



REPORT TO: SPECIAL MEETING OF MORAY COUNCIL ON 24 APRIL 2024

**SUBJECT: NATIONAL PLANNING FRAMEWORK 4 POLICY 11c)-
MAXIMISING NET ECONOMIC IMPACT DRAFT
SUPPLEMENTARY PLANNING GUIDANCE**

**BY: DEPUTE CHIEF EXECUTIVE (ENVIRONMENT, ECONOMY AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 This report asks Council to agree the draft Maximising Net Economic Impact Supplementary Planning Guidance and that it be subject to public consultation for a period of 12 weeks.
- 1.2 This report is submitted to Committee in terms of Section II (13) of the Council's Scheme of Administration relating to approval of Council Reports and Strategies of a corporate nature including Local Development Plans.

2. RECOMMENDATION

2.1 The Council is asked to:

- (i) agree the draft Maximising Net Economic Impact Supplementary Planning Guidance and that the draft is made available for public consultation for 12 weeks;**
- (ii) agree that responses to the draft be reported back to a future meeting of the Planning and Regulatory Services Committee; and**
- (iii) agree that external consultancy support is commissioned to work with officers and partners to develop a Regional Socio- Economic Impact Plan.**

3. **BACKGROUND**

- 3.1 National Planning Framework 4 (NPF4) was approved on 13 February 2023 and introduced a suite of new policies which now form part of the Development Plan for Moray. Policy 11c) has introduced a step change in the assessment of renewable energy developments, including a requirement that proposals for energy developments 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. 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.”

- 3.2 Moray Council and Highland Council jointly 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.

4. **PROPOSALS**

- 4.1 The key messages from the work set out in BIGGAR Economics' report to Moray Council and Highland Council (January 2024) (**Appendix 1**), 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.

- 4.2 Taking account of these issues, officers have developed draft guidance (**Appendix 2**) to aid interpretation and delivery of NPF4 Policy 11c). The guidance applies to the following thresholds of development;
- 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 and carbon capture utilisation and storage and thermal energy storage.
- 4.3 The Guidance requires developers to prepare and submit a Net Economic Impact Maximisation Plan (NEIMP) to take a proportionate approach and set out the information requirements set out in the Guidance. The NEIMP will be a material consideration for planning purposes and therefore subject to planning conditions to ensure the development complies with the requirements of Policy 11c). The NEIMP must also include consideration of Policy 25 Community Wealth Building and associated guidance.
- 4.4 It is proposed to commission external consultancy support to work with the Council and partners to develop a Regional Socio Economic Impact Plan which will be funded from existing budget within Strategic Planning and Development. The Plan will aim 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 the local guidance.
- 4.5 The 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. 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.
- 4.6 It is proposed that the draft Guidance is made available for formal consultation for a period of 12 weeks and responses are reported back to a future meeting of the Planning and Regulatory Services Committee.

5. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The draft guidance aims to deliver key socio-economic benefits to support regional challenges which supports the Corporate Plan.

(b) Policy and Legal

The draft guidance is non statutory supplementary planning guidance.

(c) Financial implications

There will be a cost associated with commissioning consultants, estimated to be approximately £20,000. This will be met from the budget for economic strategy work.

(d) Risk Implications

There is a risk that without having guidance in place and not developing a regional approach, then the aspirations of NPF4 to maximise socio-economic benefits from energy developments will not be realised.

(e) Staffing Implications

This work will have significant staffing implications for Strategic Planning and Development in commissioning and working with consultants and partners and in the future delivery of the guidance. The short term effects will impact upon other workload and the delivery phase will require additional staffing resource to be considered when this is reported back after engagement.

There will also be an impact upon Procurement to support unplanned work.

(f) Property

None.

(g) Equalities/Socio Economic Impact

None.

(h) Climate Change and Biodiversity Impacts

None arising from this report, however there are potentially significant benefits of taking a regional approach as a number of carbon reduction and biodiversity gain projects could be supported.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Head of Governance Strategy, the Chief Financial Officer, the Democratic Services Manager, the Principal Climate Change Officer and the Equalities Officer have been consulted and comments received have been incorporated into the report.

6. CONCLUSION

- 6.1 National Planning Framework 4 introduced a suite of new policies which now form part of the Development Plan for Moray. Policy 11c) has introduced a step change in the assessment of renewable energy developments, including a requirement that proposals for energy developments 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.**
- 6.2 To support implementation of Policy 11c, draft supplementary guidance has been prepared which will be subject to public consultation. Work will be commissioned to develop a Regional Socio Economic Impact Plan, to support the guidance.**

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Background Papers:

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