

# Report

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| Report to:       | <b>Community and Enterprise Resources Committee</b>            |
| Date of Meeting: | <b>3 September 2019</b>  |
| Report by:       | <b>Executive Director (Community and Enterprise Resources)</b> |

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| Subject: | <b>Community Benefit Funds - New Contribution - Kype Muir Wind Farm</b> |
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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 development and operation of the Kype Muir Wind Farm to be managed through the Renewable Energy Fund (REF) and the Connect2Renewables (C2R) Employability Initiative.

## 2. Recommendation(s)

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

- (1) that the Council's REF incorporates provision for the receipt and disbursement of community benefit payments in respect of Kype Muir Wind Farm;
- (2) that the expansion of the C2R employability programme be implemented; and
- (3) that the Executive Director (Community and Enterprise Resources) be authorised to conclude administrative matters in relation to the incorporation of the community benefit using the outlined mechanisms.

## 3. Background

### Kype Muir Wind Farm

- 3.1. The Kype wind farm, to be operated by Banks Renewables (Kype Muir Wind Farm) Limited, is located in the vicinity of the villages of Lesmahagow, Blackwood, Kirkmuirhill, Stonehouse, Glassford, Sandford, Chapelton, Strathaven and Coalburn.
- 3.2. The developer has committed to provide a community benefit package equating to an annual payment of £5,000 per MW of installed capacity. This is apportioned £1,875 per MW to the REF(37.5%) and £3,125 per MW to Kype Muir Community Partnership (KMCP) (62.5%) consisting of Sandford and Upper Avondale, Strathaven and Glassford, Stonehouse, Lesmahagow and Blackwood and Kirkmuirhill (including Boghead) Community Council areas.
- 3.3. Construction of the wind farm commenced in early 2017 and electricity production commenced in the summer of 2019. The Community Benefit payment was triggered when the wind farm was energised i.e started electricity production.

- 3.4. Through discussions with the developer, BANKS Renewables, who also constructed Middle Muir Wind Farm, it has been agreed that 50% of each of REF and the KMCP's community benefit package will fund the expansion of the C2R employability programme initially developed to serve the 10km community benefit area around Middle Muir Wind Farm. This employability programme is delivered by officers in Finance and Corporate Resources. C2R will initially receive 5 annual payments from Kype Muir after which time there will be a review to determine whether this will continue or whether all community benefit funding received will then be managed through the Renewable Energy Fund and the KMCP for community use. Details of the development and the agreed contributions are set out in the following table.

| Application Number | Consent Granted                  | Development and contribution calculation                          | Community Benefit Contribution (base payments from agreement before inflation) |  |         |          |
|--------------------|----------------------------------|---|--|--|---------|----------|
|                    |                                  |   | Date   | C2R  | REF     | KMCP     |
| EK/11/0256         | June 2015 by Scottish Government | Total contribution 26 turbine x 3.4kw x£5000=£442,000 (per annum) | May2019  | £221,000   | £82,875 | £138,125 |
|                    |                                  |   | May 2020   | £221,000   | £82,875 | £138,125 |
|                    |                                  |   | May2021  | £221,000   | £82,875 | £138,125 |
|                    |                                  |   | May2022  | £221,000   | £82,875 | £138,125 |
|                    |                                  |   | May2023  | £221,000   | £82,875 | £138,125 |
|                    |                                  |   |  | Review   |         |          |
|                    |                                  |   | 2024   | £165,750 to REF and £276,250 to KMCP with apportionment to C2R to be agreed after review |         |          |
|                    |                                  |   | -Overall term of 25 years  |  |         |          |

- 3.4. The agreement with the developer places an obligation on the Council to administer community benefit received in respect of this development through the established REF processes and administrative arrangements for the employability programme. The REF currently manages community benefits from a number of windfarm developments including Middle Muir, Andershaw, Blacklaw, Whitelees, Pates Hill, Stallashaw Moss, Millburn, Dykehead, Haspielaw, Upper Haywood, Tanhill, North Brackenridge, Blantyre Muir, Browncastle, Burnbrae, Calder Water, Lampits and Andershaw wind turbine sites.
- 3.5. The C2R employability programme will be targeted to the unemployed and/or individuals who require support for skills development, and reside within a 10km radius of the Wind Farm development. The programme will seek to widen participation within this part of rural South Lanarkshire addressing key challenges in terms of access to employability services.

- 4. Eligible Area for access to Employability initiative and Distribution of REF Grants from Kype Muir Wind Farm**
  - 4.1. The eligible area for the funds generated from the development at Kype Muir Wind Farm is shown on Appendix 1 and is broadly the area within South Lanarkshire, within 10km of the application site boundaries. This includes Lesmahagow, Blackwood, Kirkmuirhill, Stonehouse, Glassford, Sandford, Chapelton, Strathaven and Coalburn.
- 5. Employee Implications**
  - 5.1. The additional community benefit contribution and fund to C2R will be managed using existing resources within Planning and Economic Development Service and Finance and Corporate Resources.
- 6. Financial Implications**
  - 6.1. There are no additional financial implications for the Council in managing the proposed new funds.
- 7. Other Implications**
  - 7.1. There is no risk to the Council in supporting this proposal and the work can be undertaken within existing resources. By not proceeding the Council would not be acting consistently in support of its adopted policy and there would be a risk that the funds would not be distributed timeously and equitably to appropriate, eligible community organisations.
  - 7.2. There are no implications for sustainability in terms of the information contained within this report. The underlying basis of Community Benefit Funds is to support local community groups and organisations become more sustainable.
- 8. Equality Impact Arrangements and Consultation Arrangements**
  - 8.1. 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.
  - 8.2. Community benefit will provide support to a wide range of voluntary, charitable and community groups/bodies across an extensive area of rural Clydesdale. Consultation has taken place with Planning and Building Standards and the developers.

**Michael McGlynn**  
**Executive Director (Community and Enterprise Resources)**

25 July 2019

#### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Focused on people and their needs
- ◆ Accountable, effective, efficient and transparent
- ◆ Support our communities by tackling disadvantage and deprivation and supporting aspiration
- ◆ Support the local economy by providing the right conditions for inclusive growth

#### **Previous References**

- ◆ Planning Committee - 29 January 2019 – Kype Muir Wind Farm

### **List of Background Papers**

- ◆ Executive Committee 3 March 2004, “Community Benefit: Establishment of a Renewable Energy Fund”.
- ◆ Executive Committee 01 December 2010, Renewable Energy Developments and Community Benefit.
- ◆ Enterprise Services Committee, 01 April 2014, Scottish Government Consultation on Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments

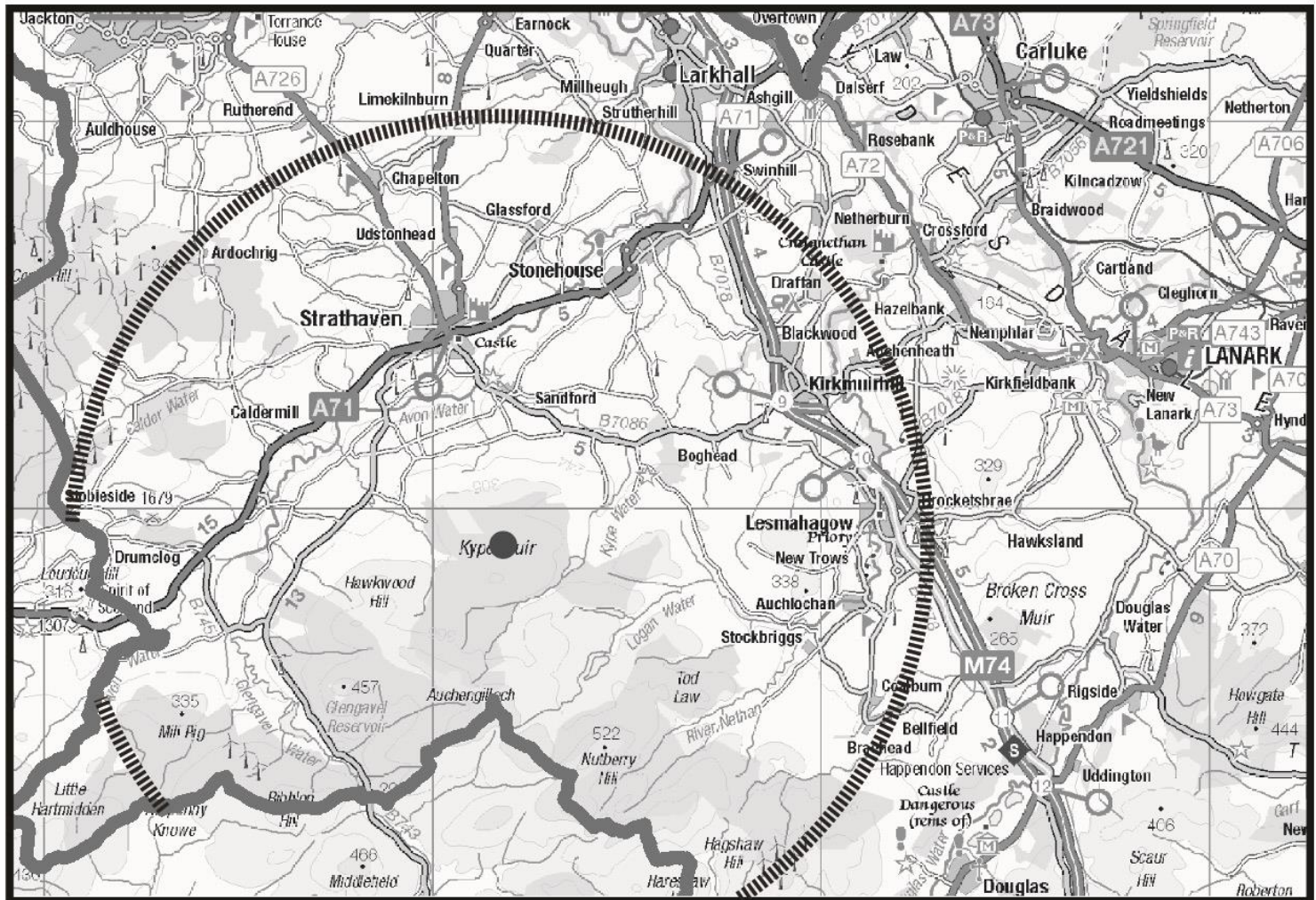
### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

John Archibald, Project Development Officer, Planning and Economic Development Services.

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# Appendix 1 Kype Muir Windfarm



## KEY

- SLC boundary
- 10km boundary
- Location of wind turbine

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