



# INNER MORAY FIRTH PORTS & SITES

**Strategy : 2050**

Planning & Development Service



## INTRODUCTION

1. This report was drawn up by a Working Group comprising the following Members of The Highland Council;

Cllr A S Park  
Cllr R W Durham  
Cllr V MacIver  
Cllr J S Gray  
Cllr R MacIntyre  
Cllr R Wynd

2. Mr J MacKinnon, Chief Planner at the Scottish Executive chaired the Group and the following parties contributed at one or more sessions:

S Black, Chief Executive, IEHE  
K Gray CFPA  
R Fea CFPA  
K Clifton, Development, Scottish Water  
G Cook, Planning Manager, Network Rail  
G Cox, Chief Executive, RACE  
S Cumming, Chief Executive, HIE  
M Forsyth, Trunk Roads, Scottish Executive  
S Lonie, Development, Scottish Water  
A McCreevy, Competitive Locations, HIE  
D MacDiarmid, Global Connections, HIE  
J MacLennan, Acting Chief Executive, RACE  
M Macleod, Chief Executive, Inverness Harbour  
D MacNeill, Global Connections, HIE  
S Robertson, Telecommunications, HIE  
C Slater, Marine Manager, CFPA  
Provost W Smith, Chair, Inverness Harbour Tr.  
J Walton, General Manager, HIAL  
A Whiteford, Chair, Cromarty Firth Port Auth

Public consultations occurred during Oct. 2005.

## BACKGROUND

3. The Inner Moray Firth sub-region (see page 10) experienced a catastrophic contraction of its oil and gas fabrication sector during 1999-2000. Closure of the yards at Nigg and Ardersier resulted in the loss of 5000 highly paid jobs and £100m. per annum from the economy in related expenditures. Following discussions with the then Energy Minister, Brian Wilson, it was agreed that Highlands & Islands Enterprise, the DTI and Highland Council would jointly sponsor a detailed study into the future development of major sites and port facilities in the area, as follows;

- Nigg Oil Terminal, Platform Yard & Site
- Invergordon Delny
- Queens Dock, Invergordon
- Highland Deephaven, Evanton
- Inverness Harbour
- Ardersier Fabrication Yard.
- Inverness Airport/Business Park.

4. This work was awarded to Halcrow Group Ltd whose final report was delivered during 2003. Their investigations covered potential sectoral developments up to 10 years ahead, and then compared the most promising industry requirements with the particular assets and attributes of the portfolio of established large scale marine sites stretching around the Firth. The report also pointed to the need for collaboration and partnership work by the area's Harbour Authorities.

5. In its consideration of the report, Highland Council was particularly mindful of the emerging opportunities to develop a renewable energy cluster in the Inner Moray Firth, and the specific potential of the facilities centred on the yard and graving dock at Nigg. It was agreed to form a Working Group to engage with the key agencies and owners. The remit of the Group was to draw together an integrated strategy for the ports and major sites and to help secure early implementation.

6. This *Strategy 2050* document draws from the presentations made and discussions minuted at the Working Group's meetings as well as substantial existing policy documentation. It has four main purposes;

- to shape future collaboration by the parties
- to help steer public investment priorities
- to maximise regional development potential
- and to identify key implementation actions.

## CONTEXT

7. The Scottish Executive's *Framework for Economic Development* (2000) and *National Planning Framework* (2004) provide the overarching context for strategic thinking about the Inner Moray Firth through to 2025 and beyond. Both support the targeting of investment in infrastructure and area regeneration.

**Balanced development must be achieved by improving business competitiveness, job skills and infrastructure whilst acting to overcome regional barriers, reduce social exclusion and protect a high quality environment.**

8. The *National Planning Framework* sets out a spatial strategy, which supports the development of Scotland's cities as growth centres and main drivers for the economy. It recognises these cities as the hubs of wider regional economies in which the surrounding towns and rural areas can offer attractive locations for a wide range of economic activities. Such city-regions have the potential to become a focus for key industries and



strategic business clusters. The planning system is charged with allocating suitable development sites and with facilitating the provision of infrastructure to foster these priority clusters.

**Inverness & the Inner Moray Firth is designated as one of the nine key regional economic development zones in Scotland.**

9. In *A Smart Successful Scotland – The Highlands & Islands Dimension* (2002 and review), HIE unveiled a regional development blueprint which draws attention to the remarkable turnaround in repopulating the Highlands since 1971. Notwithstanding recent successes in the emergence of Inverness as an administrative, retail and service ‘capital’ city, it is not a wealthy place by UK or European standards, and urgently requires to diversify its economic base. HIE seeks to promote an outlook where economic growth is seen as proceeding on an irreversible and generative basis.

**Further diversification of the Highland economy is essential to close up regional income gaps and maximize the contribution made to the output of Scotland plc.**

10. The *Highland Community Plan* (2004) denotes the region as “the natural place to be”. It is a welcoming society with a distinctive culture which continues to attract incoming businesses and families. A remarkably high percentage of the population is satisfied or very satisfied with Highland as a place to live, learn, work and relax. However, declining birth rates and migration trends suggest a downturn in future population levels and an increasingly aged composition. A policy-led approach would reverse the loss of population by promoting a level of net inward migration.

**The Inner Moray Firth has good image and track record – it has sustained strong growth of about one third in its population and economy over the last 30 years.**

11. The *Highland Structure Plan* (2001) distinguishes the Inner Moray Firth as a distinct sub-region, which is undergoing rapid transformation. Future demographic changes are expected to be more modest although accompanying rates of household formation will remain high. Economic growth, transport improvements and personal choice have fuelled ever widening patterns of commuting, and have stimulated dispersed housebuilding

in smaller towns, villages and countryside locations.

**The Inner Moray Firth functions increasingly as an integrated journey to work, business networking and single housing market area.**

12. *Local Plans* for Easter Ross, Inverness and Nairn seek to consolidate development in larger, established communities where services, employment and facilities are most convenient and economical to provide. However, growing congestion and capacity problems will require consideration of the scope for development of new settlements in the medium term. These pressures will be most evident and best accommodated in the Inverness-Nairn corridor, but may also emerge in the arc of communities around the Cromarty Firth north of the city in later years. Consultants have recently been commissioned to prepare outline masterplan and implementation frameworks for the A96 Corridor expansion area as identified in the Development Plan. Better mechanisms are required to overcome acute shortages of affordable housing and the increasing burden of pre-funded infrastructure costs being placed on developers/landowners.

**Long term planning will ensure stocks of land in locations around the Inner Moray Firth suitable for both expansion of existing settlements and development of new communities – these should adjoin strategic road/rail links and be situated conveniently for access to jobs occupying large-scale industrial/business sites.**

13. The *Inverness City-Vision* (2003) applauds the transformation of Inverness over recent decades from a marginal provincial place into a burgeoning mainstream city region. Growth has however been slowing. Action is needed to increase the population and skills-base of the sub-region by increasing the retention of young people and attracting returnees and other in-migrants. Success in developing a modern UHI campus, relocation of Government agency HQs such as Forest Enterprise and Scottish Natural Heritage, and start-up of new knowledge-based businesses are lynch-pins in building and diversifying the economy. More people are required to address continuing labour and skill shortages. A bigger population would create the necessary demand base to better sustain local enterprises, to stimulate development of new technological clusters and to generate higher order specialist services in and around the Highland capital.

**The Inner Moray Firth sub-region needs to regain rapid expansion in order to achieve sufficient critical mass for self-sustaining growth, increasing possibly from 125,000 to 170,000 inhabitants by 2050.**

## **LOCATIONAL FACTORS**

14. Location and quality of development are increasingly paramount. To be internationally competitive, the Inner Moray Firth needs to offer stimulating, attractive and distinctive places to residents and visitors alike. The exceptional scenic, natural and cultural environment here provides a strong foundation on which to build diverse confident and well-designed communities. The limited but growing market for leisure and visitor berthing has traditionally been met at smaller harbours such as Nairn and Avoch as well as within the Caledonian Canal system. There are growing opportunities for more intensive redevelopment of surplus assets in settlement cores and worldwide interest in waterfront regeneration. These frequently combine high density residential, holiday, commercial and community facilities in association with leisure sailing and other recreational activities. Real estate transactions have become a major business stream for port authorities and development corporations elsewhere. An alternative model is the freestanding resort most often associated with new golf courses / country club facilities together with hotels, timeshare and apartments. Planning policies normally seek to ensure good separation between centres of population and heavy industry/port operations. The latter are often locations of 24-hour activity due to continuous production processes and to ensure rapid turnaround of vessels between tides. Conflicts of amenity and increasing awareness of safety issues surrounding fuel and other hazardous materials make it best to avoid proximity of new facilities to existing built-up areas.

**The Inner Moray Firth is an area of outstanding biodiversity and amenity which must be sustained. It offers some striking opportunities for waterfront regeneration notably at Inverness (river, canal and sea frontages) and Invergordon (Firth and surplus ex-MOD holdings).**

Proposals for a new world class golf complex at Castle Stuart and other enquiries point to the scope for development of one or more major new coastal complexes based upon new links golf courses or recreational sailing and associated leisure facilities.



*Inverness and Invergordon : Potential for waterfront regeneration*

15. Scotland's variety of scenery, wildlife habitats and cultural monuments are of outstanding quality. They form an inspirational backdrop to everyday life for local people, a huge draw to millions of visitors annually, and are a vital component in attracting inward investment and lifestyle migrants to the Highlands. The waters and shoreline of the Inner Moray Firth in particular are home to some of the richest assemblages of habitats and species in Europe and have garnered corresponding international and national conservation designations. Although there are some residual contamination/ pollution problems deriving from earlier industrial projects, there is a good track record of mutual satisfaction of business and environmental requirements over the years. However, further port developments requiring deepwater jetty extensions and reclamation of backup storage land may face stringent examination of regional alternatives and EC 'public interest' tests.

**Major development priorities require selection with regard to the legislative presumption protecting and enhancing designated heritage and conservation areas.**

16. Across Scotland as a whole, there is a plentiful supply of land for business and industrial development. National planning policy encourages the reuse of previously developed land in preference to greenfield sites. The planning challenge is rather to identify locational priorities, promote efficient transport and communication networks, secure improvements in the quality of places, and ensure adequate provision of all types of housing.

Further to prevailing *Scottish Planning Policy* documents, both the Structure and Local Plans make specific provisions for a large scale petrochemical industrial site at Nigg, and for a large (100ha.) single user industrial site at Delny by Invergordon. Other strategic industry/business sites allocated include Highland Deephaven at Evanton and the Cromarty Firth Industrial Park at Invergordon. Local Plans include policies covering industrial re-use of established fabrication sites at Nigg and Ardersier together with the strategic business / freight joint venture scheme at Inverness Airport.

The Structure Plan estimates the recurring strategic industrial land requirement for the whole Inner Moray Firth area at less than 40 ha. Existing major land allocations total in excess of 1000 ha. justified principally on the scope for large capital-intensive inward investment schemes requiring direct sea access. These are notoriously 'lumpy' and intermittent developments by nature.

**Projected sub-regional growth requires identification of a corresponding suite of strategic/local industrial and business sites situated within the Inner Moray Firth.**

**This area already hosts a series, possibly a surfeit, of large mainly brownfield and partially serviced industrial sites with marine capability.**

**The scale of these sites and costs of providing or upgrading infrastructure militates against incremental development. Activation of sites may require very substantial public pump-priming grants and therefore needs careful selection to pick robust and competitive winners.**

17. The piers, sheltered deepwater and adjoining major industrial sites all facing Europe are key regional assets, whilst the Nigg graving dock is a world class facility.

However, peripherality, the relatively small and under-developed hinterland and distance from main markets are key disadvantages for local companies and harbour authorities alike. The *Halcrow Study* (2003) made a comprehensive study of business prospects for the ports and major sites of the Inner Moray Firth through to 2015. This was primarily concerned with identifying those market sectors where existing operations were most likely to be sustained as well as identifying new business prospects which might merit public sector support in the short to medium term. Highly-placed in the first group were rig Inspection Repair and Maintenance (IRM), pipe-spooling, subsea fabrication, general cargo and cruise ship activities. The latter category showed up good potential in relation to the development of a 'renewables' hub (manufacture/fabrication, assembly and transportation), oil and gas (integrated decommissioning and liquid waste treatment), timber (pulp mill and biomass energy/timber hub) and nuclear (test facilities, manufacture and decommissioning).

**The principal business prospects lie in operations which add value to local natural resources (e.g. oil, timber, renewables) where the sub-region's location brings competitive advantage and unique related marketing 'hooks'.**

**High quality transport and communication links with Central Scotland and international centres are vital underpinnings for sustained regional and port development.**

18. National transport policy is geared to promotion of economic growth and social inclusion whilst reducing the environmental impacts of travel by encouraging shift to more sustainable modes. Reducing the need for length and fuel consumption associated with all journeys is Government policy. Walking, cycling and public transport are therefore prioritised passenger modes attracting strong investment support from the Executive, whilst future road improvements will be limited to key routes/links, congestion and accident blackspots. Notwithstanding tripling of traffic volumes on some sections of the trunk A9 road in recent decades, there are no significant improvements programmed to this road at present. The western sector of the A96(T) Inverness-Aberdeen route is increasingly congested but there are no programmed works apart from a modest 3-lane passing section at Delnies by Nairn. Further to a visit by the

Minister of Transport in October 2004, a fast track investigation of the scope to dual the road between West Seafield and the new Airport turnoff together with associated public transport improvements is underway. Business developments are increasingly being examined against highway capacity and expected to contribute financially to road or public transport improvements – new roundabouts on the A96 at Smithton, the Airport and Sandown typify this approach. The Executive's unwillingness to accumulate developer payments is a serious difficulty.

**A national transport policy which focuses on relief of congested metropolitan centres and improving services to remote rural areas risks disadvantaging emerging growth points such as the Inner Moray Firth where investment is urgently needed on both roads and public transport.**



*A strong integrated transport system is a key ingredient.*

**19.** Global competitiveness requires a modern integrated transportation system providing good frequencies and inter-connectivity for travellers. The number of air passengers at Inverness and the choice of destinations have been increasing rapidly since the advent of budget operators and terminal improvements – the HITRANS package of designated 'lifeline' routes and the availability of an air development fund could further significantly boost passenger volumes. A strategic joint venture initiative has recently been launched at Dalcross to capitalise on airside, freight and other business opportunities, including possible future multi-modal passenger (road/rail/air) interchange.

The Cromarty Firth already accommodates the largest cruise ships in the world and is now

well-established on the North European circuit. Elsewhere, station openings together with improved frequencies, rolling stock/'quality' buses and journey times have lifted local public transport carryings. A particular feature has been the introduction of rail and bus commuter services linking all parts of the sub-region with the main employment and transport node of Inverness. Interchange facilities generally still leave much to be desired.

**Inverness Airport and the Port of Invergordon are explicitly recognized in the National Planning Framework as international business and tourist gateways.**

**Inverness Airport and adjoining lands are expected to attract significant business, industrial and commercial development post-2005.**

**A long term plan is needed to create an integrated public transport network serving the Inner Moray Firth, including the scope for new rail halts and possible innovations such as future fast ferry connections linking the principal coastal communities and industrial/leisure sites. This is a key task for the new regional transport authority, HITRANS.**

**20.** Freight facilities grants are available to stimulate transfer from road haulage towards rail and water. The steady growth of rail-borne containerised loads, timber and other volume cargoes has resulted in competition for marshalling facilities in Inverness and will increase pressure on the marginal capacity of single-track working across the Inner Moray Firth. Dedicated rail siding connections into the dock areas of Inverness and Invergordon were removed many years ago and would be disruptive to reinstate. Rail spurs to serve Delny, Evanton and the Airport appear feasible, but considerably longer and more expensive connections to Nigg and Ardersier require further investigation. A wide range of general cargoes are brought into and exported from the modern port facilities of Inverness and the Cromarty Firth which handle approx 3.3m. tonnes per annum, of which oil/fuels comprise more than 85%. Oil companies such as BP are building larger vessels that are still capable of berthing at ports such as Inverness. Coastal shipping traffic is expected to grow in future years, but there are corresponding increases in vessel size and draught, which continue inexorably to require harbours to develop deeper berthing facilities and larger



laydown storage areas over time. Proposals for an international container port at Scapa (Orkney) and current investigations of potential short sea shipping traffic in a 'northern maritime corridor' could stimulate additional trade as the basis for freight-handling, storage and inter-modal transfers. There are growing opportunities for development of short sea trading links with ports in Central Scotland and Northern England as road haulage costs/regulation increase. Availability of reverse cargo-loads of raw materials and manufacturing products will stimulate such shipping movements.

**The National Planning Framework identifies the Inner Moray Firth as a strategic freight interchange location, with corresponding opportunities to develop a Regional Transport Hub for trans-shipment and break of bulk activities allied to local production/processing in the medium term.**

**The feasibility of securing modern rail spur connections for key industry/port locations and the capacity of the wider network to carry additional freight need bottoming out.**

**The combination of natural deepwater**

*Inverness Airport is a vital international business and tourist gateway*



**and extensive backup land assets with a strong portfolio of manmade facilities confers considerable strategic advantage on Nigg for the purpose of future port-industrial development.**

21. The Executive's commitment to generate 40% of electricity in Scotland from renewable sources by 2020 and the capacity of the Highlands for large scale deployment of most of these technologies including wave, tidal and biomass present major opportunities and not a few difficulties. Commercial applications of

wind energy include an operational windfarm by Alness and several other major schemes under construction and in the pipeline around the Inner Moray Firth, plus the Talisman scheme for up to 1 GW of offshore production adjoining their Beatrice oilfield operations.

Potential generation across the Highlands and Islands will necessitate significant investment and engineering contracts for the national electricity transmission system, notably replacement of Beaulieu-Denny and reinforcement of Beaulieu-Dounreay. The sum of these technologies and the pivotal role of the Highlands in reaching national targets create major local business opportunities for project management, research and development, manufacturing, installation and maintenance businesses to be established. Most of this work is sourced from Denmark and Germany at present. Without evidence of tangible economic benefits for local employment and import substitution, there is a possibility that public opposition arising from amenity disbenefits will gain the ascendancy. The expertise of established engineering companies coupled with the redundant oil fabrication facilities around the Inner Moray Firth also mean that the area is well-placed to attract decommissioning work associated with North Sea installations and from rundown/remediation of the Dounreay nuclear establishment.

**A window of opportunity currently exists to convert existing physical assets, entrepreneurial and workforce skills within the Inner Moray Firth to create a 'renewables' centre of excellence which can capture a significant share of the market.**

22. Targets set out in the National Waste Plan and translated through the Highland Area Waste Plan underpin the need for substantial investment in new recycling, composting and energy from waste facilities, as well as new landfill capacity following the closure of Longman and other disposal sites in Highland. The Structure Plan identifies this sub-region as the search area for major waste recovery/disposal facilities. Initial site search work has been undertaken and will be reconsidered under the ongoing North of Scotland Strategic Options Review

Economic solutions for the non-municipal/business waste streams are likely to become an important comparator and regional competitiveness factor in the future. The industrial wastewater processing facilities at the Nigg oil terminal may offer particular

advantage to this locality in attracting and underpinning future oil rig decommissioning and trans-shipment activities.

**State of the art waste recycling and disposal arrangements, an essential component of modern industrial infrastructure, may have a place in specific proposals to develop the large scale sites at Ardersier, Invergordon-Delny and Nigg.**

23. Despite major increases in related investment programmes, the pace of renewal and extension of water and sewerage facilities for Highland poses significant constraints for developing businesses and communities in certain locations. Compliance with EC Directives and standards should not be allowed to deplete core funding required for essential local community network investment. This is a strategic issue in the latest Highland Community Plan.

Most large scale industrial sites are reliant on outmoded freestanding treatment facilities which no longer comply with regulatory standards. Significant expenditures will be required at developers' cost to replace these with compliant facilities or to make connection with the nearest public systems where these are available. Water supplies may also require local augmentation to enable extensive industrial development and will constrain the choice of location for large plants with heavy process water requirements. The availability of the former Smelter industrial water supplies at Invergordon is therefore a strategic advantage.

The Executive is committed to facilitating broadband accessibility within Scotland but this capability is much more difficult in smaller Highland localities outwith Inverness and a few main centres. HIE have a major broadband telecommunications sponsorship programme which has assisted in trialling different technologies and pathfinder projects for several Inner Moray Firth communities, and this connectivity will also be vital for future development ambitions.

**There are significant differences between the various sites/locations in the capital costs of upgrading, providing or connecting to core infrastructure networks.**

24. The current State Aids and Assisted Areas regime as these affect business support from the public agencies will prevail through 2006. Although Inverness is excluded at the present time, in practice the key sites at Ardersier and

the Airport have Development Area status along with all of Nairn and Ross & Cromarty. European transitional funding rules also penalise projects in Inverness except where these have clear strategic benefits for the wider Highlands. Against a general background of reduced state aid for industry, the EC has drafted proposals by which so-called 'statistical effect' areas (regions with per capita GDP below 75% of the old EU15 structure but over 75% of the enlarged EU25) would provide for higher funding support to companies and restore coverage to the Inverness area. The UK Government's position on these issues is more selective and less supportive of this area at present. Enterprise budgets set by the Executive have also been falling in recent years. Within its allocation, the HIE network has implemented targeted resource allocation whereby expenditure priorities are steered to areas considered fragile and in need of regeneration. In particular, the relative prosperity and accessibility of Inverness, whilst supported in its strategic role as 'capital of the Highlands', results in per capita spending support which is one quarter of the levels for the Western Isles and less than half those for the adjoining Ross and Cromarty area. Local authority spending is focused predominantly on services and infrastructure. Expenditure priorities mean that areas such as local roads have struggled for lack of both capital and maintenance expenditure. The Council supports a number of business investment niches, including soft loan assistance to Highland companies.

As trust ports, the harbour authorities operate on commercial business lines, and continue to invest in capital improvements with appropriate grant aid from the Executive. Both harbours have distinct core traffic and operate separate harbour services but lack the economies of scale which consolidated port authorities have achieved elsewhere in Scotland and the UK. Proposals to extend the Inverness harbour jurisdiction are sisted pending resolution of objections.

For the private sector, the bulk of the key Inner Moray Firth sites are owned predominantly by major overseas interests. Investment decisions therefore reflect international priorities although constrained by legacy issues such as site contamination. The area depends on a number of smaller but active businesses with excellent track record. However, these require better continuity of work to justify investment.



The availability of public sector funding to support upgrading of sites and company restructuring is heavily constrained, and the sub-region needs to organize to lobby the Executive/DTI for additional resource for key projects – there is ample justification in terms of the oil fabrication legacy, regional income disparities and securing the national interest in maximizing local content of renewables, etc.

The public sector needs to help create the conditions for competitiveness and to provide the leadership whereby private enterprise can confidently invest and collaborate to grow the pot of regional business activity in the Inner Moray Firth.

In the best interest of regional development, the harbour authorities need closer working to maximize the scope for shared activity, partnering and joint venture as steps leading towards possible unification.

## STRATEGY

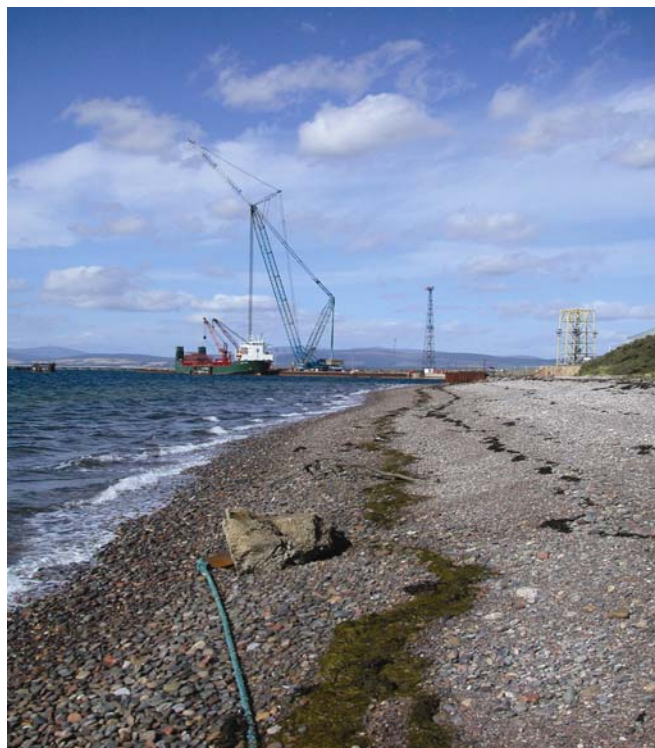
25. This report should be added to the growing family of visions and masterplans which make up the overall planning framework for the Inner Moray Firth through to the year 2050. It has a particular focus on major development sites and ports whilst acknowledging overlapping considerations for settlement pattern, transport and major infrastructure. It is necessarily selective of wider economic drivers and community aspirations in developing themes from the preceding assessment.

## MAJOR SITES – NIGG

26. The Halcrow report identified the following main characteristics and market opportunities for Nigg:

NIGG TERMINAL, YARD & SITE	
Area	30ha. Terminal (1.4m. barrels cap.) 70ha. Yard/graving dock 317 ha. Site/adjoining properties
Water Depth	17m. at Terminal 12m to 4.5m at Yard
Ownership	KBR Caledonia –Talisman lease 2009 Wakelyn Trust – KBR lease 2035 Dow Chemicals consortium
Current Use	Oil shipment, intermittent fabrication, vacant

Zoning	Diversification of industrial activity, integration of Terminal/Yard sites, petro-chemical development, subject to masterplanning/EA.
Halcrow Target Sectors	Terminal - deepwater berthing/tank farm, ship to ship transfers, biofuels, oil/gas separation, liquid waste recovery. Yard - specialist heavy industry complex/dry dock, IRM and sub sea work, decommissioning, multi-functional/multi-user fabrication cluster, inc. renewables



*Nigg Yard: Potential for a multi-functional Engineering Centre of Excellence*

27. KBR Caledonia is currently considering offers for the acquisition of their property, major cranes and plant including the terminal at Nigg. The Cromarty Firth Port Authority was awarded preferred bidder status in December 2005. Oil production from the Beatrice field will cease by 2008, with focus shifting towards a potential 1GW offshore windfarm. Various technical investigations proceeding including alternative rail spur alignments.

**The complex of land and marine facilities at Nigg should become the main Port Authority operational base with further development of berthing, adjacent cargo/container-handling, marshalling and lay down areas to the east of the Yard. A multi-functional Engineering**

**centre of excellence will be developed to capture a growing share of rig IRM, North Sea oil decommissioning and onshore/marine renewable energy manufacturing installation and maintenance contracts. The wider site will function as an Energy Park in its own right providing production, storage and trans-shipment facilities for hydrocarbons, bio-fuels, hydrogen and other renewable fuel stocks.**

**28.** The principal short term requirements are to secure control and proactive management of the Yard, leading to integrated master-planning for the overall complex. A flexible joint venture or similar consortium with a strong Port Authority presence will be best placed to fulfil such a role. Restructuring different operational activity areas will require new internal roads/services, major ground remodelling, strengthened and extended marine-side facilities, consolidation of existing site remediation regimes and capping where appropriate. New on-site drainage facilities and a full range of public safety/emission control systems will be mandatory.

**29.** Off-site transport, power and water infrastructure for Nigg is generally to a high standard having catered for large workforces and production volumes in the past. The Talisman pipeline has been extensively refurbished and may be capable of operation as a conduit for other fields or deep water outfall in future. Provision of a rail spur link to Nigg from the Far North line would significantly enhance the cargo-handling capabilities of the complex. Engineering studies for a new 'high level' route are nearing completion, but there are significant likely cost and capacity issues.

**MAJOR SITES – DELNY**

**30.** This site is located immediately to the north-east of the communities of Invergordon and Saltburn as follows;

Halcrow Target Sectors	Priority for co-location of pulp mill with timber products and bio-energy plant.
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**31.** This site has been identified in the course of a Scotland-wide search by the national Enterprise agencies for a state of the art timber complex. It would utilize and add value to maturing stocks of sitka spruce forest throughout Scotland and N. England, together with overseas sources of small roundwood and chips. Products including sawn wood, market pulp and high quality magazine paper, would sold across the UK and N. Europe. A new company, Forscot, has been established to take the project forward with different components planned to come on stream during 2007-9 and a total projected investment of £1.2 billion. It will operate as a 24hr year-round facility, with 500 direct permanent employees.



*Invergordon Delny : Potential for a major national Forest Cluster*

**The Invergordon Delny site is earmarked as a major national Forest Cluster combining timber reception/debarking and storage, saw mills, two pulp mills, paper mill, waste recovery/water treatment unit and bio-energy plant generating a surplus of 50MW for sale to the national grid. Marine transport will be the predominant means of delivering raw materials and finished product, connected by partially undergrounded conveyors from the Saltburn pierhead. A dedicated rail siding connection will also be used. This complex may attract satellite operators on nearby sites and has the potential to provide community benefits such as a district heating scheme.**

**32.** The Delny site enjoys considerable legacy infrastructure from the former Smelter development, although £ multi-million spend is

<b>INVERGORDON – DELNY</b>	
Area	100ha +.
Water Depth	11.5m at Saltburn Pier (CFPA)
Ownership	Alcan
Current Use	Farmland adjoining Cromarty Firth Industrial Park (former Smelter)
Zoning	Allocated for a large single-user enterprise and reserved in National Planning guidance for a forest products complex. EA requirement with community safety, visual amenity and other env safeguarding.

required to re-fettle or replace the electricity grid, industrial water and railway connections into the site. Extensive mounding and planted screening exists along the northern flanks towards the A9. This will require extension eastwards and also provision of supplementary screening along the southern flanks of the site. Care will be required to ensure that any residual ground contamination from the Smelter is not disturbed or re-activated in local surface water drainage arrangements.

**33.** Notwithstanding the priority afforded to sea and rail transportation, the Forscot proposals will inevitably result in substantial heavy vehicle activity on the A9 and connecting roads. This may require selective strengthening works and junction upgrading. All forms of emissions from this plant will require to meet best practicable environmental standards.

### MAJOR PORTS – INVERGORDON

**34.** Invergordon has long maritime traditions dating back to the burgh's establishment in the eighteenth century. The former Admiralty legacy weighs heavily on the town, most notably the Seabank tank farm which still dominates and dislocates the community. With its situation immediately adjoining the main deepwater channel in the Firth, modern port activities intrude into the heart of the town.

PORT OF INVERGORDON	
Area	13 ha. at the Queens Dock Former MOD pier/tanks at Seabank
Water Depth	10-12m.
Ownership	Cromarty Firth Port Authority Bannermans
Current Use	Rig IRM, mixed cargoes, cruise ships Derelict tank farm.
Zoning	Harbour-related uses with scope for leisure facilities etc.
Halcrow Target Sectors	Clean cargo port with Ro Ro/Cruise. Waterfront regeneration and Marina

**35.** Currently the operational base for the Cromarty Firth Port Authority, Invergordon is also the centre for rig inspection, repair and maintenance work with vessels brought alongside and into the dedicated Queens Dock maintenance facilities. However, space is at a premium and working practices can conflict with residential amenity. Invergordon is also the main Highland port of call for the rapidly growing cruise liner trade. Capable of

accommodating the largest vessels afloat with thousands of passengers and crew to be provided for, the 30-40 calls per annum are a major tourism resource.



*Invergordon: Opportunities to extend marine leisure facilities and improve cruise ship reception*

**Invergordon and the Cromarty Firth area will benefit from the availability of the Nigg facility which offers significant growth potential. The Service Base will continue to operate for the foreseeable future while opportunities to develop alternative uses can be progressed in the vicinity of the West Harbour and the Admiralty Pier. This would facilitate the opening up and redevelopment of the waterfront as a commercial and leisure centre close by the traditional High St retail/service area. Wider opportunity and greater flexibility would be presented by the opening up of Nigg allowing a mix of development uses around Invergordon. It would open up the waterfront to public access, extend the parkway from the west, bringing back sailing craft and marine leisure activities to the centre of the town. It would provide a proper reception point and facilities for visiting cruise ships and ro-ro vessels. It would kickstart regeneration to tackle the contamination and eyesore of the Seabank tanks with consequent provision of further housing, community facilities and open space. An Urban Regeneration Company or similar organisation should lead this process.**

**36.** Greater confidence in the future direction of change should clarify harbour investments, with ro-ro berthing a likely priority. The existing infrastructure is suitable for mixed use property development with strong scope for capital appreciation.



## MAJOR SITES – HIGHLAND DEEPHAVEN

**37.** Occupies the former wartime air base and farm land adjoining the Cromarty Firth, and separated from the village of Evanton by the Far North railway and A9 routes.

HIGHLAND DEEPHAVEN, EVANTON	
Area	176ha.
Water Depth	6m. capable of 12m
Ownership	Highland Deephaven
Current Use	Industrial estate/warehousing and Technip/UMAX pipeline spooling facility.
Zoning	Site is zoned for a mix of business, general industry and bulk storage uses including those requiring improved marine and rail access for which planning permission granted.
Halcrow Target Sectors	Specialist manufacturing/storage including Pipe Spooling, General cargo and possible Timber cluster. Transport hub (short-medium term)

**38.** The Highland Deephaven site is now at a development crossroads. It requires several large investments in order to;

(a) retain the existing pipe-spooling facility (given the recent advent of deeper draught vessels), and

(b) create a major integrated transport hub allowing sea-road-rail trans-shipment, storage and added value processing of timber and other products.

Key to this is a major jetty extension providing access to deeper water and flexibility to combine pipe shipments with general cargo-handling at an estimated cost of £6m.

**39.** The fragmented nature of the site also necessitates other major transport investments required to carry rail siding facilities under the A9 and to form a road bridge across the Allt Graad river. Mains services are currently stretched to their limits – connection to a public drainage system is mandatory and new water and electricity supply connections are required. These works are estimated to take infrastructure costs beyond a further £6m.

**Highland Deephaven is the only large zoned site around the Inner Moray Firth where road, rail and sea access presently come together and which could therefore be realistically developed as a multi-modal general Transport Hub in the near future. The window of competitive**

**advantage may however be short and eventually conceded to other locations further up the Cromarty Firth at Delny and Nigg. These uncertainties reduce the current project's fundability.**



*Highland Deephaven : Excellent rail, road and sea access*

## MAJOR PORTS – INVERNESS

**40.** Inverness is a long-established port with historic trading ties with the Baltic and strong coastal shipping traffic. As with ports worldwide, activities have moved progressively down-river to accommodate larger vessels and give improved turnaround service. Older berthing and operational land at Portland Place and Shore St. is now surplus to requirements. Shortage of storage and lay down facilities at North Longman is however curtailing expansion of general cargo trade. A proposed £8m. reclamation scheme will create new berthing and back-up land, whilst providing modern marina facilities, docking for dolphin trips and small cruise vessels.

INVERNESS HARBOUR	
Area	7ha (plus planned 8ha extension)
Water Depth	3-5m.
Ownership	Inverness Harbour Trustees
Current Use	Fuel, general cargo, marina
Zoning	Extension of port operations and marina facilities subject to compatibility with adjoining wildlife designations. Rail link potential.
Halcrow Target Sectors	Consolidation of fuel trade. Waterfront regeneration and enlarged Marina.

**41.** Fuel accounts for two thirds of Inverness harbour dues. Both the MOD (Moray air bases) and BP civilian facilities have been modernized in recent years. Projected closure of national defence establishments could lead

to some retraction. In the medium term, it is for consideration that future health and safety regulations may render commercial fuel distribution facilities incompatible with well-populated city locations. Inverness will need to win other business or to realise other assets in order to maintain positive cashflow.

**Inverness Harbour is a well-diversified and efficiently run port which should continue to trade well for some time to come. Pressures to develop other sectors of the large Inverness Waterfront for housing, leisure and commercial uses are expected to gather pace over the next decade. The city has a variety of canal, Firth and river (west bank) locations where market pressures and rising land values will eventually promote intensive property schemes.**



Inverness Harbour: Need to consolidate fuel trade.

#### MAJOR SITES – INVERNESS AIRPORT

**42.** Airports are major economic generators and increasingly important regional growth points according to recent studies. Inbound cross-border passengers at Inverness spent about £100m. in the Highlands during the year 2003/4. Almost half a million passengers used Dalcross, a 40% increase over four years ago. The Airport master plan forecasts 1 million passengers by 2010, rising to 2.2 million by 2030. Projected investment by HIAL over the next 25 years is some £95m.

INVERNESS AIRPORT	
Area	256ha. (net)
Water Depth	na.
Ownership	HIAL/HIE/Moray Estates/THC
Current Use	Airport activities, industrial estate and farm land.
Zoning	Business park, hotel, industry, cargo/freight interchange and ancillary activities. New access road link to the A96 and passenger rail/bus park n'ride. Main runway extension in the National Planning Framework.
Halcrow Target Sectors	na.

**43.** HIAL has recently introduced automated landing systems at Dalcross and is working to bring in 24 hour operations which would impart competitive advantage for mail, distribution and aircraft maintenance and repair activities. The operator is also seeking to buyout the passenger terminal PFI arrangement as a prelude to creating additional facilities, airport services and parking. A modest 180m. main runway extension would allow scope for future long haul route development.

**44.** In conjunction with its partners, HIE/INE and Moray Estates, together with loan participation by the Council, HIAL is pressing forward with a major Joint Venture scheme which will create a modern road access, major Business Park and passenger interchange facilities including park 'n' ride, bus and a new rail halt. The business park has an estimated capacity for over 250,000m<sup>2</sup> of accommodation capable of generating over 5000 jobs by 2035.

**Inverness Airport and surrounding land is recognized as a major long term regional development hub and a principal Gateway into the Highlands for businesses, tourists and residents alike. Given the ambitious air traffic projections, land use proposals will need to mesh with surface transport planning and strategic infrastructure network improvements which are already under investigation. Effective cost-sharing arrangements will be key to orderly implementation in the A96 Corridor.**

## MAJOR SITES – ARDERSIER

**45.** This former platform fabrication site closed in 2000. The owners have subsequently cleaned up the site and sold off the plant, leaving a bare brownfield development area barring several large demountable sheds. Situated on a tidal inlet, this has previously required frequent maintenance dredging for larger vessels, and further marine works are constrained by European nature designations. The site also functions as an independent harbour authority.



*Ardersier Yard : Under consideration for a new resort / tourist destination*

ARDERSIER YARD	
Area	325ha. (250ha developable)
Water Depth	3.5 – 5m.
Ownership	Ex-McDermott/Stolt Whiteness Devt. Co.
Current Use	Vacant
Zoning	Industrial, with opportunity for oilrig decommissioning or an alternative large-scale industrial/environmental technology purpose.
Halcrow Target Sectors	Subject to engineering & environmental constraints, use for large-scale timber, ro-ro, cruise, general cargo and transport hub

**46.** The Whiteness consortium has recently purchased the whole site. The group's detailed intentions and timescales have yet to be revealed. Preliminary discussions suggest that a new village cum resort/tourist destination built around a large marina is contemplated. The new complex is expected to accommodate around 3000 persons, in a mix of owner-occupied and holiday-rented property along with supporting commercial, leisure and community facilities.

**47.** Development as outlined would breach the current Local Plan allocation for industry. It would create a substantial community, including significant numbers of retired people, several kilometres away from the nearest public transport facilities, and wholly dependent upon a single spine access road. Increased recreational pressures on surrounding priority habitats require assessment. There are ground contamination and flood protection issues to be resolved. The site has existing power and water connections, but significant new drainage investment would be required, as may financial contribution to future upgrading of the A96 road.

**48.** Nevertheless, this is a brownfield development location capable of contributing to projected housebuilding/community facilities requirements for the wider A96 Corridor. It enjoys an attractive setting and outlook, and could be woven into the projected regional coastal footpath scheme linking between Inverness and Nairn, with wider benefits to residents and visitors. It should support significant employment and increase the range of high calibre tourist facilities likely to be developed along the southern flank of the Inner Moray Firth.

**The Whiteness development proposals for a new community with strong leisure/tourism component at Ardersier are innovative and not without merit. The scheme is capable of meeting a proportion of future housing needs in the wider A96 Corridor subject to careful design and consideration of detailed proposals. These need to be assessed against the prevailing environmental and infrastructure conditions.**

### SETTLEMENT PATTERN

**49.** The ambitious population targets set for the Inner Moray Firth sub-region (para 13) will exacerbate an existing shortage of housing accommodation. Previous assessments have calculated the current deficiency at 5000 affordable housing units across the sub-region. This shortfall will grow as year on year housebuilding activity falls consistently below the projected construction requirements (as also evidenced). Failures in volume, range and affordability of housing stock are generally



perceived by the development agencies as the most serious single impediment to future prosperity and wellbeing in the Highlands. Housing needs are also spiralling as a result of demographic and social trends, which drive the processes of household 'fission' – longevity, divorce, mobility and financial independence.

**There is a realistic requirement to erect some 30-35,000 new dwellings for the Inner Moray Firth area through to 2050. A building programme of this scale will necessitate a further step change in construction levels from less than 640 units per annum at present to in excess of 750. New institutional arrangements will be required to ensure effective delivery of the affordable housing component.**

50. The distribution of new housing stock and land for associated community etc. facilities is a key concern of planning strategy. The Highland *Structure Plan* incorporates a spatial strategy which seeks to strengthen investment in Inverness as the regional capital whilst steering additional development towards recognized service centres such as Dingwall, Nairn and other settlements including Culloden, Beaully, Muir of Ord, Alness, Invergordon and Tain. Existing Development Plan allocations cater for approximately 9,000 house plots in the main centres and a further 4,500 sites in smaller communities. These allocations are not expected to fulfil pressures beyond 2011-17 when additional land take will be required. In both the City of Inverness and other key towns there is growing recognition of the limits of sustainable settlement expansion and a corresponding need to consider the scope for new communities (Structure Plan policy H2). The Council has engaged consultants to help prepare such a strategy approach to long term development of the A96 Corridor between Inverness and Nairn. Similar investigations may ultimately be required for the main East Ross development corridor, as well as to evaluate other potential 'intermediate' locations. Proximity to key transportation networks and local employment sources will be vital selection criteria. Any such proposals will need to be formulated on the basis of comprehensive and fully funded planning agreements covering landowner/developer contributions to related services and infrastructure.

**In addition to proposals for expansion and consolidation of existing settlements across the Inner Moray Firth, development schemes need to be brought forward to validate the scope for**

**freestanding New Communities. There are draft proposals for a major new settlement of 10,000 population situated north of Croy in the A96 Corridor, whilst other possible long term candidate locations include Fearn-Kildary, Tore, Brahan and Kirkhill.**



*Requirement for more than 30,000 new houses by 2050.*

## TRANSPORT & MAJOR INFRASTRUCTURE

51. Timeous availability of infrastructure is critical to delivery of any long term planning strategy. The Highlands are particularly susceptible to under-investment and service restrictions given their remoteness, extremes of climate and terrain, greater sparsity and seasonality of demand. Privatisation and restructuring of businesses have largely removed local control over most infrastructure services. For the purposes of the current strategy, new and improved transport and other facilities fall into three main categories;

- improvements in connectivity between Inverness/Highlands and national centres
- schemes to facilitate sub-regional journeys to access work, business, social and leisure activities
- localized projects predominantly serving trips made within communities.

Only exceptional projects falling into the latter category warrant reference in this report.

52. It is imperative for future regional economic development of such a peripheral area that Inverness recovers restoration of full Heathrow air services. This is essential for business inter-lining, and to widen the range of direct flight origins/destinations available for tourists and local people. Whilst helpful, the current air route development funding scheme is more suited to recruitment of provincial cities and local 'spoke' services. Faster passenger rail services to the Central Belt and Aberdeen also require significant investments

in re-engineering/signalling and new rolling stock if they are to compete effectively with road traffic alternatives. The rail freight situation is just as critical with known gauge pinch points such as Killiecrankie. Full 24 hour operation of the railway north, south and east of Inverness is essential to service future needs such as the import of 1100 tonnes of timber daily from S.Scotland to the Delny complex, and increasing container traffic.

**National transportation planning should give more focus to strengthening the links, both passenger and freight, between Scotland's cities and with key international destinations. The future performance of the Inner Moray Firth sub-region is extremely dependent upon good air, maritime, trunk road and rail connections with Central Scotland, Aberdeen, London and other international hubs. Priority schemes must include dualling of the A96, restoration of Heathrow air services and engineering solutions to direct 24h rail freight movements to the south.**

**53.** At the regional scale, the development of large-scale industrial and business complexes at Nigg, Delny, Evanton and Nexfor/Dalcross is predicated on inter-modal freight working via new rail spur lines and sidings. Further development of the Invernet commuter rail services covering Easter Ross, Badenoch & Strathspey and Moray/Nairn will require improved frequencies and higher capacity trains into Inverness, together with progressive opening of new stations, commencing with Conon Bridge and the Airport.

Conventional bus services offer the more flexible and lowest cost solution to commuter demand, but require priority running conditions to capture significant business from the private car which has clear door to door advantages at present. Other facilities include multi-modal/passenger interchanges with real time service information and through ticketing. Green transport programmes operated by largest employers and main business parks should become *de rigeur*. New road capacity is also essential in a number of locations, particularly if the city of Inverness is to avoid routine gridlock.

**Priority sub-regional transportation schemes include consolidation of Invernet and new station openings, together with development of peak hour bus priority schemes on A96, A9 (north) and A82 servicing park n'ride facilities on the edge**

**of the city (W.Seafield, East Longman, Torvean) or intermediate locations such as Tore and the Airport.**

**Key road schemes include dualling of A96 (potential for road traffic volumes on this road to triple over the next 25 years to 50,000 vpd) together with development of a Nairn town bypass. Crawler lanes are required on both grades along the Tore-Ardullie section of the A9 across the crest of the Black Isle. Solutions must be found for congestion at the Longman and Raigmore interchanges, possibly linked to completion of the Trunk Road Link route connecting A96, A9 to A82 including river and Canal crossings at Torvean and its eventual dualling. The longer term Cross-rail connection would enable city centre pedestrian and environmental makeover.**

**54.** European directives are forcing the pace for improved water and sewerage services, leaving little investment headroom for new development and aggressive growth scenarios. Projected national power grid reinforcement in Highland will not per se help deliver local capacity improvements. Progress depends on innovative and equitable developer contribution schemes being put in place.

Major new public drainage/outfall facilities are needed for the A96 Corridor, Evanton-Invergordon and potential new community locations such as Tore. A new water source, major hydro sub-station and gas reinforcement schemes are also anticipated in the A96 Corridor.

## **ACTION PLAN**

**It has been agreed that the Working Group will meet to monitor progress and implementation of the Strategy. An early priority is to agree an Action Plan highlighting the key infrastructure investments required to deliver the strategy.**

## **STATUS**

**This report was approved as supplementary planning policy guidance in support of the Development Plan by the Highland Council on the 29 June 2006.**