

4 Climate Change and Energy

Key headlines

This section confirms how existing strategies and documents such as the Highland Local Heat and Energy Efficiency Strategy, and the Highland Net Zero Strategy, will be key considerations in shaping the strategy and policies of the new HLDP. It also sets out the role of the Council's Community Wealth Building Strategy and the Social Value Charter in addressing wider climate change and decarbonisation priorities for the future.

Headline Issue:

We need to make climate-conscious planning decisions that remain sound in the long term, whilst ensuring a major contribution from the region to the country's energy needs and securing benefits for Highland's communities, including its own decarbonisation and a just transition to net zero.

Climate Change is the greatest challenge of our lifetime. Severe weather and climate impacts are already affecting communities across the Highlands and service delivery provided by the Council. In addition to significant losses in biodiversity, the Highlands is experiencing an increased frequency and severity of flooding, landslides, and wildfire events. An economic assessment by Highland Adapts has found that climate change will have potentially significant negative impacts on the Highland region equivalent to around -1.5% Gross Domestic Product a year by the 2050s, rising to up to -3.3% a year by the 2080s. It also found that impacts from flooding (coastal, river, and surface water) are estimated to increase from around £11 million per year currently to £20m per year by the middle of the century and double that by the end of the century. Adaptation is one of the greatest opportunities we can harness which will provide real and effective solutions to our changing climate. Adaptation will help to limit the risks presented, and will foster a brighter, prosperous and more resilient existence now and into the future. Climate change adaptation, climate readiness, and climate-proofing all refer to the process of making adjustments in response to or in preparation for climate-related impacts, which in turn leads to climate resilience. This includes managing climate-related risks and taking advantage of climate-related opportunities. Doing nothing, or inadequate adaptation, will result in an increase in risk faced by Highland communities.

Decarbonising our energy supply by transitioning to renewable energy is a key part of the response to climate change. The transition to renewables, particularly to generation located in the UK, is also driven by the need for greater energy security – less reliance on other countries and the oil and gas markets. Scottish Government set out ambitious targets for achieving net zero, and key time horizons of 2023 and 2045 are fuelling activity by the energy sector to develop electricity generation and storage facilities. Drivers for the nature and location of these energy sector developments include the availability of renewable energy resource, the availability and capacity of the grid, the need to balance the energy system, the policy framework that influences consenting decisions and other regulatory processes. Highland is already making a substantial contribution to renewable energy generation but there are many more schemes planned, across a variety of types of technology, with much more onshore and offshore wind generation particularly featuring – and expected to continue to do so. Enhancing energy transmission and distribution networks in the Highlands is pivotal for unlocking the region's renewable energy potential and enabling it to play the vital role expected in the nation's decarbonisation. Strategic investments, technological innovation, regulatory support, and community engagement are critical to address these challenges and ensure a resilient, reliable, and efficient energy infrastructure.

The Highlands have rich resources that are ideally suited to encouraging and expanding renewables development and the growth of production and investment in renewable energy in Highland has brought opportunities to the area. However, as time progresses, and the scale of renewables increases, there is a need to ensure that the wider Highland community

can benefit more from profits being generated. Communities across the Highlands face a range of social, economic and environmental challenges. These will not be solved by traditional approaches to economic development which are based on the presumption that as the economy grows, wealth is generated for all. Community Wealth Building provides an alternative approach and a practical response that aims to keep wealth within a local area. It is often described as a people centred approach to economic development and aims to ensure every area and community can participate in, and benefit from, economic activity. Furthermore, Highland's own decarbonisation needs to be a key focus and a routemap to net zero needs to be implemented in the interests of securing a just transition.

The national policy context

In considering what approach the new HLDP will need to take, the latest national policy position needs to be taken into account. Climate Change is a central defining feature of National Planning Framework 4 (NPF4), with Decarbonisation and the required Energy transition being a vital part of the response. As indicated in NPF4, there is a vast array of key connections to other policy areas. Also, it is noted that NPF4 has introduced development plan policy for Community Wealth Building.

The Climate Change Act (Scotland) 2009 and Public Bodies Climate Change Duties set out the requirement of public bodies to contribute towards climate change mitigation and adaptation. The Scottish National Adaptation Plan (SNAP3) 2024-2029 sets out the actions that the Scottish Government with partners will take to respond to the impacts of climate change, to build Scotland's resilience to climate change in a way that is fair and inclusive. It includes an objective that development planning (including Local Development Plans and associated delivery programmes) takes current and future climate risks into account and is a key lever in enabling places to adapt.

Scottish Government's Draft Energy Strategy and Just Transition Plan (January 2023) seeks to significantly scale up renewable energy production, including on- and offshore wind power, renewable hydrogen, marine energy, solar and hydro. According to the Climate Change Committee 6th Carbon Budget, for Scotland the installed capacity of onshore wind needs to be about doubled by 2030, that of offshore wind needs to be about quadrupled in the same time period and that of solar increased ten-fold. At that point onshore wind would still account for most of the capacity. However beyond 2030, out to 2045, further increase in installed capacity across these three technologies would be almost wholly provided by offshore wind, with roughly a trebling of installed capacity compared to 2030.

The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 places a duty on local authorities to prepare, publish and update a Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan.

The Highland context

In recognition of the serious and accelerating changes to the world caused by climate change, Highland Council declared a climate and ecological emergency in May 2019. The

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Council's Net Zero Strategy sets out the Council's approach to addressing the climate emergency and contributing towards Scotland's national legally binding target to become Net Zero by 2045. The Strategy focuses on Council operations, but we recognise we have a leadership role and aim to become an exemplar in delivering ambitious, transformative action to tackle climate change. The Council is currently developing a Climate Change Adaptation Strategy, that will detail the drivers, impacts, risks and needs that must be considered to adapt to climate change over the next 5 years and beyond to fulfil the Scottish Government's objectives and local priorities relating to SNAP3. A regional level Coastal Change Adaptation Plan is at an advanced stage of preparation and will provide an overview of the risks across The Highland Council coastal area, identifying locations and infrastructure that are least resilient to climate change and rising sea levels, providing a framework and flexible approach to address these risks over time. A full Highland-wide Climate Risk and Opportunity Assessment from Highland Adapts is due to be completed and published later this year.

The Highlands have along history of hosting renewable energy generation, particularly hydro and onshore wind, and also an established pumped storage scheme. At the end of 2022, Highland hosted about 50 constructed onshore windfarms, accounting for around 13% of the UK's installed capacity of onshore wind generation and about 22% of Scotland's. In recent years, tidal and offshore wind have been added to Highland's mix. There are a number of renewable energy schemes consented but not yet operational, and many more in planning and additional schemes coming in to planning each week, particularly onshore wind. In combination with all this, we are faced with an array of storage proposals, including multiple pumped storage hydro schemes (two of which are consented) and numerous battery energy storage schemes, plus huge grid reinforcement projects (typically comprising overhead lines and substations). All these proposals are considered by the Council, but many are of such type and/or scale that the decisions on them are made not by the Council but by Scottish Ministers.

It is increasingly challenging to understand clearly how all these components fit together as a 'whole system', or more exactly to what extent each individual proposal is needed, and how to assess cumulative impacts. As a principle, the right development in the right place may be supported, but this is problematic when there is uncertainty as to what the eventual whole development or whole system will be – whether adverse impacts (be they judged planning considerations or other, perceived effects) could have been reduced or avoided through a more strategy and plan led approach to the energy system's development, and whether some unspecified threshold of acceptable development has been passed.

Arrangements for spatial planning for electricity networks are currently being developed nationally, and as those develop in the future, more information on grid capacity and reinforcement requirements will be within the public domain and may assist with predictions on cumulative impact. Furthermore, the Council plans to create and provide more comprehensive and more frequently updated interactive mapping for energy sector developments. The Council has for many years provided interactive mapping for wind generating applications. This is available publicly on the Council website. It has been updated regularly, at least six monthly, offering a snapshot of time for Planning Applications and related Section 36 consultations and decisions. That mapping does not currently cover all types of energy generation such as Battery Energy Storage Schemes (BESS), photo voltaic

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solar panel, hydrogen or transmission schemes. A separate hydro related mapping system also exists but has been updated on a less regular basis. The Council is in the processes of undertaking a review of this mapping system, the information requirements and the necessary processes for updating this database more frequently. This will include transmission projects.

In June 2024, The Highland Council agreed a Social Value Charter for Renewables Investment, which sets out the community benefit expectations the Council has from developers wishing to invest in renewables in this area. It also outlines what the Highland partnership – public, private and community – will do to support and enable this contribution. It aims to: embed an approach to community wealth building into Highland; maximise economic benefits from our natural environment and resources; engage and involve relevant stakeholders to understand how we can continually improve our impact; and unlock economic opportunities for the area. The Council's agreed Community Wealth Building Strategy 2024-2027 sets out our vision that we will: Create an inclusive economy by retaining greater wealth and maximising spending within and for the communities of the Highlands, through harnessing organisational power and enabling community led activity. The purpose of our Strategy is to provide a framework that sets out how we will utilise our different activity to maximise the impact of investment in local areas and support more local ownership of assets and wealth. Seeing what we do through a Community Wealth Building lens is critical to retaining greater wealth and maximising spending to benefit Highland communities.

The Council published the first iteration of its Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan in December 2023. The development and implementation of the Highland Council LHEES will establish a framework for heat decarbonisation in both public and private buildings, reduce energy demand, tackle fuel poverty, and contribute to net zero targets. It will do this by identifying area-based solutions and, for instance, indicative zones for developing heat networks whilst supporting local infrastructure planning and attracting investment at scale to 2045.

There are also challenges and headline issues that are closely related to those covered under this paper, that are detailed within our other evidence papers – notably under the Natural Environment & Biodiversity 'Unique Challenge', Transport & Connectivity 'Unique Challenge' and Our Coastline 'Unique Challenge'.

This remainder of this paper therefore focuses on strategic issues for climate change, energy and decarbonisation and does so under the following headings, whilst noting that they will be interlinked:

1. Tackling the climate emergency
2. Meeting national energy needs
3. Securing a just transition for Highland

1. TACKLING THE CLIMATE EMERGENCY: Through the spatial strategy, including by reducing greenhouse gas emissions, and by supporting adaptation.

NPF4 sets out that:

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- Local Development Plans (LDPs) must address the global climate emergency and nature crisis by ensuring the spatial strategy will reduce emissions and adapt to current and future risks of climate change by promoting nature recovery and restoration in the area.
- Consideration of and response to the twin crises should drive the spatial strategy of all LDPs. The focus should be on making every effort to support long term outcomes for climate and biodiversity.
- The Local Development Plan spatial strategy should be designed to reduce, minimise or avoid greenhouse gas emissions. The six spatial principles should form the basis of the spatial strategy, helping to guide development to, and create, sustainable locations. The strategy should be informed by an understanding of the impacts of the proposals on greenhouse gas emissions.
- Local Development Plans should support adaptation to the current and future impacts of climate change by taking into account climate risks, guiding development away from vulnerable areas, and enabling places to adapt to those risks.

a) **Headline issue/challenge**

Holistic and insightful assessment and consideration of climate change, mitigation and adaptation matters will need to inform the preparation of the HLDP and the content of its spatial strategy.

b) **Main issues and implications for the HLDP**

- i. Previous LDPs have been prepared with reference to the aim of achieving sustainable development, have broadly sought to consider climate impacts and have been informed to some extent on such matters by Strategic Environmental Assessment (SEA), but a more sophisticated approach is needed for the new HLDP.
- ii. Specific and detailed information of emissions, including lifecycle emissions, may be required for aspects of the plan preparation process, rather than relying on a broad-brush assessment that (say) one option for the plan's strategy is 'better' than another option from a climate perspective.
- iii. The Highlands will contain a range of assets, infrastructure and opportunities that have value as potentially supporting climate mitigation or adaptation, which if identified could be considered for recognition and possibly safeguarding for such a role.
- iv. Across Highland's diverse areas and communities, the effects of climate change could be unevenly felt, again suggesting a need for some sophistication to the approach to inform the plan.

c) **What evidence we have, what do we intend to use and what gaps are there?**

- i. We will consider the extent to which the Council's Climate Change Impact Assessment (CCIA) approach might add a degree of sophistication in combination with our approach to SEA.
- ii. We will also refer to a range of existing documentation including the Council's Net Zero Strategy, the Council's Ecology Strategy being prepared, plus 'Projected

changes to the Highland climate and frequency and severity of climate change impacts (UKCP18), 'Highland Adapts Economic Assessment component of Climate Risk and Opportunity Assessment for the region' and, when available, the upcoming full 'Highland-wide Climate Risk and Opportunity Assessment' from Highland Adapts. As indicated elsewhere in our evidence papers, we will also use a range of evidence on flood risk, flood management and our dynamic coast.

- iii. We may also trial use of the Local Climate Adaptation Tool (LCAT) to determine its usefulness to LDP preparation.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's tackling of the climate emergency?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

2. MEETING NATIONAL ENERGY NEEDS: By continuing to make a major contribution to renewable electricity generation, storage and transmission – absorbing further increases to Highland's installed capacity for generation and the associated requirements for exporting the power – whilst also developing market opportunities such as hydrogen and realising the opportunities presented by the Inverness and Cromarty Firth Green Freeport.

NPF4 sets out that:

- Local Development Plans should seek to realise their area's full potential for electricity and heat from renewable, low carbon and zero emission sources, by identifying a range of opportunities for energy development.

a) Headline issue/challenge

There is a need to ensure that in continuing to fulfil its substantial and growing contribution to the country's decarbonisation and balanced energy system, Highland tailors NPF4's approach where appropriate to ensure that this is achieved through good, coordinated development that helps to address not only climate change but also local effects and delivers a great legacy.

b) Main issues and implications for the HLDP

- i. The vast and complex geography of Highland, together with the spread and number of energy sector developments coming forward, makes a complex picture.

- ii. Whereas the predecessor Scottish Planning Policy (2014) specifically provided for the preparation of spatial frameworks to guide onshore windfarm developments, there is no such provision in NPF4 which has replaced SPP.
- iii. We have previously prepared Onshore Wind Energy Supplementary Guidance, which contains amongst other things the spatial framework (for the whole plan area) and landscape sensitivity appraisals (for parts of the plan area). Going forward, we need to consider whether we wish to retain, review and possibly extend such tools, which would either be incorporated into the new HLDP or be non-statutory planning guidance. For other types of renewables, we have the Highland Renewable Energy Strategy and Planning Guidelines but that dates from 2006 and will be of limited assistance.
- iv. We need to identify (in a broad sense) the local priorities that can inform what a tailored Highland approach might look like.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. We will gather published information from the energy sector on projects that are in their planning pipelines, to build a joined-up picture as far as is practicable, together with any evidence available to guide on potential future deployment pressures (such as grid capacity).
- ii. We have a range of constraints mapped – this includes constraints that are included in the spatial framework and others that are not (such as Special Landscape Areas). We will assess the merits of retaining, updating and extending elements of our planning guidance, with particular emphasis on how cumulative effects of various types might be assessed and managed.
- iii. We will also consider developing a more specific location, siting and design steer to particular types of energy sector development, such as Battery Energy Storage Systems.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's meeting of national energy needs?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

3. SECURING A JUST TRANSITION FOR HIGHLAND: By ending our contribution to climate change in a way that is fair, leaves no one behind and benefits Highland's communities directly.

NPF4 sets out that:

- Local Development Plans should take into account the area's Local Heat & Energy Efficiency Strategy (LHEES). The spatial strategy should take into account areas of heat network potential and any designated Heat Network Zones (HNZ).
- Local Development Plans should identify appropriate locations for new waste management infrastructure to support the circular economy and meet identified needs in a way that moves waste as high up the waste hierarchy as possible.
- LDPs should be aligned with any strategy for community wealth building for the area. Spatial strategies should address community wealth building priorities; identify community assets; set out opportunities to tackle economic disadvantage and inequality; and seek to provide benefits for local communities.

a) **Headline issue/challenge**

There are a number of strategies, policies and projects now in place or being lined up that can help secure a just transition for Highland and the challenge is to join these up, apply them and press for delivery.

b) **Main issues and implications for the HLDP**

- i. The main implication of LHEES for the new Local Development Plan is in relation to Heat Network Zones. The first iteration of LHEES identifies seven indicative Heat Network Zones to understand the scale of potential and initial areas of focus. The main focus of the analysis was on the Council owned assets. Existing infrastructure and constraints within indicative zones have been analysed, with strategic consideration given to how these zones could be further developed, considering heat source opportunities and proximity to existing networks. The potential zones present theoretical and technical potential only at a strategic level, prior to any site level feasibility study alongside funding availability to progress them. These are likely to become fewer in number following feasibility studies. The outputs of LHEES can be used to start work on the consideration of heat networks through follow-up work for Heat Network Zoning, as required by the Heat Networks (Scotland) Act 2021. The connection of publicly owned buildings presents a strategic opportunity for heat network planning. The existing data on public sector buildings offers anchor loads, this would suggest an opportunity to target public sector demand clusters first before expanding into other sectors. The presence of existing heat networks, or those in development within the areas of wider demand concentration, can present a strategically important opportunity. New developments are likely to offer the potential to investigate heat network viability on a site-by-site basis and help ensure that new sites are considered for future network expansion.

- ii. A challenge will be to find ways for the approaches taken by LHEES Delivery Plan projects to become mainstream and have more widespread adoption.
- iii. The NPF4 provision referenced above for waste management is relevant to the matters covered by this paper if the Council were to continue to consider developing an Energy From Waste facility (providing heat and power to local networks), although the broad direction of national policy is such that this is looking less likely now than it did a few years ago.
- iv. Local priorities need to steer how Highland itself should decarbonise and how a balanced energy system could be developed locally. In seeking to consider that, it should be borne in mind that energy costs are at the centre of the cost-of-living crisis – yet in Highland, the source of the energy response, the energy costs are above average.
- v. The application of the Community Wealth Building approach provides further opportunity to identify and secure regional and local outcomes.
- vi. The challenge of decarbonising travel across an area as large as Highland, connected to other parts of the country, despite the area being seen as peripheral, a special case. How do people, goods and materials move sustainably within and from it? Whilst this particular issue is of critical importance to decarbonisation – and will have implications for energy generation, storage and infrastructure requirements - the issues and evidence for this are picked up in the Transport and Connectivity paper.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. LHEES (and the datasets that it used) provide the main evidence and we will take it into account in preparing the HLDP, whilst also in due course feeding relevant information from the emerging HLDP into LHEESs Delivery Plan, including further refining the indicative Heat Network Zones.
- ii. The HLDP will be aligned with the Community Wealth Building Strategy, and we will require evidence on which to base building upon the priorities, community assets and opportunities for addressing inequalities and provide benefits to communities. The new HLDP will also work in tandem with the Highland Outcome Improvement Plan and Area Place Plans which represent local expressions of community priorities, outcomes and actions across partners. The national policy combined with the new HLDP will therefore equip partners with tools to better ensure that future development and investment makes a demonstrable and tangible commitment to community wealth building.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's securing of a just transition for Highland?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

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Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

5 Natural Environment

Key headlines

Recognising the varied and unique natural environment in Highland, this section looks to identify evidence for fulfilling national policy requirements for biodiversity and natural environment, for which the HLDP approach is likely to be informed by relevant policies in the adopted IMFLDP2. It also highlights the importance of baseline mapping for biodiversity assets in Highland, as well as mapping that will inform the identification of existing and potential nature networks, and to confirm natural heritage designations. A review of the Highland Forest & Woodland Strategy, and additional evidence for soil resources (and their importance) are hoped to be available to inform the Proposed HLDP. New metrics for biodiversity net gain are anticipated to be made available at the national level to inform our new policies and requirements that comply with NPF4. It is likely that a new Strategic Flood Risk Assessment (SFRA) will be required in the build up to the Proposed HLDP being prepared.

Headline Issue:

We need to manage our natural environment and biodiversity, whilst safeguarding and making best use of our resources.

Highland's built, natural and cultural environment is special, unique and unrivalled. Its intrinsic, rich values are a key contributor to the identity of Highland landscape, its range of component characters and the communities found there. Highland is also a place of valuable resources that benefit mankind, such as water, forestry and woodland, agricultural land, peatland, minerals, renewable energy and other land, water and coastal resources and assets. The Council's Indicative Regional Spatial Strategy (IRSS) recognises that Highland provides a unique and unparalleled opportunity to provide an environment which can be celebrated nationally in terms of its special character and its ability to offer resources for the delivery of carbon reduction in support of wider national interests. Natural Capital and Nature Based Solutions are seen as being vital to tackling climate change and the threats to our built and natural environment. Highland's special character and diverse parts come together to offer a Highland brand that is significant for the local, regional and national economies in terms of what it can offer for sustainable tourism, sustainable energy and the attractiveness to inward investors as a place to live and work. Its features support the industries and jobs that it hosts and which, in many cases, contribute to Highland's major contribution to the national decarbonisation effort. This paper identifies that a balanced approach needs to be struck, with environmental considerations embedded and playing a key part in steering the plan's spatial strategy as well as decisions on what individual sites to allocate or developments to support. It considers what evidence will be needed to inform our consideration as to how to strike that balance through the Highland Local Development Plan (HLDP) to be prepared, in the context of the national and local ecological emergency, the climate emergency and national and local priorities.

The national policy context

In considering what approach the new HLDP will need to take, the latest national policy position needs to be taken into account. Biodiversity and climate change are central defining features of National Planning Framework 4 (NPF4) that have evolved significantly since NPF3. It expects bold actions to remedy degraded and depleted natural resources and biodiversity including the Natural Capital concept which introduces measures for costing those impacts. Natural heritage is a vital consideration in planning the strategic approach to future development and infrastructure along with measures for acting upon the impacts of change on our land, water and coastal environment. The national policy context is detailed further elsewhere in this paper in relation to a number of strategic issues.

The management of the coastal environment is informed by not only NPF4 and the Local Development Plan (LDP) but also marine planning policies, with review of the National Marine Plan having been commenced. As yet it has not been possible to progress – and notable resources challenges have hindered – the preparation of statutory Regional Marine Plans following the non-statutory pilot that was undertaken for Pentland Firth and Orkney Waters.

The Highland context

In light of these national requirements, Highland's distinctive environment comprises a diverse and inter-woven mix of significant land and water assets, features and designations, including some identified as having universal importance, that require ongoing safeguarding and management in the new HLDP. There is a need for development and investment in Highland to be sensitive to, embrace, improve and be sensitive to the environment that characterises and defines the region. This approach needs to apply across the region's extensive, significant and diverse land, air, watercourse and sea features. This can bring with it significant opportunities for Highland's environment, economy and communities, for example through the application of the 'natural capital' approach and through the recently gained accolade of World Heritage status for the Flow Country. This Highland context was recognised in Highland's Indicative Regional Spatial Strategy, which was submitted by the Council to the Scottish Government to inform the preparation of NPF4.

There are also rich land and heritage assets in our built environment that need careful management and safeguarding, and which are covered under the Design, Wellbeing & Placemaking 'Unique Challenge' as part of our place-based approach. Our Coastline is covered in more detail under the 'Unique Challenge' of that name.

This paper therefore focuses on strategic issues for our natural environment and biodiversity and does so under the following headings:

1. Tackling the nature crisis
2. Protecting identified natural assets
3. Protecting soils
4. Protecting and expanding forestry, woodland and trees
5. Managing flood risk
6. Planning for availability of minerals

1. TACKLING THE NATURE CRISIS: By protecting biodiversity, promoting nature recovery and restoration and delivering positive effects from development.

NPF4 sets out that:

- LDPs should protect, conserve, restore and enhance biodiversity in line with the mitigation hierarchy. They should also promote nature recovery and nature restoration across the development plan area, including by: facilitating the creation of nature networks and strengthening connections between them to support improved ecological connectivity; restoring degraded habitats or creating new habitats; and incorporating measures to increase biodiversity, including populations of priority species.

a) Headline issue/challenge

Biodiversity is in serious and dramatic decline; habitats are degraded and fragmented and many priority species are increasingly at risk. With such a vast array of locally, regionally, nationally and internationally significant natural assets, how we protect, conserve, restore and enhance biodiversity and improve ecological connectivity across Highland and between neighbouring areas requires careful

consideration. **We therefore need to embrace national policies and develop tailored local policies to protect, reverse impacts, restore and deliver positive effects for our environment.** The New National Marine Plan will also need to be considered, including in any Regional Marine Plans brought forward.

b) Main issues and implications for the HLDP

- i. We need to consider what local planning policy and guidance will be needed alongside NPF4 and national guidance, whether our existing policy for biodiversity that we developed as part of the Inner Moray Firth LDP2 (Policy 2 – Nature Protection, Restoration and Enhancement) has a role as the basis for Highland-wide policy going forward and what if anything needs adding to our local guidance.
- ii. The LDP will need to give effect to, and if necessary, put in place the practical measures required to fully implement NPF4's policy and achieve its intent, therefore ensuring that the LDP protects, conserves, restores and enhances biodiversity in line with the mitigation strategy.
- iii. To further tackle the nature crisis, we need to seek to ensure that positive efforts to address the issues are not undone by other decisions, and that decisions are informed by information on valued assets and priority species, including those under threat and those that do not necessarily relate directly or indirectly to natural heritage designated sites.
- iv. To fulfil the potential of Nature Networks, we need to identify, map and create them, therefore we need to develop a methodology for doing so and understand how initial evidence can inform preparation of the HLDP and ongoing evidence can feed into the implementation of the HLDP.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. **The policy framework for tackling the nature crisis:** Our most recent development of local planning policy for this topic is Policy 2 of IMFLDP2. It is similar (not identical) in scope and content to the policy of NPF4. Going forward, we need to consider whether the IMFLDP2 policy should be replicated or revised for inclusion in the HLDP, or not be carried into the HLDP. The NPF4 policy may suffice, subject to having guidance in place and complementary policies on related matters. For example, we think that NPF4 policy may be insufficient for Protected Species, Other Important Species and Other Important Habitats and Article 10 Features, therefore the HLDP may require modernised versions of policies 58, 59 and 60 in our current Highland-wide LDP (2012). We think we will also need additional policy coverage in relation to biodiversity, to give full effect to matters such as nature networks, Local Nature Conservation Sites, 10% Biodiversity Net Gain, possibly financial payments, monitoring, reporting), but this will become clearer at a later date.
- ii. **Biodiversity enhancement and net gain metric:** We have already developed planning guidance that details our approach to Biodiversity Enhancement, including reinforcing the requirement that all development protects, conserves, restores and enhances biodiversity in line with the mitigation strategy. This guidance also requires developers to demonstrate 10% biodiversity net gain. Once the Scottish Biodiversity

Net Gain Metric has been developed, we intend to require its use to establish an ecological baseline against which to measure biodiversity enhancement, and the HLDP will need to set out this requirement. We recognise the need to develop further guidance for those applying for planning permission, including information required to support a planning application and guidance on appropriate biodiversity enhancement measures. We also need to review our existing Protected Species guidance.

- iii. **Areas already managed for nature:** We need to know what areas are already being managed for nature and ensure that these areas are protected from harmful or incompatible development. To this end, we will be working to map areas subject to existing (and new) Habitat Management Plans, plus areas subject to compensatory planting and to biodiversity enhancement. We will also refer to the Highland Nature: Biodiversity Action Plan, the Scottish Biodiversity Action Plan, the Scottish Biodiversity Strategy, the Council's Ecology Strategy and its Highland Forest and Woodland Strategy. These will act as sources of evidence on Priority Species and Habitats, together with specific challenges and opportunities relevant to the Highland area, including native woodland creation, ancient woodland management, restoration of the Atlantic Rainforests, priority peatlands and peatland restoration. The existing Highland Nature: Biodiversity Action Plan 2021-2026 will be reviewed and updated for the next 5-year period and, although we do not yet know what form this will take, it is anticipated that this will help identify opportunities to restore and create habitat and ensuring priority species are appropriately targeted.
- iv. **Nature Networks:** Identifying, creating and mapping nature networks in an area with Highland's geography and variety and range of habitats and species is a significant challenge. The nature network toolkit will be referred to throughout to guide the process, with a desk-based spatial mapping exercise to be implemented to provide a guide as to where nature networks may exist and where they could be created to maximise ecological connectivity. Data to be used will include designated sites, habitat layers (including Habitat Map of Scotland (HabMoS) and Scotland's Habitat and Land Cover Map (HLCM)), landscape mapping (digital terrain models, water network mapping etc), tree habitat layers (including ancient woodland inventory, Caledonian Pinewood Inventory, Tree Preservation Order (TPO) layer, Forgotten Woodlands of Scotland, Atlantic Rainforest Alliance data), species specific data (seal haulout, wildcat priority areas, grassland fungi mapping etc), peatland data, deer count data and data on existing nature/wildlife reserves.

We are working with NatureScot to obtain other information, including the Big Biodiversity layer and landscape-scale nature restoration projects when it is available. Information we do not have includes the location of existing areas set aside for habitat improvements as a result of development, i.e. habitat management plan areas, and areas of compensatory native woodland planting and biodiversity enhancement, and this information will be extracted and included in due course.

Information we do not have is the location of existing areas set aside for habitat improvements as a result of development, i.e. habitat management plan areas and this information will be extracted and included in due course. The desk-based

mapping exercise will be followed by a series of workshops/consultation events with partners and relevant organisations/environmental non-governmental organisations, to refine the data and check for accuracy.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's tackling of the nature crisis?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

2. PROTECTING IDENTIFIED NATURAL ASSETS: By ensuring our important natural places, habitats and species are identified and protected.

NPF4 sets out that:

- LDPs will identify and protect locally, regionally, nationally and internationally important natural assets, on land and along coasts. The spatial strategy should safeguard them and take into account the objectives and level of their protected status in allocating land for development. Spatial strategies should also better connect nature rich areas by establishing and growing nature networks to help protect and restore the biodiversity, ecosystems and natural processes in their area.

and in Policy 4 d) it includes:

- Development proposals that affect a site designated as a local nature conservation site or landscape area in the LDP will only be supported where.....

a) **Headline issue/challenge**

The Highlands may feel open and spacious, but they are under pressure for land and development. How do we ensure that development is accommodated appropriately alongside the natural environment, and how do we ensure that developers leave the natural environment in a better state than they found it, i.e. how can the LDP help secure the best outcomes for nature? **How do we identify and protect locally, regionally, nationally and internationally important natural assets on land and along coasts so that Highland's land, coast & water environment remain, and are strengthened, as its defining features?**

b) **Main issues and implications for the HLDP**

- i. Existing natural heritage designations are taken into account when preparing the LDP (including through the Strategic Environmental Assessment and Habitats Regulations Appraisal of the LDP informing its content). They are

also taken into account, through the framework of development plan policy, when determining applications for development. However, World Heritage will be a new consideration for Highland's LDP. The management, including the protection and enhancement, of the recently inscribed (July 2024) Flow Country World Heritage Site is being embedded further through revision of the Council's Planning Position Statement (2023) and of the Draft Management Plan for the site. The Council will also consider the introduction of an Article 4 Direction to extend planning control over some of the categories of development that would otherwise be subject of permitted development rights in parts of the World Heritage Site. These measures will be progressed so that the HLDP itself can incorporate and/or refer to and promote them. The identification of opportunities for and promotion of nature networks is considered elsewhere in this paper, under 'Tackling the nature crisis'.

- ii. We need to consider how to identify and protect areas of local nature conservation value and what the process should be for designating such areas as Local Nature Conservation Sites (LNCS). Highland currently has no locally designated sites for nature conservation; we do recognise the importance of ensuring that locally and regionally important natural assets are identified and protected (as required by the LDP aim in Policy 4 of NPF4), that they are appropriately recognised in decision making and contribute to nature networks.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. Existing spatial data for existing locally, nationally and internationally designated sites available through NatureScot and Council datasets, including Local Nature Reserves and Local Landscape Areas (the latter currently called Special Landscape Areas – SLAs – in Highland). The citation for our SLAs would benefit from some updating to reflect the refinements that were made to several of the SLA boundaries through our 'Area LDPs'. However, we are otherwise minded to rely on those existing SLA designations and not undertake a wholesale review of them, on the basis that they remain sufficiently fit for purpose and there are more pressing priorities to be addressed for evidence for the natural environment and biodiversity, as identified in this paper.
- ii. To identify LNCSs we intend to work closely with nature-conservation partners and local landowners/land managers to identify areas that have locally important habitats and/or species. We will seek local expertise and knowledge to locate LNCSs, including working with members of the Highland Environment Forum and Highland Biological Recording Group. We will also check documents including the Highland Forest and Woodland Strategy, the Highland Nature: Biodiversity Action Plan and Local Place Plans, as well as information gained through public consultations and workshops, for additional evidence. An arrangement will also be need for the consideration of site nominations on scientific grounds. A comprehensive, Highland-wide set of LNCS will not be delivered in its entirety in time for preparation of this

HLDP, therefore new sites will be added to the dataset over a longer period of time, to the methodology that will have already been established.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's protecting of identified natural assets?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

3. PROTECTING SOILS: By first recognising and identifying valued soils.

NPF4 sets out that:

- LDPs should protect locally, regionally, nationally and internationally valued soils, including land of lesser quality that is culturally or locally important for primary use.

and in Policy 5 d) it includes:

- Development proposals on prime agricultural land, or land of lesser quality that is culturally or locally important for primary use, as identified by the LDP, will only be supported where.....

a) Headline issue/challenge

How might we recognise and identify valued soils? How do we identify locally, regionally, nationally and internationally significant soils? How do we record and spatially map prime agricultural land? How do we define culturally and locally important soils and how will we identify these in the LDP? **How can we use this evidence of valued soils to give them protection?** Proposed development may either be temporary or permanent, which may affect the view of the proposals and the nature of any impact. Furthermore, the planning system cannot compel the active and efficient use of a site in a way that is optimised in response to the value of its soils. However, it is clear that NPF4 has raised the profile of the importance of a range of soils as resources, for a variety of uses and benefits. **With soil resources being largely finite and pressure on them increased, this brings into sharp focus the need to make evidence-based decisions.**

b) Main issues and implications for the HLDP

- i. National datasets are broad-brush though generally the best available for the area as a whole, with more precise information on soil resource only available for specific sites if surveyed; such site survey generally will not be able to be undertaken by the Council to inform the HLDP, although some promoters of sites for development or safeguarding may have such evidence available.

- ii. Highland's higher quality agricultural land will typically be located in or near areas experiencing the most pressure for intensive, urban development.
 - iii. Highland's crofting traditions may point to some potential culturally and locally important soils, but there could be other types of such soils e.g. allotment sites.
 - iv. Many of Highland's peatlands are in areas under pressure from energy sector development, although impacts can sometimes be offset by peatland restoration proposals.
- c) What evidence we have, what do we intend to use and what gaps are there?**
- i. We intend to use the National Soil Map of Scotland and British Geological Survey maps to inform the HLDP on the broad pattern and understanding of soils across Highland which, at a strategic level, may help inform the spatial strategy.
 - ii. The Land Capability for Agriculture maps (national scale and partial cover greater resolution) will provide some basis for steering decisions about the content of the HLDP. However, might more detailed information be available in some areas? If so, can this be accessed and how might it be used by the HLDP?
 - iii. In a Highland context, what do you consider to be culturally and locally important soils? Are they already identified and is that evidence available? If not, how can they be identified?
 - iv. The Carbon and Peatland Map 2016 provides a broad indicator of the likely presence of such resource. We can also take into account information about designated peatlands and, once gathered, peatland restoration areas.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's protecting of soils?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

4. PROTECTING AND EXPANDING FORESTRY, WOODLAND AND TREES: By first identifying existing woodland and the potential for its enhancement or expansion, and setting out proposals for forestry, woodlands and trees, including expansion of a range of types.

NPF4 sets out that:

- LDPs should identify and protect existing woodland and the potential for its enhancement or expansion to avoid habitat fragmentation and improve

ecological connectivity, helping to support and expand nature networks. The spatial strategy should identify and set out proposals for forestry, woodlands and trees in the area, including their development, protection and enhancement, resilience to climate change, and the expansion of a range of types to provide multiple benefits. This will be supported and informed by an up-to-date Forestry and Woodland Strategy.

a) Headline issue/challenge

How do we ensure that existing woodland – including potential for its expansion and enhancement – is identified and protected, and that it functions to provide ecological connectivity?

b) Main issues and implications for the HLDP

- i. We need to try to identify and set out proposals for forestry, woodlands and trees, including their development, protection and enhancement, resilience to climate change, and the expansion of a range of types to provide multiple benefits. We should aim to do this with reference to particular locations on a map base where it is practicable to do so.
- ii. The HLDP needs to be informed by an understanding of what makes for good woodland connectivity, its benefits and how potential for connectivity might be realised.
- iii. Protecting, expanding and restoring Highland's areas of Atlantic Rainforest is a particular challenge and opportunity with a range of climate, carbon, ecological and economic benefits.
- iv. A further challenge is to support Caledonian Pinewoods, another iconic, valued element of Highland's environment and landscape, requiring close management of deer grazing and offering opportunities to consider woodland expansion over time.
- v. Where compensatory planting is deemed appropriate mitigation for the loss of woodland through development, this requires the identification of specific proposals for such planting. As explained elsewhere in this paper under 'Tackling the nature crisis', we will be gathering information on the locations of such areas. The Highlands are experiencing many major developments, particularly energy sector developments such as major overhead lines. Where these impact significantly on woodland, it may not always be practicable or possible to locate enough compensatory planting within the development site. The Council will consider setting out through the HLDP some alternative options, potentially including off-site provision and financial contributions towards woodland planting projects, and the circumstances in which such options may be available.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. In addition to using the Native Woodland Survey of Scotland and the Ancient Woodland Inventory, the Highland Forest and Woodland Strategy (HFWS) will be a key source of evidence. The HFWS is to be reviewed in 2025 and the new version should be in place in time to feed in to preparation of the HLDP and inform the spatial strategy. The identification of proposals for woodland creation

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and expansion at a strategic scale will help focus discussions on potential projects for large scale, offsite compensatory planting.

- ii. A number of other evidence gathering workstreams referenced elsewhere in this paper will aid the identification of existing valued woodland planting, including compensatory planting, and opportunities for woodland expansion and connectivity.
- iii. We will look to NatureScot and The Woodland Trust, amongst others, for background evidence for the challenges for Atlantic Rainforest areas and for Caledonian Pinewoods.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's protecting and expanding of forestry, woodland and trees?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

5. **MANAGING FLOOD RISK: By ensuring a proportionate, fit for purpose approach that takes into account climate change and steers the spatial strategy, policies and proposals of the HLDP to a more flood-conscious future.**

NPF4 sets out that:

- LDPs should strengthen community resilience to the current and future impacts of climate change, by avoiding development in areas at flood risk as a first principle. Resilience should also be supported by managing the need to bring previously used sites in built up areas into positive use; planning for adaptation measures; and identifying opportunities to implement improvements to the water environment through natural flood risk management and blue green infrastructure.
- Plans should take into account the probability of flooding from all sources and make use of relevant flood risk and river basin management plans for the area. A precautionary approach should be taken, regarding the calculated probability of flooding as a best estimate, not a precise forecast. For areas where climate change is likely to result in increased flood exposure that becomes unmanageable, consideration should be given to alternative sustainable land use.

a) **Headline issue/challenge**

Flood risk is an established planning consideration, but there is now heightened emphasis on the need to use a range of evidence on flood risk to embed flood consciousness into land use planning strategies and to make smart decisions

that will be sound for the present and the future, including ones that contribute to multiple policy outcomes for places and for people.

b) Main issues and implications for the HLDP

- i. It is our established practice to take into account flood risk information when preparing local development plans, and SEPA's Flood Maps in particular have an established role as part of that.
- ii. We do not currently have a Strategic Flood Risk Assessment (SFRA) for Highland, in whole or in part. SFRAs are designed to inform the development planning process, primarily to avoid increasing overall flood risk by avoiding areas of flood hazard.
- iii. We should consider the interaction between climate change, coastal erosion and coastal and fluvial flooding.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. We will have regard to the River Basin Management Plan for Scotland, to the two Flood Risk Management Plans that together cover the HLDP area and to the corresponding Local Flood Risk Management Plans. We will also use SEPA's Flood Maps to inform decisions on the spatial strategy and on the site allocations for development and for safeguarding. Where more detailed, site-specific flood risk assessment is available to the Council, it may also be taken into account.
- ii. Discussions are underway with the Council's Flood Team and SEPA, for scoping and programming a SFRA. It will inform future options and decisions on the HLDP's spatial strategy and site allocations. The Evidence Report will confirm the work being undertaken and the timescale for completion. We need to aim to deliver a fit-for-purpose SFRA during 2025, to provide the evidence in time to inform plan preparation.
- iii. We will consider the links with evidence on Climate Change and on Coast, including the Dynamic Coast modelling.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's managing of flood risk?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?

6. PLANNING FOR AVAILABILITY OF MINERALS: By identifying and safeguarding valued mineral resources and, for construction aggregates, by securing an evidence-based understanding of supply and demand over a 10-20 year horizon.

NPF4 sets out that:

- LDPs should support a landbank of construction aggregates of at least 10-years at all times in the relevant market areas, whilst promoting sustainable resource management, safeguarding important workable mineral resources, which are of economic or conservation value, and take steps to ensure these are not sterilised by other types of development.

a) Headline issue/challenge

Highland has significant mineral reserves, of a variety of types with potential to serve a variety of markets, locally and some further afield. We need to understand those, their availability and their sufficiency.

b) Main issues and implications for the HLDP

- i. Development in Highland – including but not limited to housing, industrial and business, energy sector – will require construction aggregates and it can be anticipated that projects to support national decarbonisation and the Green Freeport will increase the demand. Developments can also be a source of minerals, for example where large-scale extraction is necessary such as for pump-storage hydro projects, of which Highland currently has several consented or in planning.
- ii. Some information held by commercial operators will be regarded as commercially sensitive.

c) What evidence we have, what do we intend to use and what gaps are there?

- i. We gathered some information and undertook some Minerals Land Audit work to inform the review that we previously commenced of the Highland-wide Local Development Plan, but much of that information dates from nearly 10 years ago. We need to review in detail the information we already hold, and consider what remains fit for purpose, what can be used as a base for updating and what new audit work may be required. We will aim to identify locations of important workable mineral resources which are of economic or conservation value. We will interrogate data on existing permissions and applications for minerals extraction. We will consider undertaking a survey with minerals operators.
- ii. We will refer to the Aggregate Minerals Survey for Scotland, for example for information on usage trends. We also need to identify whether there are cross-border considerations with other planning authority areas.

d) Consultation questions

Question 1. Have we identified the right issues to focus on for evidence to inform the HLDP's planning for availability of minerals?

Question 2. In focussing on those issues, are we planning to use the right evidence? Is there additional or alternative evidence we should be using? Can you help fill gaps in evidence?

Question 3. What other comments do you wish to make about our intended approach that we have set out for these issues of focus?