

Development Plan Moray Guidance – Maximising Net Economic Impact NPF4 Policy 11 c)

Introduction

This Guidance sets out the Council's approach to ensuring that energy development proposals maximise net economic impact, including local and community socio-economic benefits such as employment, associated business, and supply chain opportunities and achieve a lasting legacy.

Relevant NPF4 policies include Policy 11 (Energy), Policy 18 (Infrastructure First) and Policy 25 (Community Wealth Building).

Policy 11 c) of NPF4 has introduced a step change in the assessment of renewable energy developments in terms of **only** being supported where they Maximise Net Economic Impact including local and community socio economic benefits such as employment, associated business and supply chain opportunities.

Policy 11c) states:

Development proposals will only be supported where they maximise net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities.

To maximise the net economic impact of renewable energy developments in Moray, applicants will be expected to provide a Net Economic Impact Maximisation Plan against where delivery will be secured, where appropriate, through planning conditions and/or planning obligations.

Background

It is important to differentiate between the net economic benefits required under policy 11 c) and the voluntary community benefits that may be provided by developers to communities as described in Scottish Government's "Community Benefits from Onshore Renewable Energy Developments". Voluntary community benefits can provide socio economic benefits but as they are voluntary in nature and do not form part of the planning system and are not a material planning consideration. Socio economic benefits arising from voluntary community benefits are not therefore part of the consideration of compliance with policy 11 c). (See separate section on non-voluntary Community Benefit).

Moray Council commissioned work to look at the net economic impacts of onshore wind and the operation of community benefits to determine what is needed to ensure that net economic benefit is maximised.

The key messages from that work, as set out in BIGGAR Economics' report to Moray Council and Highland Council (January 2024), that are important to maximise net economic benefit are as follows:

- The voluntary nature of collaboration between developers and communities.
- Leaving scope for innovation and bespoke solutions and opportunities
- A planned approach is crucial for maximisation.
- The approach should be holistic.
- It should enable rapid deployment and not be a barrier.
- Ensure high local supply chain content.
- Bespoke local employment and skills training.
- Fair contributions for enabling infrastructure.
- Fair community benefit packages.
- Continued innovation.

This guidance sets out how Moray Council will support the assessment of NPF4 Policy 11 c) and how it aims to deliver against the key findings of the report on maximising net economic benefit.

This guidance requires developers to take into account the interventions set out in the Regional Socio-Economic Impact Plan and their own continuing direct engagement with communities, developers should consider regional and local development plans and economic interventions when proposing solutions.

The Biggar Economics Report Jan 2024 noted that not all communities are equal in terms of both capacity to work with developers but also access to funds from renewables. We are therefore proposing that developers must demonstrate that they provide net economic impacts at both a local and regional level.

Threshold

This guidance will apply to:

- all forms of renewable energy development onshore or offshore greater than 5MW
- energy generation, storage, new and replacement transmission and distribution infrastructure
- emerging low carbon technologies including hydrogen, thermal energy storage and carbon capture utilisation and storage.

Aims of Guidance

The guidance aims to support developers in meeting the requirements of Policy 11 c) through addressing how development proposals can maximise net economic impact and address regional economic priorities, Policy 25 Community Wealth Building and Policy 18 Infrastructure First through:

- Increasing employment opportunities by helping local businesses to grow and diversify.
- Increasing local spend within the local area through increased use of the local supply chain.
- Providing local employment and skills development opportunities within the local area, particularly within areas of highest inequalities.
- Providing opportunities for related new business start-ups in the area.
- Providing opportunities for community ownership of business and assets. For the purposes of this guidance, a “local person” is a person with a permanent address in the Moray Council administrative area and a “local business” means a business based in, or having a significant permanent physical presence in Moray. The “North and North East Scotland” refers to the Moray, Highland, Aberdeenshire and Aberdeen City administrative boundaries.

The Council is committed to supporting community wealth building and ensuring that energy developments provide a lasting legacy. Developers should consider the Council guidance relating to Policy 25 Community Wealth Building Strategy when developing proposals.

Developer Requirements

The requirements detailed in this guidance are intended to aid implementation of NPF4 and support delivery of the Development Plan for Moray. The guidance should be taken into account from the earliest stages of the development process to allow benefits to be maximised and for any associated costs to be factored into the project costs, viability and land value.

This guidance requires developers to propose regional and local solutions taking account of the interventions set out in the Regional Socio-Economic Impact Plan, regional and local development plans and economic interventions when proposing solutions.

To aid this work a Developer Obligation will be taken towards the provision of Community Wealth Building Officers to assist in developing regional interventions around infrastructure, local plans, skills and barriers to employment and economic development and to assist developers with local engagement and community

ownership models for the region. This commuted sum will be taken at the rate of £200 per MW installed per annum with the first trigger being paid on the date the Planning Permission is issued.

This is not intended to replace community development officers that may exist in communities as part of existing windfarm community benefit funds, it is intended that these officers will be able to:

- support the regional socio-economic impact plan together with local plan development.
- assist developers with community engagement and understanding of the planned interventions.
- assist communities with developer engagement and community ownership models and funding.
- act as liaison between regional economic development bodies and the community and the developer.
- Support supply chain development and liaison.
- Identify barriers to local employment in energy related sectors.
- Work with developers to secure regional interventions.

This provision is directly related to maximising the economic impact from all energy related developments in Moray in a way that cannot be achieved by each development operating independently.

Moray Council will, in conjunction with Moray Economic Partnership, develop a Regional Socio Economic Impact Plan to deliver regional socio-economic impacts and developers will be guided to contribute to this fund or alternative interventions that deliver regional socio-economic impacts directly as a way of meeting the requirements of Policy 11 c) and this local guidance. If Developers seek to deliver similar regional economic benefits through equivalent means, then they should demonstrate how this meets the objectives of the Regional Socio-Economic Impact Plan.

Process

Development proposals which fall within the thresholds outlined above are required to submit a Net Economic Impact Maximisation Plan with their planning application or energy consent application to support requirements of NMPF4 policy 11c).

Net Economic Impact Maximisation Plan (NEIMP)

The NEIMP should take a proportionate approach and set out the following information under these headings below to meet the requirements of NPF4 Policy 11 c).

The Plan must set out targets for each of the measures being proposed and details how the measures will be monitored and delivered.

It is important to note that the commitments made within the **NEIMP** will be a material consideration and therefore subject to planning conditions to ensure the development complies with the requirements of Policy 11 c).

Developers should include information taken from Economic Impact Studies associated with the proposal. These studies are often theoretical and based on industry case studies and do not necessarily reflect the reality of the development. Developers should only include the socio-economic impacts that they can commit to. The NEIMP must include consideration of Policy 25 Community Wealth Building and our associated [guidance](#) including: -

(i) Improving community resilience, reducing inequalities and maximising local job creation

(ii) Increasing spending within communities and ensuring the maximum use of local supply chains and services

(iii) Creation of related new local firms

(iv) Enabling community ownership of buildings and infrastructure

In addition, the NEIMP must include the following: -

(i) Planned Approach to ensure socio economic legacy

- Provide details of the local and regional plan used to inform the proposals contained in the NEIMP.

(ii) Maximising economic impact

- Demonstrate how the net economic impact of the development has been maximised through the measures proposed, including reference to the key messages outlined below.
 - The voluntary nature of collaboration between developers and communities.
 - Leaving scope for innovation and bespoke solutions and opportunities.
 - Utilisation of a planned approach.
 - The approach should be holistic in relation to socio economic benefit.
 - It should enable rapid deployment.
 - Ensure high local supply chain content.
 - Bespoke local employment and skills training.
 - Fair contributions for enabling infrastructure.
 - Fair community benefit packages.
 - Continued innovation.

The NEIMP should set out the details required above including how the NEIMP will be delivered and monitored and include a contact name for the delivery of the NEIMP. The NEIMP should provide an outline of the community engagement conducted in developing the plan and how the plan addresses the stated needs of the local community. Details should also be provided of future monitoring including a statement upon completion of the construction phase and one year into the operational phase if considered relevant by the Council. These requirements will be subject of a planning condition and formal review periods. Monitoring statements should set out the delivered outcomes compared to the targets set out in the NEIMP. Where information cannot be provided at the early stage of the planning process, the plan should outline the approach timing for provision of such information so that it can be conditioned.

Non-Voluntary Community benefits

As noted above, it can be that voluntary community benefits (which are not a material consideration in planning terms) can bring socio economic benefits. Developers should be careful to explain when community benefits are being provided to communities on a voluntary basis, and where benefits are being claimed in terms of Policy 11 c) and included in the NEIMP. In the latter case, such benefits will no longer be considered voluntary and will be considered to be a socio-economic benefit that the developer is committing to provide to meet the terms of policy 11 c) by way of maximising the net economic impact of the proposed development. This does not impact on the community benefit packages offered but would provide communities with the security that those community benefits are no longer voluntary and would be a condition of planning for the lifetime of the development.

Support for preparing the NEIMP.

Applicants are advised to make early contact with the Strategic Planning and Development section to discuss the NEIMP requirements by e-mailing localdevelopmentplan@moray.gov.uk. Officers within Strategic Planning and Development and the Economic Growth and Regeneration sections will support applicants in preparing their NEIMP and will suggest measures to include within the Plan, seeking to maximise local spend, skills development and employment opportunities.

Advice will also be available through the Council's pre-application service; details are available at http://www.moray.gov.uk/moray_standard/page_41669.html

Assessment of the NEIMP

The NEIMP must be submitted with the planning and S.36 and S.37 applications. The Strategic Planning and Development section will be a consultee on the NEIMP when it is submitted and will liaise with the applicant as necessary and with planning and

economic growth and regeneration officers to inform the development management process. Once the content has been agreed as part of the consideration of the planning application, a planning condition and/or planning obligation will be applied to control its delivery.