



REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE SERVICES COMMITTEE ON 21 JANUARY 2020

SUBJECT: DORENELL WIND FARM – FINANCIAL CONTRIBUTION TO THE MORAY COUNCIL FOR USE ON MORAY’S CORE PATHS

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

1. REASON FOR REPORT

- 1.1 To ask that the Committee approve the Strategic Framework Document (**Appendix 1**) as the blueprint for the range of outputs and activities relating to expenditure of the Dorenell Windfarm Financial contribution to be spent on Core Paths in Moray over a 25 year period to 2044.
- 1.2 This report is submitted to Committee in terms of Section III (F) (7) of the Council’s Scheme of Administration relating to exercising the statutory functions of the Council under the Land Reform (Scotland) Act 2003.

2. RECOMMENDATION

2.1 It is recommended that the Committee agree:

- i) the Strategic Framework Document as the blueprint for the range of outputs and activities on which the £ 50k annual Dorenell Windfarm financial contribution for Moray’s Core Paths can be spent over the next 25 years until 2044, as set out in Appendix 1 of the report;**
- ii) to homologate the spend of £120k from the Dorenell Fund over 3 years 2019 to 2022 as outlined in paragraph 4 of this report**
- iii) to allocate £30k to provide temporary staff to carry out a baseline audit as outlined in paragraph 5.3 and;**
- iii) the preparation of a 3 year rolling Action Plan as outlined in paragraph 5.4 of this report to be submitted for approval in 2022.**

3. BACKGROUND

- 3.1 In 2016 an Access Management Strategy was prepared for the Dorenell Wind Farm as a result of a condition applied to the planning consent. The Strategy was produced by developer EDF Energy in consultation with the Moray

Council Access Manager and The Moray Local Outdoor Access Forum. A major output of this Strategy is a commitment by EDF to an annual contribution to the Moray Council of £50k per annum (£1.25m for the 25 year life span of the wind farm). This is to be used by the Council solely for the development and management of the Core Paths Network across the whole of Moray identified in the Moray Core Paths Plan. It can however also be used on paths that once developed would meet the criteria to qualify for Core Path status. This equates to a sizable sum of money and it is important to carefully consider how this resource should be used in a planned way rather than just being reactive to immediate demands and desires arising at any given time.

- 3.2 The first £50k was received by the council from windfarm operators EDF in June 2019 when the facility became fully operational. A suspense account has been set up by the council to receive this money over the 25 year period to 2044 which will allow funds to be carried over from year to year as required.

4. CURRENT ALLOCATION

4.1 Speyside Low Carbon Hub

4.1.1 The sum of £40k of this year's contribution (2019 to 2020) has already been allocated to the Speyside Low Carbon Hub Project, specifically towards the upgrade of the Speyside Way (a Core Path), to a cycle path standard between Craigellachie and Carron.

4.1.2 Approval was sought by the Head of Environment and Commercial Services from Group leaders to secure essential seed funding required within the short time frame of the funding bid deadline. This work now nearing completion will make this section of the Speyside Way multi-accessible to a wide range of users.

4.1.3 It was necessary for this money to be allocated immediately to secure the available external funding from the Low Carbon Travel and Transport Fund and ensure the project was realised. The project budget is £610k which represents a 15:1 match funding ratio. Homologation of this spend is sought in the recommendations section of this report.

4.2 Speyside Way Phase 2

4.2.1 A further £80k has been allocated from the Dorenell fund for seed funding towards Speyside Way phase 2 improvements from Carron to Cragganmore for financial period 2020 to 2022. This will unlock external funding for the project estimated to cost £800k representing a similar match funding ratio. Should the application for funding be successful which we should know by March 2020, leaves a balance of £30k to be carried forward from the Dorenell fund over the 3 years to 2022.

4.2.2 Approval was sought by the Head of Environment and Commercial Services from Group leaders to secure essential seed funding required within the short time frame of the funding bid deadline.

4.3 Requirement for Homologation

4.3.1 While the decisions on the 2 projects outlined in paragraph 4.1 and 4.2 were made by the Head of Environmental and Commercial Services, in consultation with Group Leaders the Council's Financial Regulations require that where such decisions have been made for reasons of urgency that the matter must be submitted for homologation at the next relevant Committee meeting.

5 FUTURE SPEND

5.1 To ensure there is a planned and programmed approach to spending the financial contribution beyond 2022, a Strategic Framework Document has been prepared and is included as **Appendix 1**. This Strategic Framework Document sets down for the long term as to how the Dorenell contribution should be used, responding to identified priorities and making best use of scarce resources. This Framework also looks to ensure that opportunities are explored to use the funding to secure added value where possible for example by providing seed money to secure external funding for specific Path Projects.

5.1 The Document has already been approved by the Moray Local Outdoor Access Forum at their meeting of 4 June 2019. The endorsement of the Forum is important as it has been set up as a requirement of legislation to provide advice on matters relating to the Council's statutory outdoor access duties including Core Paths.

5.3 It is proposed that the current projected balance of £30k, which is the amount available over the next 2 years following allocation to Speyside Way Phase 2 project outlined in paragraph 4.2, is used to fund temporary staff to carry out the initial path audits referred to in para 5.4 and, because of obsolete technology issues, to upgrade the Moray Ways website, which promotes the Core Paths.

5.4 It is recognised the funding is not nearly enough to allow us to do everything identified so an **Action Plan** will be developed that will focus on priorities. The prioritised Action Plan will be derived from the full range of outputs and activities as contained in Table 1 of **Appendix 1**. The initial focus will be on establishing essential base outputs starting with auditing the Core Paths and establishing what needs to be done to improve, manage and promote routes which will be contained in a Development and Management Plan for the whole network. The Action Plan will be prepared as a 3 year rolling programme the first version of which should be approved by the Moray Local Outdoor Access Forum and this Committee in 2022 once the Speyside Way project is complete.

6. SUMMARY OF IMPLICATIONS

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

Ensuring people can enjoy their access rights, unimpeded and free from obstruction, accommodating active leisure opportunities contributing to achieving the aim of healthier citizens.

(a) Policy and Legal

The Council have a duty to prepare a Core Paths Plan but not to manage, develop or promote the routes. The Moray Core Paths Plan was however agreed as Council Policy inclusive of a commitment contained within policies in the document to make the overall network as accessible as possible through planned improvements, management and promotion. The Strategic Framework Document sets the context as to how the policies contained in the Core Paths Plan can be implemented and the Dorenell financial contribution provides the necessary resources.

(b) Financial implications and risks

The annual £50k windfall sum for Core Paths places no additional financial burden on the Council as this has been secured from an external source. Risks are low with the fund constituting an additional source of revenue allowing the Council to carry out works on Core Paths that would not be otherwise funded from within existing Council budgets. There is no legal obligation placed on EDF Energy to provide this funding although this is likely to continue as it is part of a community contribution which is standard industry practice for windfarms.

The Dorenell fund will help to offset Access and Countryside revenue budget savings of £13K as future maintenance will be reduced as the core path network will be improved using the Dorenell funding.

Most of the envisaged work carried on the Core Paths is likely to be small scale surfacing and drainage works to worn out paths where future liability placed on the Council will be low. Such low grade works on Core Paths do not require owner consent. Occasionally more substantial works may be carried out to upgrade accessibility on paths involving some structures including bridges and culverts. Where the Council do not own the path landowner consent will be required and any agreement will address the issue of liability on a case by case basis.

(c) Staffing Implications

The delivery of the Strategic Framework Document will be the overall responsibility of the Moray Access Manager. Additional personnel will be required to assist in achieving the identified activities outlined in paragraphs 5.3 and 5.4. Such personnel may include volunteers, contractors, consultants or staff employed for temporary periods to assist the Moray Access Manager delivers some of the identified activities where workload demands require such input. All costs relating to any additional personnel will require to be wholly sourced from the Dorenell Core Paths fund subject to input from HR.

(d) Property

The Dorenell Core Paths fund will assist the Council in improving and managing those routes which are part of the Council's property portfolio notwithstanding that many of the routes are in private ownership.

(e) Equalities/Socio Economic Impact

Improvements to the Core Paths network resulting from the Dorenell fund will improve the overall accessibility of the paths; collectively providing for all non-motorised users....people of all genders ages and backgrounds. All Core Paths are free to use for everyone.

(f) Consultations

Head of Environmental and Commercial Services; Depute Chief Executive (Economy, Environment and Finance; Diane Anderson, Senior Engineer; Transportation Manager; Sustainable Transport Officer; Legal Services Manager; Paul Connor, Principal Accountant; Equal Opportunities Officer; Gary Templeton, Principal Planning Officer; Alex Burrell, Estates Surveyor and Lissa Rowan, Committee Services Officer have been consulted and their comments integrated into the report.

7. CONCLUSION

- 7.1 The Strategic Framework Document (Appendix 1) is proposed as the blueprint for the range of outputs and activities on which the £50k annual Dorenell Windfarm financial contribution for Moray's Core Paths can be spent over the next 25 years until 2044.**
- 7.2. Further reports shall be submitted relating to a prioritised 3 year rolling Action Plan for spending the Dorenell financial contribution.**

Author of Report: Ian M Douglas, Moray Access Manager

Background Papers: Economy, Environment and Finance Committee Report
21st January 2020