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**REPORT TO: MORAY COUNCIL COMMITTEE ON 6 APRIL 2022**

**SUBJECT: RENEWABLES INCOME FUND**

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

**1. REASON FOR REPORT**

- 1.1 To ask the Committee to recommend to Council participation in an exercise to identify economic opportunity and methods of maximising local income associated with renewables.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Council approve of provision of a one off £5k budget to facilitate a contribution towards consultancy work on a renewables income fund report for the Highlands and Islands Region with other HIREP partners.**

**3. BACKGROUND**

- 3.1 Highlands and Islands Regional Economic Partnership (HIREP) recently considered a paper from Highlands Council (**Appendix 1**) on a proposal to develop the case for a renewable income fund to see greater benefit flowing from renewable schemes to the local area.
- 3.2 HIREP considered the proposal and determined it was a common issue across Highland and Islands and would benefit from a regional approach.
- 3.3 It was proposed that the Highland proposal be extended to cover the region with each Local Authority contributing towards the study.
- 3.4 Moray faces the same issues as Highland in relation to the economic benefit received directly from renewables and the same issues with regards to benefitting from our natural resources as demand changes for carbon offset, peat preservation and benefitting directly from the abundance of renewable energy flowing through Moray.

- 3.5 It is proposed the Council should participate in the study and contribute proportionately with other partners of HIREP.
- 3.6 The report was considered by the Economic Development and Infrastructure committee on 22 March 2022, the Committee recommended to Council that the £5k provision be made.

#### **4. SUMMARY OF IMPLICATIONS**

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

The proposals are intended to support the economic development creating greater resilience and local income as part of the transition to renewables and addressing climate change.

**(b) Policy and Legal**

The resulting findings will inform local policy and help influence national policy relating to local benefit from natural resources.

**(c) Financial implications**

This would be a requirement for up to £5k funding to contribute to the work. Economic Development does not hold unallocated budgets, therefore any request must be approved by committee from reserves. The Council has received £100k from the withdrawal of funds from Business Loans Scotland (BLS) which has replaced Council funding approved as part of the Economic Recovery Plan for business start ups. It is proposed that £5k of the £100k economic recovery budget that has been substituted by the BLS withdrawal is used for the renewable Income fund proposal.

**(d) Risk Implications**

None.

**(e) Staffing Implications**

None.

**(f) Property**

None

**(g) Equalities/Socio Economic Impact**

The proposal seeks to identify opportunities to redress the balance of income flowing to local areas associated with renewables and the exploitation of the natural resources in the Highlands and Islands.

**(h) Climate Change and Biodiversity Impacts**

None, the study itself does not impact on climate change but seeks opportunities for maximising local income generated from the natural resources in the highlands and islands many of which will benefit climate change by reducing carbon or providing more sustainable land uses.

**(i) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Principal Climate Change Strategy Officer and Tracey Sutherland (Committee Services Officer) have been consulted and comments received have been incorporated into the report.

**6. CONCLUSION**

**6.1 This report asks the Council to approve of funding to participate in a study on renewable income funds.**

Author of Report: Jim Grant, Head of Economic Growth and Development  
Background Papers:  
Ref: SPMAN-813460984-186