

National Planning Framework 4 – Call for Ideas

Highlands and Islands Enterprise Submission

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Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

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Introduction

Highlands and Islands Enterprise (HIE) welcomes the opportunity to respond to the National Planning Framework 4 (NPF4) call for ideas. It is timely in that advances in technology and its application will have far reaching impacts on rural regions, offering challenges and opportunities to which national planning policy must respond. It is also timely as there is an increasing focus on balancing the pursuit of economic growth with environmental sustainability and economic and social inclusion.

Our response here considers the high level, strategic issues to be explored in further detail as this consultation process evolves and we look forward to contributing to the debate over coming months.

Highlands and Islands Enterprise – Our Role

Highlands and Islands Enterprise is the Scottish Government’s economic and community development agency for the north and west of Scotland. HIE’s role is to lead regional growth and development in line with Scotland’s Economic Strategy, improving competitiveness and building a fairer society across the Highlands and Islands. We work in alignment with partner agencies, all reporting to the Enterprise and Skills Strategic Board.

Our aspiration is for the Highlands and Islands to be a highly successful, inclusive and prosperous region in which increasing numbers of people choose to live, work, study and invest.

We help build successful, productive and resilient businesses; strong, capable and resourceful communities; and create the conditions for growth to create a region which is well connected and well placed to maximise opportunities.

Characteristics of the Region

Highlands and Islands includes half the land area of Scotland and just 9% of its population. Population density is less than 12 inhabitants per km², the most sparsely populated region in Europe outside of the Scandinavian High North. It’s characterised by a complex geography – over 90 inhabited islands, a fjord like coastline and mountainous interior. Such a dispersed population and complex geography presents challenges of connectivity and accessibility, mobility, provision of services and business access to markets, supplies and people.

Addressing Climate Change

Supporting Net Zero and Low Carbon Ambitions

HIE believes it is crucial that NPF4 is shaped in such a way that it supports the target of Net Zero emissions by 2045. We therefore endorse Scottish Renewables’ NPF4 Position Statement¹ – the following key points in particular:

- Climate emergency and net zero should be material considerations in every planning decision;
- Acknowledge greater requirement for renewable generation if we are to meet Net Zero 2045 targets;
- Enable swift, consistent, more predictable planning outcomes (including for energy storage, which will be key requirement);

¹ https://www.scottishrenewables.com/assets/000/000/757/2020_Position_Statement_NPF4_-_FINAL_original.pdf?1582716378

- Lift limited consenting periods from onshore wind and acknowledge Scottish Government clear support for re-powering;
- Should provide a supportive framework for pumped hydro (building on NPF3) and small-scale hydro especially in rural areas; and
- All new developments should be able to meet heating requirements from renewables and/or connect to heat networks.

HIE would also emphasise that NPF4 should take account of, and support, the following specific matters:

- Island interconnectors to ensure islands play a full and active role in meeting Net Zero emissions by 2045;
- Decentralised local energy systems supporting a more balanced supply and demand of renewable energy – will very much require planning (and regulatory) framework to support this;
- Ensure SSEN/SPEN/SGN RIIO T2 plans reflect or influence NPF4;
- Recognition of system benefits for dispersed renewable generation (thus supporting case for necessary manufacturing, assembly, construction and O&M infrastructure to support deployment around our shores);
- Related to the above, future leasing rounds for offshore wind will likely see a move towards floating wind. Being much larger structures, the scale of infrastructure required to support build out will be significant and will have onshore implications during assembly, construction and O&M phases;
- Flexibility within system to support low carbon heat networks of differing scale or solutions for more remote, rural areas; and
- EV/Hydrogen re-fuelling capacity, including H100 pilot at Machrihanish and SIUs conversion (SGN Business Plan).

We would also suggest that NPF4 should encourage climate change mitigation, and low carbon considerations, by default, in ALL aspects of our planned infrastructure and environment, to ensure we take all our opportunities. Also, low carbon outcomes should be enabled through planning and policy. For example, through encouraging the use of regionally grown timber and offsite construction – creating a market that allows companies to invest will be important in this.

Enabling the Transition to Low Carbon Transport

In relation to transport, we would emphasise that NPF4 should have a strong focus on supporting the ambitions set out in the second National Transport Strategy² (NTS2) for transitioning to low carbon in the transport sector. Both of Scotland’s electricity network operators project that by 2030 EVs will account for 20-25% of all vehicles in Scotland – growth that will make a significant contribution towards achieving Scotland’s ambitious climate change targets. Increased EV uptake of this scale will clearly have significant implications for the management of Scotland’s electricity network and NPF4 should take account of this.

We would refer to the HITRANS EV Strategy³ which identifies gaps in the Highlands and Islands’ charging infrastructure, and makes a number of recommendations in respect of the planning of the electricity network to enable the proliferation of EVs in the Highlands and Islands region. We would also highlight the recent HIE-commissioned ‘Small Islands Energy Systems Review’⁴ which includes

² <https://www.transport.gov.scot/publication/national-transport-strategy-2/>

³ https://hitrans.org.uk/Documents/HITRANS_ELECTRIC_VEHICLE_STRATEGY.pdf

⁴ <https://www.hie.co.uk/media/8139/hie-small-islands-low-carbon-energy-overview-final-report-for-publication-pdf-060420-a3410152.pdf>

findings on EV infrastructure penetration in rural areas. The study found that on almost all 50 of the small islands that were looked at, there is currently no EV charging points, and wider uptake of EVs in these communities will need significant upgrades to the charging infrastructure.

Accelerating progress to a Net Zero carbon economy provides opportunities for businesses and communities, and this will include opportunities associated with the decarbonisation of transport. Across all transport modes, a joined-up approach will be required and NPF4 needs to support the drive to the decarbonisation of transport in Scotland – whether that be electric vehicles, CAV development, and electric and hydrogen powered trains, ferries and HGVs. NPF4 should also support the delivery of the Programme for Government commitment for aviation in the Highlands and Islands to be Net Zero by 2040.

NPF4 should assist the numerous innovative schemes that are being taken forward in the Highlands and Islands, such as those backed by LCITP and Innovate UK funding. Amongst the notable demonstrator projects to date is the ReFLEX project on Orkney, funded by Innovate UK, which includes vehicle to grid chargers among the technologies to be rolled out as part of this multi-faceted local energy systems initiative.

To enable local sustainable travel choices, NPF4 should include a focus on improving active travel – promoting a more integrated approach that will support identified priority upgrades and expansions to the Highlands and Islands’ active travel networks.

Enabling Development and Economic Investment – Planning, Infrastructure & the Place Principle

The response on a variety of matters in this section of our submission addresses the broad call for ideas question topic regarding planning need for development and economic investment and the broad question topic regarding infrastructure requirements to realise long term aspirations. Our response here also touches upon the broad question topics around supporting our quality of life, health and wellbeing and the special character of our places. In discussing planning from an economic and community development perspective, these areas of consideration are often closely intertwined.

Supporting the Delivery of Inclusive Economic Growth

The Scottish Economic Strategy gives equal weight to economic growth and inclusion, ensuring that all of Scotland’s people share in the nation’s prosperity. In a Highlands and Islands context, inclusion has a strong spatial dimension – ensuring that those living in our remote rural communities can access services, avail of education and employment opportunities and able to contribute to the prosperity of Scotland.

We would emphasise that in developing NPF4 the distinctive set of socio-economic challenges faced by the Highlands and Islands are well recognised. These include a narrower range of career and education opportunities compared to Scotland, below average wage levels in certain areas, higher cost of living⁵, transport and digital connectivity and the physical barriers and constraints to growth imposed by geography.

⁵ <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland---a-policy-update.htm>

Looking at the region's demographics, following a period of strong growth between 2001 and 2011 (7.8% compared with 4.7% for Scotland), population growth slowed to 0.5% between 2011 and 2018, lower than the 2.6% for Scotland. The trend of low population growth is expected to continue, with the Highlands and Islands' total population projected to be largely unchanged by 2040 and Scotland's population projected to grow by approximately 5% by 2040. Within the region, population decline is projected for more fragile and sparsely populated areas, in particular Argyll and Bute, Caithness and Outer Hebrides. The regional dependency ratio – the number of dependents (under 16s and over 65s) per 100 people of working age (aged 16-64) – which increased from 57 in 2008 to 65 in 2018, is projected to be 85 by 2040⁶.

Net out-migration of young people is a long-standing and significant issue as young people move out of the region to pursue education and career opportunities in the rest of Scotland and further afield.

However, HIE's research on the attitudes and aspirations of young people aged 15-30 illustrates an increasing commitment to staying in the region (55% want to stay in the region up from 43% in 2015). Around three in five (59%) young people believe they will return to the region when the time is right. Almost two-thirds (64%) would like to work in the Highlands and Islands in future but cite a number of economic and social factors that need to be in place to facilitate this. The top four economic factors cited by young people were good pay levels, high quality jobs, a low cost of living and opportunities for career progression, with quality of life, availability of affordable housing and access to good healthcare the top three social factors⁷.

In addition to these demographic issues, in many remote communities there are also challenges around sustaining essential local services such as schools, shops, and health and social care. Access to banking services is another major issue in a number of rural communities⁸.

Key strategic local and regional documents – such as development plans of local authorities within the Highlands and Islands and HIE's Strategy and Operating Plan – have a strong focus on actions that can achieve inclusive growth ambitions and tackle the wide-ranging socio-economic challenges mentioned above. The Islands (Scotland) Act and subsequent Islands Plan are also a recognition of the spatial dimension to inclusion in an island context. The principle is equally valid in remote mainland areas in the north and west.

NPF4 needs to support the implementation of these aspirations, shared regionally and nationally, to increase prosperity and quality of life for communities in all parts of Scotland. Also, in line with the Islands (Scotland) Act, 'islands proofing' of NPF4 should be carried out to ensure that the new framework takes account of island circumstances.

Regional Transformational Opportunities – Planning Systems Key to Delivery

In response to discussion at the Convention of the Highlands and Islands (COHI), work has been undertaken to identify and consider potentially transformational projects across the Highlands and Islands. The COHI Senior Officers Group (SOG) adopted a thematic approach to identifying transformational opportunities and agreed the following four priority areas: Marine; Energy; Advanced Technology (including space and the aeronautical sector); and Natural Capital. The consultancy ekosgen was then appointed by HIE in September 2019 to undertake a short piece of

⁶ <https://www.hie.co.uk/research-and-reports/our-region-in-detail/>

⁷ <https://www.hie.co.uk/research-and-reports/our-reports/2018/may/31/yp-research/>

⁸ <https://www.hie.co.uk/research-and-reports/our-reports/2018/july/31/access-to-banking-services-in-rural-areas/>

work to identify in more detail the nature of the regional transformational opportunities (RTOs) under each theme.

The work identified several transformative opportunities in a number of areas of the economy, including:

- Seaweed and Marine biotechnology
- Marine renewable energy
- Hydrogen
- Energy Infrastructure to support market competitiveness
- A Centre for Aviation and Advanced Technologies
- Point of care health and social care
- Carbon capture

All these RTOs are cross cutting opportunities in some way and have linkages across sectors and across a number of other major opportunities. For example, the supply chain and the skills that will develop around the plans in Moray for a Centre for Aviation and Advanced Technologies will also support the space sector. This industry is gaining considerable traction in the Highlands and Islands through the Space Hub Sutherland and the proposals for SpacePorts in Uist and Unst in Shetland.

Each RTO aligns with a number of key policies and strategies and their priorities. Given the RTOs identified a key challenge going forward is to facilitate the delivery of relevant policies and strategies in a way that together, they can support the cross-cutting opportunities identified.

With this in mind, we'd like to see NPF4 arrive at transformational policy that reflects the clear need for closer collaboration between policy makers, planners and delivery organisations. This is true not just for the RTOs mentioned above, but for the development of major new economic opportunities more generally. For example, previous research has identified that the current planning regime – both land-use and marine – is considered to be unduly conservative, and can act as a barrier to innovation, sector development and realisation of transformational opportunities.

The planning and regulatory systems that are of relevance to the RTOs outlined above can be considered restrictive (as identified by the MAXiMAR Science and Innovation Audit⁹). These constraints could potentially be overcome by adopting a more joined-up approach between regulators, allowing the various systems to work together more effectively. This will necessarily mean a more pro-active approach to identification and consent for development locations, with full industry engagement to allow for early foresighting of technologies and proposals by planners. This would particularly be the case for sites where multi-use and cross-sector activity is proposed. Ultimately, such a planning and regulatory framework would support and encourage research, development and innovation whilst balancing the requirements of environmental sustainability and the needs of different user groups in locations.

A highly successful process for the planning and regulation to support the deployment of wave and tidal machines in our coastal waters in Scotland is already being implemented. Learning from this could benefit the development of NPF4. The development of a flexible, responsive and collaborative regulatory framework, as can be seen with marine renewables, will stimulate innovation and economic growth, helping to realise significant new opportunities while safeguarding the natural resources in the Highlands and Islands.

⁹ <https://www.hie.co.uk/research-and-reports/our-reports/2019/march/06/maximar-science-and-innovation-audit/>

Digital Connectivity

Future-proofing digital connectivity should undoubtedly be a core consideration as part of NPF4. Modern, good quality and affordable broadband services to provide access to the internet are essential to every community.

The current COVID-19 situation underlined the importance of communications (both fixed and mobile) to work from anywhere (including schoolwork), buy goods and services and enjoy entertainment such as films and games.

For rural areas online working or homeworking can encourage inclusive growth in a way which will maintain the unique character of the area and help reduce emissions through minimising travel. Tourists expect to be able to go online and a digitally well-connected region gives the impression of a modern and exciting place.

Digital connectivity is important in the efficient delivery of public services and increasingly for health services. The ageing population is a particular issue for some of our rural communities and this is a general trend. Currently a lower proportion of elderly people use the internet, but many do and the proportion will only increase as the next generation of internet savvy individuals age. With take-up of fibre broadband at over 65% and rising and many more people in more rural areas lobbying for better broadband, it is vital that every household in every community has access to modern digital communications and that all communities have good mobile coverage.

The challenge for rural and remote areas is that they do not receive new digital infrastructure through commercial build out (or build lags behind urban areas) as the costs of deployment are high and the market for the services is small and scattered. Public funding has been used on a continual basis to improve services but this is expensive, slow and inefficient and often perceived as unfair in its delivery and scope. Digital connectivity is now so important that perhaps commercial delivery is not the best way to provide these services in rural areas and a more strategic plan is required to use public funding.

Today the old copper networks are being replaced by fibre networks and improved wireless coverage through mobile services or, in some areas, by fixed wireless access broadband. To provide the best service all these technologies need high bandwidth fibre optic links to the core digital networks. Simplistically, the more fibre there is and the closer it reaches to the end user, the better. Thus, the greatest level of future-proofing will come from Fibre to the Home (FTTH) fixed connections and 4G or 5G mobile services where there is a large network of mast sites (with fibre backhaul connections) providing a comprehensive geographical coverage both across the land and inshore waters.

Planning for this infrastructure build in rural and remote areas which are often our most scenic and unspoiled is challenging. Ideally fibre cables will be buried in underground ducts rather than strung on poles, but this adds to the costs and can be difficult to achieve in areas with rocky terrain. Mobile mast sites also need careful placement to achieve the balance between the efficient delivery of the signal and the environmental impact of the infrastructure (masts and access roads).

COVID-19 has taught us many things but a central one is the fundamental importance of good digital communications for every community and every individual. It is vital in allowing individuals to keep in touch with family and friends, buy essentials supplies, receive education and entertainment and, for many, to maintain productive employment from home. It is also key for the delivery of public services and efficient running of local businesses.

Housing

NPF4 has a role in making housing better aligned with both land use planning, and local and regional economic planning, as well as with infrastructure provision. A place-based approach should ensure the right projects in the right places with the right costs to address not only “traditional housing need”, but to respond to wider demand supporting the long-term sustainability of communities across Scotland.

There needs to be a much more flexible approach to housing need that allows significant individual flexibility and therefore supports communities to flourish. This should take account of pending/future economic opportunities and the needs of employers. All housing stakeholders, including the Scottish Government and local authorities, should agree how a more inclusive, full and transparent picture of housing need can be efficiently developed and maintained on an ongoing basis.

Considerations should be given to additional mechanisms, including planning regulation and taxation, to address the issues of empty and second homes. This has the potential to increase supply in some locations through maximising the use of current stock. More effective use of current stock will also have a positive carbon impact.

Lack of effective land supply for housing is maintaining the high value of sites, and the overall high cost of creating housing. In some instances, this can be as a result of local development planning. However, while allocation of sites within local development plans is not always an issue, there are also challenges with the profitability of site development. This is determined by several factors, including landowner aspiration of value as well as significant land preparation and servicing costs. This is particularly challenging in some rural areas where geological and topographical features impact on affordability. Land banking and a concentration of land ownership in some areas can be a major factor in restricting development.

There is an opportunity for the Crofting Commission to be empowered to support applications from development partnerships, to take land out of crofting tenure, for appropriate home builds which satisfy broader community housing needs. This was done very effectively a few years ago on the edge of Plockton in Lochalsh, where access to developable land had been a long-term barrier to the creation of affordable housing. (Plockton Grazings Committee/Lochalsh and Skye Housing Association/National Trust for Scotland).

The benefits of passive housing, and other buildings (using modular/offsite methodologies) needs to be promoted to both the market and supply chain, including self-builders, general public, house buyers, general building owners/users, architects and surveyors, and builders.

NPF4 should facilitate strategic consideration of how best to evolve and support the modular construction supply chain and market for Scotland and its regions, including optimising the use of our better quality regionally grown timber for construction.

In 2040, some 80% of our housing stock will be the existing stock in 2020. It is therefore vitally important for our objectives of improving inclusion across all of Scotland, addressing population and demographic challenges in sparsely populated areas, reducing fuel poverty and health inequalities, and tackling the effects of climate change, that we give adequate attention in the route map to our housing system, to improve the energy efficiency and adaption of our existing stock. NPF4 should ensure that buildings control standards realise the opportunity to drive quality improvement for retrofit/adaption of our existing stock, as well as for all new builds.

We would also like to see NPF4 helping overcome some utilities servicing constraints in remote and rural areas by using appropriately designed off-grid housing as a credible option, with appropriate support to upskill and promote broader understanding and adoption of off-grid methodologies.

Development of Commercial Property

In the Highlands and Islands, a fundamental issue that should be acknowledged in developing NPF4 is that, out-with the Inverness area, market failure for the development of commercial property is almost total. Public sector intervention in the market is essential – many of the issues that affect the housing market such as land availability and cost, infrastructure/service availability and cost, construction cost, modular off-site options, using more timber based construction are all relevant for commercial property. What is different from housing is that in many of our areas the demand for commercial property is limited.

Given the market failure, planning for the future must involve a more collaborative approach to publicly owned land – the raw ingredient for property development. Making **developable** land available for development should be an obligation for public bodies, to enable HIE and councils to acquire land, service it and make it available to the private sector. Our market intelligence suggests that HIE’s strategy should focus on delivering serviced sites for sale to occupiers who can then build their own building – HIE taking the risk of developing buildings speculatively would still be an important option when the circumstances are appropriate.

The trend toward home-working, which may well be accelerated by the COVID crisis, is an opportunity for place making in the Highland and Islands. NPF4 needs to take account of this trend. There should be more focus on mixed use developments in rural areas so that there is better potential to deliver live/work units – design is important here so that there is the flexibility of using for either depending on demand. Our comments about off-grid developments for housing are equally pertinent for commercial property such as small offices/craft units/community hubs – particularly in remote, fragile areas.

The success of our campus developments at Inverness Campus, Enterprise Park Forres, Orkney Research and Innovation Campus and The European Marine and Science Park in Oban emphasise the critical link between education, R&D, innovation and property in our region -all driven by the public sector.

We would suggest that as part of the development of NPF4, the designation of and eligibility for Enterprise Area status should be looked at to consider where it may be appropriate to refresh policy (e.g. potentially in relation to extending the sectors eligible for incentives) in order to enhance the attractiveness of locations to inward investment.

Also, we would emphasise that the planning system must allow for the repurposing of both land and buildings as markets evolve and both land and buildings become obsolete – where alternative demand exists, Net Zero targets make this essential. This is relevant for all sectors in the market.

Transport

NPF4 should support the delivery of NTS2’s policy goals. From HIE’s economic development view, we would particularly highlight that NTS2 includes an emphasis that Scotland’s transport system “will help deliver sustainable, inclusive economic growth”. High level policies in NTS2 also include that “our most disadvantaged communities and individuals have fair access to the transport services they need”, and that “those living in rural, remote or island communities are well connected and have equitable access to services as those in the rest of the country”.

NPF4 policies need to be aligned with these national transport ambitions, and in doing so take account of the profound nature of the connectivity challenges facing a number of island and rural communities. Acute issues such as ferry disruption, the fragility of air links and the resilience and reliability of strategic roads can have a significant impact on residents' lives and the operation of businesses. For example, HIE's Business Panel Survey found that around two-thirds (65%) of firms viewed poor transport links as a risk to their business¹⁰.

Likewise, the second Strategic Transport Project Review (STPR2) and the upcoming refresh to the Scottish Ferries Plan need to deliver on the NTS2 ambitions and address the region's fundamental transport challenges.

STPR2 is ongoing and will result in specific transport priorities for the region being identified. Notwithstanding this, it is possible to identify some of the main areas for investment to deliver quicker, more reliable and safer travel.

- Completion of both the A9 and A96 dualling programmes.
- Address regional "pinch points" and upgrade opportunities on the region's road network, including:
 - A82 Tarbert-Inverarnan section;
 - In Argyll, upgrades to the A816 Oban – Lochgilphead corridor, and Dunoon – Colintraive – Portavadie Road (B836/A8003/B8000). There is also a need to find a 'permanent solution' to landslides on the A83 at Rest and Be Thankful;
 - A cost-effective solution to the A890 Stromeferry Bypass;
 - Investment in the Western Isles Spinal Route;
 - Improvements to A95; and
 - Road networks in and around the towns of Fort William and Oban.
- Rail investment to reduce journey times, increase frequencies and enhance commuting possibilities on Highland Main Line and Inverness – Aberdeen services; and investment in the Far North and West Highland Lines in line with recommendations of established working groups.
- Investment in transport interchanges e.g. delivery of masterplans for a new Inverness Airport Railway Station at Dalcross and a multi-modal interchange in Oban.
- Investment in port and harbour infrastructure; along with substantial investment in Scotland's ferry fleets, to improve network performance, resilience and carbon footprint.
- Investment in Highlands and Islands airport network (publicly owned) to support enhanced intra-regional connectivity and improved connections from the region to key population centres and international hub airports.
- The STAG transport appraisal methodology needs to be improved to ensure that considerations around inclusive growth and socio-economic disadvantage can be properly understood and factored in to decision-making processes.

As discussed in our response above regarding 'addressing climate change', across all transport modes, significant investment will be required to drive decarbonisation of transport, whether that be electric vehicles, electric and hydrogen powered trains and ferries, or new forms of aircraft propulsion.

Education (including research and innovation facilities)

NPF4 should take account of the opportunities that exist to build on the region's current academic infrastructure to further enhance the region's academic and research capabilities. In particular, development of "campus" facilities, for example European Marine Science Park (EMSP) and Orkney

¹⁰ [HIE Business Panel Survey Feb 2019](#)

Research and Innovation Campus (ORIC) and West Highland College UHI's Centre for Science Technology, Health and Engineering. Allied with student accommodation these have the potential to attract young people to the region.

Health

Investment in health facilities is required as a response to increased demand for services from an ageing population. NPF4 should help with enabling the planning of services and infrastructure that ensure inclusion in terms of access to services across the whole region. NPF4 should also consider how new technology may impact on the nature and delivery of health services.

Place-based Approach – Crucial to Developing and Delivering Opportunities

Through the 'Place Principle', the Scottish Government recognises that a more joined-up, collaborative, and participative approach to services, land and buildings, across all sectors within a place, enables better outcomes for everyone and increased opportunities for people and communities to shape their own lives. It includes a commitment to taking a collaborative, place-based approach with a shared purpose to support a clear way forward for all services, assets and investments which will maximise the impact of their combined resources.

NPF4 should nurture good place-based working, enabling alignment of economic development, land use planning, transport and infrastructure investment.

The demonstration of place-based solutions is identified as a major opportunity for the Highlands and Islands, alongside other regional transformational opportunities that are discussed above. The disparate nature of the region's geographies and communities, particularly in fragile areas, not only require such an approach, but also provide ideal opportunities to demonstrate integrated and holistic approaches to place development.

This opportunity is to: take advantage of key locations, development needs and emerging development and regeneration plans across the Highlands and Islands; deliver long-term transformation of the region's towns, rural communities and islands; and demonstrate truly place-based approaches to development and regeneration, and how these can be applied elsewhere in Scotland.

Pursuing this opportunity will also explicitly contribute to inclusive growth priorities at the regional and national level. This is critical for encouraging the region's young people to stay or return. It will also help to attract inward investment and strengthen the region's economy. There is a role for NPF4 in encouraging such an approach to enable the integration of demonstrator or 'test-bed' projects as key components of development plans, rather than as isolated projects.

There are already some key developments and approaches taking shape in the region. For example, the Fort William Masterplan¹¹ (FW2040) programme represents a significant live opportunity. Many of the potential benefits of collaboration come as a result of dependencies between projects and demonstrating the impact of the 'Place Principle' in action. Central to an effective collaboration between projects is timing to allow delivery of additional benefits on the ground, for example the development of a low-carbon energy network to service the town. Consideration should be given to 'Infrastructure First' approach and 'whole life cost assessment for funding and investment'.

¹¹https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/582/west_highland_and_islands_local_development_plan/5

The FW2040 programme includes projects that will drive economic and community growth and this requires additional skilled workers, who need education and health facilities, housing and transport infrastructure improvements, to reflect the needs of a larger population. The interdependencies between projects make a powerful case for delivery at a programme level. The full impact of this transformational opportunity for Fort William will only be delivered through effective collaboration.

Further Engagement

We appreciate this opportunity to input our views as part of the NPF4 call for ideas. HIE looks forward to continuing to contribute to the development of NPF4 in coming months during the next phases of the Scottish Government's NPF4 engagement programme.