

Report

Report to:	Executive Committee
Date of Meeting:	2 March 2022
Report by:	Executive Director (Community and Enterprise Resources) Executive Director (Finance and Corporate Resources)

Subject:	Community Benefit Funds – New Contributions Douglas West Wind Farm
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ Seek approval for community benefit payments generated from the Douglas West to be managed through the Renewable Energy Fund (REF).
- ♦ Seek approval for 1 Full Time Equivalent (FTE) Community Economic Development Officer be added to the Planning and Economic Development Services establishment on a fixed term 23-month basis.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Council's REF incorporate provision for the receipt and disbursement of community benefit payments in respect of Douglas West wind farm site be approved; and
- (2) that the addition of 1 FTE Economic Development Officer Grade 3 Level 2 - 4 (£33,651 - £39,162) to the Planning and Economic Development establishment for 23 months be approved.

3. Background

- 3.1. Through the Renewable Energy Community Benefits Policy, the Council has sought annual community benefit payments ranging from £1000 per MW, when the policy began in 2004, to £5000 per MW regarding the most recent applications. This is aligned with the Scottish Government's Good Practice Principles for Onshore Energy Development recommendations published in 2015 that identifies the opportunity for communities to share in the rewards from their local energy resource. These contribution rates are for guidance only as neither the Scottish Government nor the Council can oblige developers to provide community benefit contributions.
- 3.2. These agreements with developers place an obligation on the Council to administer community benefit funding received through the established REF processes. The REF currently manages community benefits from near 41 windfarms and wind turbines with an annual income of £2m. The distribution of the REF is reported annually to the Community and Enterprise Committee.

4. Eligible Area for Distribution of REF Grants from the turbine sites

- 4.1. The operator of Douglas West windfarm Greencoat Capital has agreed to contribute £2,500 per MW per annum to the South Lanarkshire Council REF. The wind farm was operational in September 2021 generating 45MW per annum and an annual contribution to the REF of £117,000 which will rise annually in line with the RPI in August each year.
- 4.2. Following discussions with Greencoat Capital it has been agreed that a portion of the fund should be used to fund a Community Economic Development Officer to support the development of projects and REF applications in the eligible area. The agreement recognised that the area can already benefit from significant Community Benefit Funds with some communities within the area having access to more than £1m annually, with this likely to increase in future years through new developments. The main challenge for local communities is their capacity to develop larger more complex and impactful projects that would fully benefit from the funds available.
- 4.3. The posts duties will include working with communities to prioritise larger projects and support communities to develop complex project proposals to a stage that meet funders requirements. The post will also develop partnership working between local communities, funders, landowners, and agencies including NatureScot to help support community projects including nature restoration, active travel, and recreation in the area amongst other priorities. A 12-month review of the progress of developing larger more strategic projects will be undertaken.
- 4.4. The eligible area for the Douglas West windfarm fund is identified in Appendix 1, is based on Community Council boundaries of the four community council areas Lesmahgow, Douglas, Coalburn and Rigside which are inside 10 km of the windfarm.
- 4.5. Following discussions with NatureScot it has also been agreed they will contribute £5,000 to the post in 2022/23 to help support a Just Transition by directing community benefit funds from the wind energy developments to projects which deliver the most benefits for local communities.

5. Employee Implications

- 5.1. It is proposed that the following post is added to the establishment of Planning and Economic Development Services for 23 months fixed term period

Post title	Number of Posts	Grade/SCP	Hourly rate	Annual salary (excluding on-costs)	Gross salary (Including on-costs 30.3%)
Economic Development Officer	1	Grade 3	£18.44	£33,651	£43,847
		Level 2 – 4 SCP 63 - 74	£21.46	£39,162	£51,028
Total 23 month maximum					£97,803

6. Financial Implications

- 6.1. Between the annual contribution from the Douglas West windfarm received in September each year and the one off NatureScot contribution all costs of the post, including national pay rises rates will be covered. The remaining contributions will be awarded to projects through the REF and can only be dispersed to projects located

within the eligible area's shown on Appendix 1. The post will also be identifying match funding opportunities from other funding opportunities to ensure the maximum leverage and impact of wind farm contributions for the area.

7. Risk and Other Implications

- 7.1. There is no risk to the Council in supporting this proposal. By not proceeding the Council would not be acting consistently in support of its community benefit policy and there would be a risk that the funds would not be distributed efficiently and equitably to eligible community organisations operating in the area.

8. Climate Change, sustainability and environmental implications

- 8.1. The REF has as one of its 4 key themes Sustainable Environmental Communities and encourages and funds projects that contribute to sustainability objectives. The post will help support the communities in developing more complex sustainable projects.

9. Equality Impact Arrangements and Consultation Arrangements

- 9.1. Community benefit will provide support to a wide range of social enterprise, voluntary, charitable and community groups across the defined area of rural South Lanarkshire.
- 9.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

Alistair McKinnon - Interim Executive Director (Community & Enterprise Resources)
Paul Manning - Executive Director (Finance & Corporate Resources)

16 February 2022

Link(s) to Council Objectives Vision, Values and Ambitions

- ◆ Improving the quality of life of everyone in South Lanarkshire
- ◆ Focused on people and their needs, Accountable, effective, efficient, and transparent
- ◆ Promote economic growth and tackling disadvantage

Previous References

None

List of Background Papers

- ◆ Executive Committee 3 March 2004, "Community Benefit: Establishment of a Renewable Energy Fund".
- ◆ Executive Committee 1 December 2010, Renewable Energy Developments and Community Benefit.
- ◆ Enterprise Services Committee, 1 April 2014, Scottish Government Consultation on Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments
- ◆ Community and Enterprise Resources Committee, 30 October 2018 Renewable Energy Fund Community Benefits Fund Proposed Updates and Amendments

Contact for Further Information

If you would like further information, please contact:-

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