

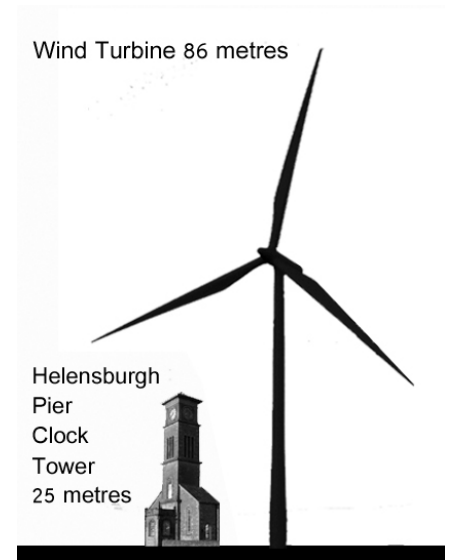
TEG-H

Turbines Evaluation Group – Helensburgh and Area

To : Planning Department,
Argyll and Bute Council,
Blairvadach, Shandon,
Helensburgh, G84 8ND

From : Turbines Evaluation Group – Helensburgh and area
c/o TEG-H Secretary, 40 West Montrose Street, Helensburgh, G84 9PF

Date : 28th. October 2014



Objection to planning application 14/01674/PP : wind farm north of Helensburgh

Objection number 3 (of four) : **ECONOMIC IMPACTS**

Note about TEG-H

The Turbines Evaluation Group – Helensburgh and Lomond (TEG-H) was set up in January 2014 for three reasons. 1. Concern about the nature of information being given to the public about the proposed wind farm above Helensburgh. 2. Need for closer and careful examination of the issues. 3. The prime objective of assessing what would be best for the long-term welfare of Helensburgh and area. Its steering committee is grateful to specialist advisers who have shared expertise and the many people who have assisted in other ways.

TEG-H is submitting four topic-related objections to the above planning application. They are :

1. Landscape
2. Turbines height, visual impact and cumulative impact
3. Economic impacts
4. Other aspects

All four provide grounds for refusal. The present objection relates to **economic impacts**.

It is presented in seven sections :

- A. Economic impact as a material consideration
- B. The developers' economic arguments
- C. Argyll and Bute Council's economic policy for growth
- D. The nature of Helensburgh's economy
- E. Evidence of economic risks of wind farms close to settlements
- F. Planning irrelevance of so-called "community benefit"
- G. Overall conclusion

A. Economic impact as a material consideration

1. **Argyll and Bute Council's Local Plan policy LP REN 1** (2009, page 87) states that wind farms will be supported, "where the the proposed development will not have an unacceptable adverse impact directly, indirectly or cumulatively on the economic, social or physical aspects of sustainable development."

TEH-H offers evidence that the current wind farm proposal could have adverse economic impacts.

(NOTE : The Proposed Local Development Plan, not yet in operation, has similar wording in SG LDP REN 1.)

2. **Scottish Government, Scottish Planning Policy** (2014), paragraph 169, pages 40-41. This lists 19 material considerations related to planning applications for wind farms. The first of these reads :

- net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities

TEG-H offers evidence that there would be few such benefits, that they are likely to be for the greater Glasgow area, and that economic disadvantages outweigh any minor gains to Helensburgh and its surrounding area.

B. The developers' economic arguments

1. Economic impact is **distinct from so-called "community benefit"** which is not a planning matter and is discussed separately in section F below.

2. The developers have stated in section 3.4 of vol. V of the Green Cat non-technical summary :

"Potential adverse effects resulting from this proposal will be off set by the positive effects, notably in terms of the contribution it will make to the local economy, regional energy objectives and national renewable targets."

It is interesting that adverse effects are acknowledged by the developers. We understand that renewable objectives and targets are already being met to 2020 (*Scottish Energy News*, 22.8.14), so that leaves contribution to the local economy.

The TEG-H concern is long-term economic benefit to Helensburgh and its immediate area. There appears to be very little potential economic gain to our community and a likelihood of loss from this wind farm proposal.

3. Chapter 4 of the Green Cat Vol. V is headed "Local Economic Benefit". It is divided into two parts : **construction** phase and **operational** phase.

(a) **Construction phase.** It does not give definite undertakings but asserts that "past experience" indicates that 50% of construction expenditure would be at local level. The Green Cat representative at the developers' exhibition was asked the meaning of "local". The answer was anywhere within 45 minutes' drive of the site. We assume that this includes Glasgow, Clydebank, Dumbarton and the Vale of Leven. The Scottish Government draws a distinction between "local and community" (see quotation in A2

above), but the developers have not. If “local level” means Glasgow, Clydebank, Dumbarton and the Vale of Leven, the reference to “past experience” may be indicative. If “local level” means Helensburgh, it seems to us to be unconvincing. Examples given were as follows :

- electrical works, civil engineering, fencing, etc.
TEG-H comment : We have seen no guarantee that Helensburgh firms would receive contracts, though some might. We anticipate that the contracts are more likely to be “local” in the sense of greater Glasgow. It is questionable if any Helensburgh firm would have the capacity to carry out **major** work.
- hotels and services during construction
TEG-H comment : There could be some hotel / B&B temporary gain to Helensburgh. Services such as meals and sandwiches might also be purchased in Helensburgh – or Dumbarton. The central point is that any such gain would be **short-term** since the construction phase is only a brief phase in the total project.
- sourcing materials
TEG-H comment : It would be interesting to see guarantees that any major sourcing of materials would be from Helensburgh when bulk purchase can be obtained more readily in greater Glasgow and elsewhere (e.g. concrete aggregates from Dumbarton quarries).

CONCLUSION : In this brief construction phase, Helensburgh seems unlikely to get much economic benefit, and any would be short-term.

(b) **Operational phase.**

- electricity generated
TEG-H comment : It is our understanding that this would be general gain to the grid, not specific gain to the town of Helensburgh. If so, it would not be “local economic benefit”.
- CO2 saved
TEG-H comment : It seems that this would be general benefit and not specific gain to the town of Helensburgh. It is therefore not “local economic benefit”. In this paper, TEG-H does not enter into technical discussion about the economics of wind turbines. However, we draw attention to The Global Warming Foundation Report No. 7, “*Why is wind power so expensive?*” *An Economic analysis*” by Gordon Hughes of Edinburgh University.
- “community benefit” of at least £40,000 a year
TEG-H comment : This is not a planning matter and should be raised after the planning process is complete (see sec. F below). Anyway, the £40,000 / year remains uncertain and is a relatively small sum for a large affected population. Also, job creation from community benefit is likely to be minor.

CONCLUSION : In terms of the Scottish Government’s economic criteria of “employment, associated business and supply chain opportunities”, Helensburgh would be unlikely to have significant economic benefit long-term.

C. **Argyll and Bute Council's economic policy for growth**

Argyll and Bute Council has adopted a policy of population growth : population for prosperity. This has logic for two main reasons :

- (i) **More people, more revenue.** Revenue to the Council is population-driven, both the central government's GAE grants (more than 70% of Council revenue) and council tax (based on households and therefore population).
- (ii) **More people, more business.** Local businesses and jobs depend on people spending money where the economy depends on residents or visitors.

The policy of increasing population is found in a range of A&BC papers, including the Proposed Local Development Plan (especially page 5, and for Helensburgh page 10).

Would a wind farm directly beside a settlement increase population? Clearly not. Would such a wind farm deter population? Argyll and Bute Council has been improving the quality of its main settlements through the CHORD project and other means to make them more attractive. Anything that makes them less attractive to some people would work against the policy of population growth in any settlement which has an economy based on attracting people as residents or visitors. That largely applies to Helensburgh.

D. **The nature of Helensburgh's economy**

Helensburgh is

- primarily a residential town
- secondly a visitor town
- also economically linked to the Faslane Base

In-town 'service' businesses rely on a consistent base of people – residents and visitors.

Between the last two censuses (2001 and 2011) Helensburgh's population decreased by about 3%. That was bad for its economy. A&BC wants to increase Helensburgh's population by 9% over 10 years (Proposed Local Development Plan, 665 planned new houses).

TEG-H argues that wind turbines directly overlooking the town would reduce its attractiveness for some people and would harm recovery.

The question, therefore, is not just whether the presence of a wind farm would result in a loss in Helensburgh's economy (which is probable), but also :

- Would the wind farm impede the capacity to recover the 3% loss of population?
- Would the wind farm impede the capacity to increase population by 9% ?

TEG-H suggests that a wind farm will do nothing to increase population and could impede reaching those targets.

Economic value of quality landscape. Scotland's Landscape Charter (2010, see the TEG-H objection concerning landscape) noted the economic value of good landscape and stated that "the golden goose must be cared for". Helensburgh, the National Park and the Clyde area, so dependent on attracting residents and visitors, cannot afford to harm the golden goose of our landscape. [TEG-H noted that the PPSL Committee lodged an objection to the Inverclyde wind farm above Greenock, no doubt to help preserve the landscape around the Clyde Estuary.]

E. Evidence of economic risks of wind farms close to settlements

Above we argued that people – residents and visitors – are essential to Helensburgh’s economy. What evidence is there that a wind farm close by would deter people?

1. **Potential new residents deterred by wind farm close by**

Recent evidence shows a reluctance of some people to live near wind farms and that reduces property values. A study from the London School of Economics this year (Gibbons, “*Gone with the Wind : Valuing the Visual Impacts of Wind Turbines through House Prices*”, April 2014) showed a price reduction of 5-6% within 2 km, falling to less than 2% between 2 and 4 km.

That embraces Helensburgh.

House prices are a proxy measure for peoples’ attitudes. Some people are reluctant to live near wind turbines. Therefore, if population increase is the main economic objective, this is evidence that the close proximity of wind turbines discourages population growth and weakens economic recovery.

TEG-H refers to papers specifically about the economic impact of a wind farm on Helensburgh. They are :

- Professor A. Bain, “Helensburgh Wind Farm – Socio-economic Consequences” (2014). See A&BC website, submission by Professor Bain dated 29th August 2014.

Also see Professor Bain’s article on the TEG-H website.

- Dr. G. Riddington, “An Analysis of the Visibility and the Resulting Impact of the Proposed Helensburgh Wind Farm”, paper written for TEG-H, 2014, and available to view on the TEG-H website.
- Dr. G. Riddington, “House Prices and the Visibility of a Wind Farm”, paper written for TEG-H, 2014, and available to view on the TEG-H website.

The above papers are on the TEG-H website [www.helturbines.org].

2. **Tourists deterred by wind farms**

There is diversity of results from studies of the impact of wind turbines on tourism. Adverse impact of turbines on tourism ranges from 2% to 43%. Such variation is more to do with how the studies are carried out than any universal truth.

Factors which can affect results include :

- what categories of visitors were in each sample and size of sample
- what data were collected, and how and where
- if interviews or questionnaire were used, the content of the questions
- attitudes (as distinct from expressed views) are difficult to measure
- if non-questioning methods are used, how robust they are
- extent to which countryside / landscape was the main tourist attraction
- where not, then distance of turbines from main tourist attraction
- other factors

However, there does seem to be some consensus on the following.

1. Many people find that man-made structures such as pylons and wind turbines reduce the attractiveness of a landscape and “The evidence is overwhelming that wind farms reduce the value of scenery (although not as significantly as pylons).”
2. Such evidence as does exist points to a minority of tourists being actively deterred by the presence of a wind farm.
3. That minority can still be significant. If, say, 15% of visitors are deterred that can be 15% less tourist business.

A paper by Dr. G. Riddington assesses that even a **low and cautious estimate of impact** on visitor numbers to Helensburgh could result in the loss of over £80,000 a year. That is twice the money being “guaranteed” as cash to the community by the developers. That is in addition to other sources of loss. See Dr. Riddington’s article, “The Impact of Wind Farms on Tourism and Retail in Helensburgh”, written for TEG-H 2014 and available on the TEG-H website : www.helturbines.org

It may be noted that wind turbines not only affect the tourist economy of Helensburgh, but also that of the National Park and the Clyde. Associated with that, paragraphs 135 and 136 of the 2014 Scottish Planning Policy draw attention to the economic importance of our cultural heritage and historic environment.

F. Planning irrelevance of so-called “community benefit”

So-called “community benefit” – that is, compensation cash for affected communities – is not a planning consideration. It is a recognition that there are disadvantages to wind farms.

The planning system makes it clear that “community benefit” should only be negotiated AFTER the planning process is complete. The 2014 SPP, paragraph 173, states :

“Where a proposal is acceptable in land use terms, and consent is being granted, local authorities may wish to engage in negotiations to secure community benefit”

At a seminar about community benefit hosted by Argyll and Bute Council on 19.6.14, that point was made by a Council spokesperson.

The Scottish Government’s “Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments” stresses the irrelevance of cash compensation to planning decisions. It states (paragraph 3.1) :

“Being a voluntary contribution, community benefit should therefore be an entirely separate process from planning decisions”

The guidelines also state (paragraph 6.1) :

“ . . . any discussions on the provision of community benefits are not a material consideration of the planning process.” (Their bold emphasis.)

TEG-H therefore does not go into detail about so-called “community benefit” in this objection, except to say that :

- cash inducement has been offered by the developers;
- their assertions contain uncertainties and raise questions;
- wind levels and other aspects of their finances remain unknown to us;
- there is a question about which of the many communities affected should receive money;
- the sums *per capita* would be small compared to many rural wind farms.
- other sources of funding (e.g. for Hermitage Park, the countryside footpaths network, the submarine museum, etc.) measured in millions of pounds jointly, continue to be sourced without any associated harm to the town, whereas so-called “community benefit” presupposes drawbacks for which the money is designed to compensate.

Conclusions regarding “community benefit”

1. So-called “community benefit” is irrelevant to the planning process and should play no part in the planning decision about the proposed Helensburgh wind farm.
2. Questions remain about the nature and amount of any compensation cash.
3. It might be seen as cash to compensate for associated drawbacks.

G. OVERALL CONCLUSIONS

We find no general evidence that wind turbines would attract people to Helensburgh, but we do find evidence that some people would be deterred. For a largely service-based economy such as Helensburgh’s that is dangerous.

Argyll and Bute Council’s key economic aim is to increase population to enhance prosperity. The policy is to reverse a current drop in population by a 9% increase over 10 years. Anything that reduces the town’s attractiveness would work against that. The main TEG-H finding with regard to economic impact is that a conspicuous wind farm on a hill immediately overlooking Helensburgh would be a risk too serious to accept and contrary to Argyll and Bute Council’s economic policy.