recreational groups or individual residential properties were identified within the local study area.

- Access and recreation: There are no footpaths or rights of way within the local study area and therefore there is no direct effect on the core path network. The local beach is located to the immediate north of the site, and is used as a recreational resource. Access to the beach is via the main quarry entrance, which is currently open for people to drive in. The Applicant has looked at options for improving access to the beach but it has not yet been feasible to develop a formal plan.
- Access to local businesses: Two companies nearby Proposed Development site share an access road: a timber haulage company and a seafood distribution company. A secondary access route would be developed during construction to maintain access to these businesses and to the quarry, subject to a successful planning application. This road will become the main access route for these businesses once operation begins.
- Integration and social cohesion: The presence of additional construction workers on the island has the potential to result in effects on integration and social cohesion, particularly given the rural setting. An increase in the number of workers could potentially result in additional pressures on local services, such as community, education and recreation facilities. However, given that the additional construction workforce will only have a temporary presence on the island, it is concluded that there would be no significant social cohesion effects.

Construction of the Proposed Development has potential to affect the community, particularly in terms of the character and attractiveness, or ‘amenity’ of the local area. The potential for community amenity effects from air quality and odour, traffic, noise and vibration, and visual impacts is summarised as follows.

- Air quality and odour: The risk of dust soiling during construction was assessed to be ‘low risk’ for earthwork, construction and trackout activities and negligible for demolition activities. The assessment predicted a ‘negligible’ effect at all of the receptors. Odour releases are unlikely to cause complaints and are unlikely to constitute significant pollution or be significantly detrimental to amenity.
- Traffic: During the busiest month for HGVs (month 4), the total two-way HGV movements per day will be on average only 35. Throughout the construction programme, the HGV total per day is expected to average only 12 two-way movements. Although the effects of construction traffic will occur over a relatively short period, there is potential for this movement of HGVs to impact on the amenity of the community during construction.

- Noise and vibration: Construction noise for all phases of construction is not expected to exceed the daytime noise limit at any noise sensitive receptor. No significant construction noise effects are expected. The nearest vibration sensitive receptors to the site are located approximately 350 m away. Given this distance, construction vibration effects in terms of annoyance to occupiers are not expected to be significant.
- Landscape and visual: The assessment of this potential effect is assessed based on the LVIA, which looked at the local residents' views from places of leisure, recreation and commerce, and/or places providing facilities and services (e.g. walking routes, the golf course, shops, restaurants and other places spent in local resident's free time). The assessment concluded that most receptors would not be significantly affected. Locations that would be significantly affected according to the LVIA are limited to the following:
  - Some local resident's views from places such as Plock of Kyle, the nearby car park and picnic spot and shops and cafes by the waterfront.
  - Local residents' views from the Skye Bridge, railway line and public road via Badicaul.

12.5 Predicted Impacts during Operation

12.5.1 Employment

It was estimated that the Proposed Development would create 55 full time jobs, as described in **Table 12.18.** This estimate excludes small-scale engineering / electrical work and ad hoc staffing requirements (i.e. cleaning, catering and maintenance).

Table 12.18 : Employment Breakdown during Operation

Role	FTE jobs	Description of role
Site Manager	1	Overall site and factory management
Feed formulation (formulator)	1	Creates optimized formulations from a nutritional perspective
Controlling	2	Prepares analysis and reports on financial performance
Project Managers / HSE / Environment	2	Optimises production, coordinate HSE actions (working environment and external environment)
Office / administrative	2	Office and business administration
Canteen / cleaning	2	Canteen / cleaning
Logistics Manager	1	Plans incoming raw materials and deliveries
Logistics Controllers	7	Reports Key Performance Indicators
Production Manager	1	Runs the daily production
Process Controllers	3	Creates manufacturing orders and process instructions, checks raw material usage
Maintenance Manager	1	Planning of preventive maintenance
Maintenance Planner	4	Planning of preventive maintenance
QA Manager	1	Quality systems, raw materials and finished products
QA Support	2	Analysing product quality
Warehouse / Loading	2	Warehouse / Loading
Extruder / Process operatives	22	Process operatives
Mechanics / Electrical / Maintenance	1	Mechanics / Electrical / Maintenance
Total	**55**	

Applying the assumptions detailed in the table below and rounding down to the nearest whole number, it was estimated that the 55 operational jobs would result in the creation of new regional jobs. Indirect and induced employment was estimated at 8 jobs, giving a total of 33 net jobs (all sectors) for the Highland region.

Table 12.19 : Employment captured within the local area and the Highland region during operation

Parameter	Regional	Description/Assumption
Gross direct jobs	55	Number of full time permanent positions that would be created.
Leakage	10%	Assumed that nearly all jobs would be captured within the Highland region and therefore leakage would be low.
Displacement	50%	Given that the operation of the facility would potentially result in some local workers moving to a more skilled job role, displacement is assumed to be moderate.
Substitution	0%	Substitution effects were considered unlikely.
Multiplier	1.9	Scottish Government multiplier for Construction (2013)[34].
Deadweight	25%	Assumed low as the majority of the benefits is expected to be as result of the project.
Net local direct effects	24	Additionality calculation.
Indirect and induced employment	8	Additionality calculation.
Total net jobs captured locally (all sectors)	33	Additionality calculation.

Table 12.20 : Percent change in regional employment (Highland region) as a result of net direct operation employment

Parameter	Regional	Description/Assumption
Net local direct effects	24	Table 12.9
Total number of persons aged 16 to 74 employed in Agriculture in the Highland region	4,265	Census 2011
% change in Agriculture sector employment	0.58%	Calculated
Total number of persons aged 16 to 74 in employment	115,270	Census 2011
% change in employment in the Highland region (all sectors)	0.03%	Calculated

12.5.2 Economic activity

The 2011 Census indicates that proportion of people occupied in accommodation and food service activities in Skye, Lochaber and Badenoch (12%) is double the Scottish figure (6%). According to the Annual Population Survey 2014, Skye, Lochaber and Badenoch constituency had one of the highest proportions of 16 to 64 year olds employed in the tourism sector (17.3%) compared to other constituencies. These figures illustrate the dominance of tourism within the local economy. The Proposed Development would greatly improve the diversity of employment opportunities for young people, thus improving Skye's economic sustainability. Furthermore, the Development could increase year-round trade for local businesses, thus improving the resilience of businesses that currently rely on seasonal trade.

Table 12.21 shows that the net direct job creation during operation would increase the Highland region construction GVA by 0.6%. Note that although the baseline assessment largely draws on 2011 Census data, more up-to-date data was available for the GVA calculations, which are therefore based on 2013 data.

Table 12.21 : Regional GVA increase as a result of net direct operation employment

Parameter	Value	Source
Net direct job creation in the Highland region	24	Table 12.15
Employment in Agriculture (2013)	3,900	Scottish Government (2013)[34]
GVA for Agriculture (2013)	£366,800,000	Scottish Government (2013)[34]
GVA per Agriculture employee in the Highland region	£94,051	Calculated
Value of jobs created (direct job creation) in Agriculture	£2,327,769	Calculated
% increase in Agriculture GVA in the Highland region	0.6%	Calculated

No significant direct or indirect socio-economic effects on private property were identified and no other significant economic effects were considered for the operation phase.

12.5.3 Land Use

No land use effects were identified over and above those captured under the Construction section of the assessment.

12.5.4 Tourism

Construction-related effects (odour, noise, traffic congestion), as well as the visual impact of the Proposed Development, have the potential to act as a tourism deterrent, resulting in a reduction in repeat visits, and the redistribution of visitors to other tourist attractions in the region. This change would result in a displacement of visitors rather than a real loss, and therefore the overall effect would be negligible. Furthermore, the LVIA chapter states that many visitor locations would not be significantly affected by the Proposed Development. Locations that would be significantly affected according to the LVIA are limited to the following:

- In Kyle of Lochalsh, Lochalsh Hotel.
- In Kyle of Lochalsh, visitors' views from a few places such as Plock of Kyle Viewpoint, the nearby car park and picnic area and museum, shops and cafes by the waterfront.
- In Badicaul, visitors' views from Tigh a Cladach B&B.
- On Eilean Ban, visitors' views from the lighthouse.
- Visitors' views from the Skye Bridge, railway line and public road via Badicaul. The Proposed Development would be visible in main or oblique views when travelling southward, partially screened by trees and foreground structures or islands. Skye Bridge is notable as a gateway landmark, marking the transition between mainland and the Isle of Skye. The visual effect on the Skye Bridge would therefore be of particular importance to visitors, but would be short-term.

The site of the Proposed Development is defined as 'preferred for industry and businesses (KAI1)' by the Local Development Plan, and as such is allocated for employment generation. It was assumed therefore that although the Proposed Development could result in adverse effects for the tourist industry, the best economic outcome for the area is employment generation.

12.5.5 Community

The following effects on Community were considered during the operation phase of the project:

- Access and recreation: There are no footpaths or rights of way within the local study area and therefore there is no direct effect on the core path network. The local beach is located to the immediate north of the site, and is used as a recreational resource. Access to the beach is via the main quarry entrance, which is currently open for people to drive in. The Proposed Development includes an on-site spa / gymnasium facility, which will be made available to the general public once the site is operational. The Applicant has looked at options for improving access to the beach but it has not yet been feasible to develop a formal plan.
- Integration and social cohesion: The presence of additional long term workers on the island has the potential to result in effects on integration and social cohesion, particularly given the rural setting. An increase in the number of workers could potentially result in additional pressures on local services, such as community, education and recreation facilities. However, given that the number of new workers is minimal compared to the total population of the Isle of Skye, and given that not all workers would be expected to relocate to the island, it is concluded that there would be no significant social cohesion effects.

Construction of the Proposed Development has potential to affect the community, particularly in terms of the character and attractiveness, or ‘amenity’ of the local area. The potential for community amenity effects from air quality and odour, traffic, noise and visual impacts is summarised as follows.

- Air quality and odour: Emissions from the operation of the on-site combustion plant were not considered to be significant. Odour releases are unlikely to cause complaints and are unlikely to constitute significant pollution or be significantly detrimental to amenity.
- Traffic: HGV movements will be expected to average approximately 36 two-way movements per day (assuming operations between 07:00-19:00 this averages 1.5 HGVs per hour). In addition to these HGV movements, 55 full time staff shall be accessing the site. Staff would work on a shift pattern, with 3 shifts every 24hrs, so these journeys would be spread throughout the day. It was concluded that there is potential for this movement of HGVs and workers to impact on the amenity of the community during construction.
- Noise: no significant operational noise effects were predicted. The nearest vibration sensitive receptors to the site are located approximately 350 m away. Given this distance, construction vibration effects in terms of annoyance to occupiers are not expected to be significant.
- Landscape and visual: Construction of the Proposed Development has potential to affect the community, particularly in terms of the character and attractiveness of the local area. The assessment of this potential effect is assessed based on the LVIA, which looked at the local residents’ views from places of leisure, recreation and commerce, and / or places providing facilities and services (e.g. walking routes, the golf course, shops, restaurants and other places spent in local resident’s free time). The assessment concluded that most receptors would not be significantly affected. Locations that would be significantly affected according to the LVIA are limited to the following:
    - Some local resident’s views from places such as Plock of Kyle, the nearby car park and picnic spot and shops and cafes by the waterfront.
    - Local residents’ views from the Skye Bridge, railway line and public road via Badicaul.

12.6 Significance of Effects during Construction

Table 12.22 below presents a summary of the effects during the construction of the Proposed Development.

Table 12.22 : Significance of effects during Construction

Receptor	Receptor description	Nature of effect	Magnitude	Significance of effect (pre-mitigation)
Employment	Change in construction employment in the local labour market	Temporary effect during construction only. Effect considered beneficial to the local study area.	Negligible [0.37% change in construction employment in Skye, Lochaber and Badenoch area]	Not significant
	Change in total employment in the local labour market	Temporary effect during construction only. Effect considered beneficial to the local study area.	Negligible [0.07% change in total employment in Skye, Lochaber and Badenoch area]	Not significant
	Change in the regional labour market	Temporary effect during construction only. Effect considered beneficial to the wider study area.	Negligible [0.56% change in total employment in Highland]	Not significant
Economy	Improved economic diversity and resilience	Temporary effect during construction only. Effect considered beneficial to the local study area.	Medium	Significant / Beneficial
	Increase in regional GVA	Long-term effect, considered to be beneficial to the wider study area.	Net direct job creation during construction would increase the Highland region construction GVA by 0.89%.	Significant / Beneficial
	Direct investment in the local economy	Temporary effect during construction only. Effect considered beneficial to the local study area.	Medium	Not significant
	Indirect investment in the local economy	Temporary effect during construction only. Effect considered beneficial to the local study area.	Medium	Significant / Beneficial
	Changes to local tourism accommodation	If construction worker numbers peak during the spring / summer months then there could be a short-term problem with over capacity.	Medium	Significant / Adverse
Land use	Change in land use	It is assumed that there would be a negligible effect	Negligible	Not significant

Receptor	Receptor description	Nature of effect	Magnitude	Significance of effect (pre-mitigation)
		caused by the change in land use, and no economic loss.		
Tourism	Change in visitor numbers	The visual effect on the Skye Bridge would be of particular importance to visitors, but would be short-term. The number of visitors deterred from repeating their visit is expected to be low.	Low	Not significant
	Change in the regional tourist industry	It is assumed that any deterred visitors would be redistributed to other tourist locations in the region, resulting in a transfer of economic benefit to a different location within the region, rather than any real economic loss. Assumes no effect.	NA	NA
Community	Access and recreation	There are no footpaths or rights of way within the local study area and therefore there is no direct effect on the core path network.	N/A	N/A
	Integration and social cohesion	Given that the additional construction workforce will only have a temporary presence on the island, it is concluded that there would be no significant social cohesion effects.	NA	NA
	Community amenity	Significant landscape and visual effects are limited to some local resident's views from places such as Plock of Kyle, the nearby car park and picnic spot and shops and cafes by the waterfront, and local residents' views from the Skye Bridge, railway line and public road via Badicaul. Although the effects of construction traffic will occur over a relatively short period, there is potential for this movement of HGVs to impact on the amenity of the community during construction. In combination, the visual and traffic impacts could result in significant effects, but given the low number of affected receptors, overall the community amenity effect is expected to be low in magnitude.	Low	Not significant

12.7 Significance of Effects during Operation

Table 12.23 below presents a summary of the effects during the operational phase of the development.

Table 12.23 : Significance of effects during Operation

Receptor	Receptor description	Nature of effect	Magnitude	Significance of effect (pre-mitigation)
Employment	Change in agriculture, forestry and fishing employment in the regional labour market (Highland region)	Long-term effect, considered to be beneficial to the regional study area.	Negligible [0.37% change in employment in Highland]	Not Significant
	Change in total employment in the regional market (Highland region)	Long-term effect, considered to be beneficial to the regional study area.	Negligible [0.08% change in employment in Highland]	Not Significant
Economy	Improved economic diversity and resilience	Long-term effect, considered to be beneficial to the local study area.	Medium	Significant / Beneficial
	Increase in regional GVA	Long-term effect, considered to be beneficial to the wider study area.	Net direct job creation during operation would increase the Highland region construction GVA by 0.6%.	Significant / Beneficial
	Direct investment in the local economy	Long-term effect, considered to be beneficial to the local study area.	High	Significant / Beneficial
	Indirect effect on private property	No effect.	NA	NA
Land use	Change in land use	It is assumed that there would be negligible effect caused by the change in land use, and no economic loss.	Negligible	Not significant
Tourism	Changes to local visitor numbers	The visual effect on the Skye Bridge would be of particular importance to visitors, but would be short-term. The number of visitors deterred from repeating their visit is expected to be low.	Low	Not significant

Receptor	Receptor description	Nature of effect	Magnitude	Significance of effect (pre-mitigation)
	Change in the regional tourist industry	It is assumed that deterred visitors would be redistributed to other tourist locations in the region, resulting in a transfer of economic benefit to a different location within the region, rather than any real economic loss. Assumed no effect.	NA	NA
Community	Access and recreation	There are no footpaths or rights of way within the local study area and therefore there is no direct effect on the core path network.	NA	NA
	Integration and social cohesion	Given that minimal number of additional operational workers it is concluded that there would be no significant social cohesion effects.	NA	NA
	Community amenity	No significant effects relating to air quality, odour, traffic, noise or vibration were identified. Significant landscape and visual effects are limited to some local resident's views from places such as Plock of Kyle, the nearby car park and picnic spot and shops and cafes by the waterfront, and local residents' views from the Skye Bridge, railway line and public road via Badicaul. . The visual impacts could result in significant effects, but given the low number of affected receptors, overall the community amenity effect is expected to be low in magnitude.	Low	Not significant

12.8 Mitigation Measures and Residual Effects

Mitigation measures were proposed as summarised in Table 12.24 and Table 12.25 together with the resulting residual effects.

Table 12.24 : Summary of Effects and Mitigation – Construction

Receptor description	Effect(s)	Proposed mitigation	Residual effects
Employment: Enhancement of local employment opportunities	Construction of the Proposed Development would result in the creation of temporary construction jobs.	The developer will take measures to maximise the potential for local job creation. In the first instance the developer will arrange a meeting/event to bring together the main development contractors with local contractors. This will provide an opportunity for the main contractors to acquire information on the availability of skills in the area and to utilise local subcontractors wherever possible. The developer will continue to liaise with the Kyle and Lochalsh Community Trust, with a view to optimising employment and other community benefits.	Assumes an overall beneficial residual effect resulting from enhanced employment opportunities.
Economic activity: Changes to local visitor numbers	Construction of the Proposed Development could act as a deterrent to tourists, resulting in reduced visitor numbers. This could result in a short-term effect on the number of repeat visits to the Isle of Skye during construction.	The developer will commit to coordinating the production of communication materials for local residents and visitors. This might take the form of a community newsletter, or other mechanism for regular updates. The developer intends to develop a Salmon Farming Visitor Centre as a joint venture with the local community, which may serve to offset any potential temporary downturn in visitor numbers. The developer will provide visitors with positive outcomes of the development, such as the associated improvements to the existing visual amenity (quarry), and the provision of additional community facilities (spa / gymnasium/visitor centre).	Assumes that additional local spending would neutralise any downturn in visitor numbers. No residual effect.
Land use	No effect	None required.	None
Tourism	If construction worker numbers peak during the spring / summer months then there could be a problem with over capacity.	MH will supply temporary accommodation for workers in this period.	No residual effect.

Receptor description	Effect(s)	Proposed mitigation	Residual effects
Community: Consolidation of various effects	Operation of the Proposed Development could give rise to numerous effects, which in isolation might not be considered to be significant. When taken in combination, these effects have the potential to have a significant effect on community amenity. This includes adverse effects such as increases in noise and air emissions, landscape and visual effects, and increased traffic congestion.	The developer will commit to supporting a long-term stakeholder engagement programme, to provide local residents with a platform for voicing concerns, and a mechanism for resolving grievances.	Assumes that any amenity effects not resolved by primary mitigation measures would be suitably addressed in the course of resolving community grievances by secondary mitigation measures. No residual effect.

Table 12.25 : Summary of Effects and Mitigation – Operation

Receptor description	Effect(s)	Proposed mitigation	Residual effects
Employment: Enhancement of local employment opportunities	Operation of the Proposed Development would result in the creation of long-term jobs.	The developer will take measures to maximise the potential for local job creation. In the first instance the developer will arrange a meeting/event to bring together the main development contractors with local contractors. This will provide an opportunity for the main contractors to acquire information on the availability of skills in the area and to utilise local subcontractors wherever possible. The developer will continue to liaise with the Kyle and Lochalsh Community Trust, with a view to optimising employment and other community benefits.	Assumes an overall beneficial residual effect resulting from enhanced employment opportunities.
Economic activity: Changes to local visitor numbers	Operation of the Proposed Development could act as a deterrent to tourists, resulting in reduced visitor numbers. This could result in a long-term effect on the number of repeat visits to the Isle of Skye during construction.	The developer will commit to coordinating the production of communication materials for local residents and visitors. This might take the form of a community newsletter, or other mechanism for regular updates. The developer intends to develop a Salmon Farming Visitor Centre as a joint venture with the local community, which may serve to offset any potential temporary downturn in visitor numbers. The developer will provide visitors with positive outcomes of the development, such as the associated improvements to the existing visual amenity (quarry), and the provision of additional community facilities (spa / gymnasium/visitor centre).	Assumes that additional local spending would neutralise any downturn in visitor numbers. No residual effect.
Economic activity: Enhancement of economic resilience	The baseline assessment revealed an economy heavily reliant on tourism. The Proposed Development would substantially improve the economic sustainability of the area.	Improvement in economic resilience. No further action required.	Long-term beneficial residual effect resulting from enhanced economic resilience.
Land use	No effect	None required	None
Community: Consolidation of various effects	Operation of the Proposed Development could give rise to numerous effects, which in isolation might not be considered to be significant. When taken in combination, these effects have the potential to have a significant effect on community amenity. This includes adverse	The developer will commit to supporting a long-term stakeholder engagement programme, to provide local residents with a platform for voicing concerns, and a mechanism for resolving grievances.	Assumes that any amenity effects not resolved by primary mitigation measures would be suitably addressed in the course of resolving community grievances by secondary mitigation measures. No residual effect.

Receptor description	Effect(s)	Proposed mitigation	Residual effects
	effects such as increases in noise and air emissions, landscape and visual effects, and increased traffic congestion.		

12.9 Cumulative Impacts and Impact Interrelations

No impacts of impact interrelations are expected over and above those captured in **Section 12.8**.