

# Report

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Report to:	<b>Enterprise Services Committee</b>
Date of Meeting:	<b>17 January 2017</b>
Report by:	<b>Executive Director (Community and Enterprise Resources)</b>

Subject:	<b>Community Benefit Funds - New Contribution – Middle 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 Middle Muir Wind Farm to be managed through the Renewable Energy Fund (REF) and an Employability Initiative

## 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 Middle Muir Wind Farm;
- (2) that arrangements for the implementation of the employability initiative (Connect2Renewables) be progressed by the Executive Director (Community and Enterprise Resources); 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

### Middle Muir Wind Farm

- 3.1. This wind farm, to be operated by Banks Renewables (Middle Muir Wind Farm) Limited. is located between the villages of Douglas and Crawfordjohn and comprises 15 turbines.
- 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 consistent with current practice and Scottish Government guidelines. In this instance, the agreement with the developer was to direct community benefit payments to Renewable Energy Fund and to employability initiatives. The reason being is to support community projects and assist the local population into employment opportunities. This approach was reported to the Enterprise Services Committee on 1 April 2014.
- 3.3. Construction of the wind farm will commence in March 2017 and electricity production will begin in November 2018. Normally community benefit payments require to be made by the developer from the start of electricity production. However, in this instance, the signing of the agreement to provide community benefit has

triggered an advance payment of 50% of the total annual community benefit contribution. This upfront payment equates to £127,500 to support employability initiatives and was received July 2016. The remainder of the first annual payment of £127,500 in relation to the Renewable Energy Fund will be received once the wind farm becomes operational, anticipated in November 2018. The second payment, in relation to both the employability initiative and the Renewable Energy Fund, equating to £255,000 (plus inflation) is due at the start of the second year of electricity production in November 2019, with all subsequent payments due annually in November. The employability initiative will initially receive 5 payments after which time there will be a review to determine whether this will continue or whether all community benefit funding will then be managed using the Renewable Energy Fund mechanism. Details of the development and the agreed contributions are provided in the following table.

Application Number	Site	Consent Granted	Development and contribution calculation	Community Benefit Contribution (base payments before inflation)		
				Date	Connect2 Renewables	REF
CL/12/0056	Middle Muir Wind Farm	September 2014 (Scottish Gov)	Total contribution 15 x 3.4mw x£5000=£255,000	July 2016	£127,500	£0
				Nov 2018	£0	£127,500
				Nov 2019	£127,500	£127,500
				Nov 2020	£127,500	£127,500
				Nov 2021	£127,500	£127,500
				Nov 2022	£127,500	£127,500
					Review	
				Nov 2022 - Onwards	£255,000 with apportionment 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 employability support. The REF currently manages community benefits from a number of windfarm developments including 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. In relation to the employability fund, these will be targeted to the unemployed and/or individuals who require support for skills development, and reside within 10km radius of the Wind Farm. The key purpose in this regard is to ensure that these individuals can gain access to employability training and employment opportunities. The details of employability initiative will require to be developed in conjunction with the Council's overall employability programme to ensure that it is complementary.
- 4. Eligible Area for access to Employability initiative and Distribution of REF Grants from Middle Muir Wind Farm**
- 4.1. The eligible area for the funds generated from the development at Middle 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 Douglas, Crawford, Coalburn, Rigside, Abington and Crawfordjohn.
- 5. Employee Implications**
- 5.1. The community benefit contribution will be managed using existing resources within Planning and Economic Development Service.
- 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.
- 8. Equality Impact Arrangements and Consultation Arrangements**
- 8.1. 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 Services and the developers.
- 8.2. 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.

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

**5 December 2016**

**Link(s) to Council Objectives and Values**

- Sustainable development
- People focused

**Previous References**

- Planning Approvals – Middle 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

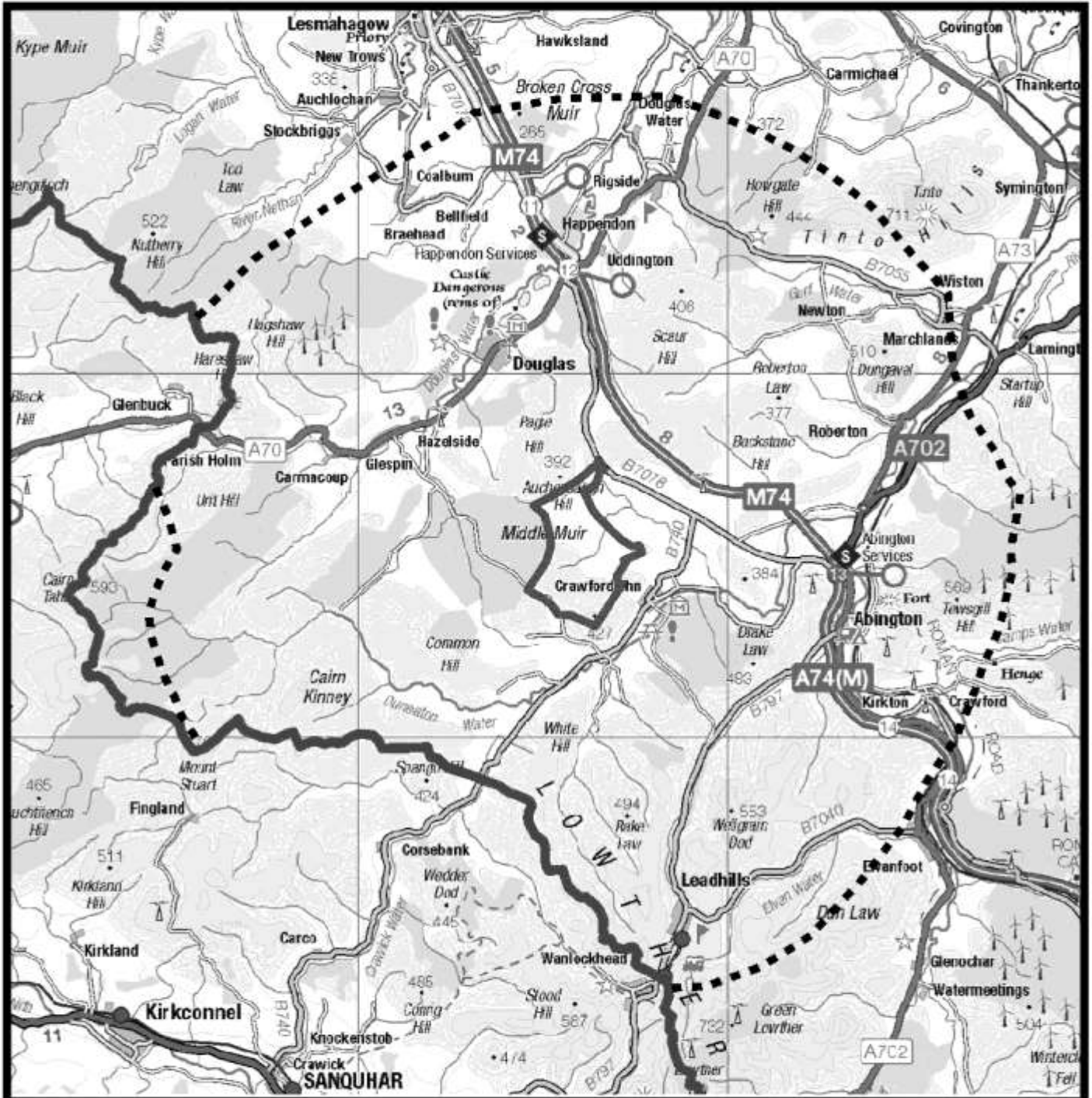
### **Contact for Further Information**

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. Telephone 01698 455181, email

[john.archibald@southlanarkshire.gov.uk](mailto:john.archibald@southlanarkshire.gov.uk)

# Appendix 1

## Middle Muir



- SLC boundary
- 10km boundary
- Windfarm

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