BiGGAR Economics

Economic and Community Impact Report of Hagshaw Hill III Energy Project

A report to 3R Energy
June 2026

3R Energy



BiGGAR Economics



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1. Executive Summary

This report describes the potential socio-economic benefits of the proposed Hagshaw Hill III Energy Project (the Proposed Development).

The report evaluates whether the Proposed Development meets the National Planning Framework 4's (NPF4) requirement to maximise net economic impact.

The Proposed Development site is located within South Lanarkshire and close to the border of East Ayrshire and is part of the existing Hagshaw Energy Cluster. It is expected to consist of 8 turbines with an operational capacity of around 57.6 MW, as well as 30 MW of solar photovoltaic energy generation and 50 MW of Long Duration Energy Storage (LDES), which can provide continuous power for up to 12 hours. It is being developed by 3R Energy, a local company with a track record in developing renewable energy projects that provide a range of local economic and community impacts.

The current socio-economic structure of South Lanarkshire and East Ayrshire (Regional Area) and demographics highlight the need for new economic drivers. The Proposed Development's development and construction activity could generate:

- £7.1 million Gross Value Added (GVA) and support 84 job years in the Regional Area; and
- £96.3 million GVA and 386 job years across Scotland.

The expenditure required for the operations and maintenance of the Proposed Development could generate each year:

- £1.3 million GVA and support 6 jobs in the Regional Area; and
- £3.1 million GVA and support 19 jobs across Scotland.

It is also expected to generate approximately £8.9 million in non-domestic rates annually, supporting the provision of local public services.

The Applicant has committed to prioritising local companies for contracts and promoting these opportunities to local suppliers to achieve high local content. The community benefit fund which is expected to provide an annual contribution of £293,000 to communities in South Lanarkshire.

3R Energy commits to the following actions under each of the areas of development to maximise benefits.

Supply Chain



- Implementing the Hagshaw Energy Cluster Development Framework.
- Apply lessons learnt from experiences working in the local area.
- Implement Responsible Contracting Policy.
- Apply progressive procurement practices, including early communication of requirements, to support local subcontracting and SME participation.

Skills Development



- Working with local employability and training providers.
- Encourage Tier 1 contractors to support apprenticeships, training, and upskilling opportunities.
- Support and participate in collaborative schools and careers engagement activities.

Community Empowerment



- Community engagement to develop a bespoke package of community benefits informed by local priorities and aspirations.
- Establish a community benefit fund.
- Explore proposals for shared ownership with the local community.

The Environment



- Enhancing the outdoor recreation offering in the local area through the upgrading of existing and creating new outdoor tracks.
- Enhancement of existing and creation of new public spaces within settlements around the cluster.
- Habitat management and continuing peat restoration in the local area.
- Deliver and monitor commitment on net positive impact on biodiversity.

Based on the above, it is concluded that 3R Energy's approach to the Proposed Development is consistent with Policy 11c of NPF4 on maximising net economic impact.

2. Introduction

BiGGAR Economics was commissioned by 3R Energy to assess the potential socio-economic impacts from the construction and operation of the Proposed Development.

The Proposed Development is located in South Lanarkshire and close to the border of East Ayrshire and forms part of the established Hagshaw Energy Cluster. The site is anticipated to comprise up to eight wind turbines with a total operational capacity of approximately 57.6 MW, alongside 30 MW of solar photovoltaic generation and 50 MW of LDES, capable of delivering continuous power for up to 12 hours.

The Douglas Valley has long been a cornerstone of Scotland's energy story. Throughout the 18th and 19th centuries, the rise of coal and iron mining redefined the local landscape and the lives of the people within its communities. In the decades following the closure of those mines, the region has pivoted toward renewable energy. Today, the area stands as a vital hub for green power, anchored by the Hagshaw Energy Cluster and its growing portfolio of large-scale renewable energy projects.

2.1 The Existing Hagshaw Energy Cluster

The Hagshaw Energy Cluster is a leading example of how economies historically reliant on coal mining can transform into renewable energy hubs and provide new economic opportunities.

The Hagshaw Energy Cluster is comprised of onshore wind farms which are expected to generate over 584 MW in the coming years (operational and consented developments). There is also the potential of a further 1 GW from wind farm repowering and extensions, battery storage, solar PV generation and green hydrogen production. This will play a crucial role in the increase of renewable energy capacity required to meet Scotland's Net Zero targets and those of the UK Government as set out in the recent Clean Power 2030 Action Plan (the CP30 Action Plan).

These developments position the Hagshaw Energy Cluster as a model for a Just Transition, transforming the region's coal-intensive past into a sustainable future. By aligning renewable energy production with job creation, skills development, and circular economy principles, the Hagshaw Energy Cluster supports Scotland and the UK's clean energy ambitions while delivering long-term economic and social benefits to local communities.

2.1.1 3R Energy

The Applicant for the Proposed Development is Hagshaw Hill 3 Ltd, a company established by 3R Energy for the purpose of taking forward the Proposed Development. 3R Energy is a local developer of renewable energy projects based in South Lanarkshire and is part of a family group of companies which also includes: Mitchell Energy Ltd, Mitchell Farming Partnerships and William Mitchell & Sons (WMS) Ltd, based at Newtonhead Farm Rigside and Hazelside Farm Douglas respectively, which manage the farming assets of the Group. Together the Group:

- owns and manages 3,500 acres of land in the Douglas Valley;
- has farmed the land for over 120 years;
- generates a combined annual turnover of c. £6 million; and
- employs 15 people as a direct result of its renewable energy and farming operations within the Hagshaw Energy Cluster.

As a local company, 3R Energy is committed to working with the communities closest to the Hagshaw Energy Cluster for the long term to develop and deliver successful projects which create significant and tangible benefits for the local area.

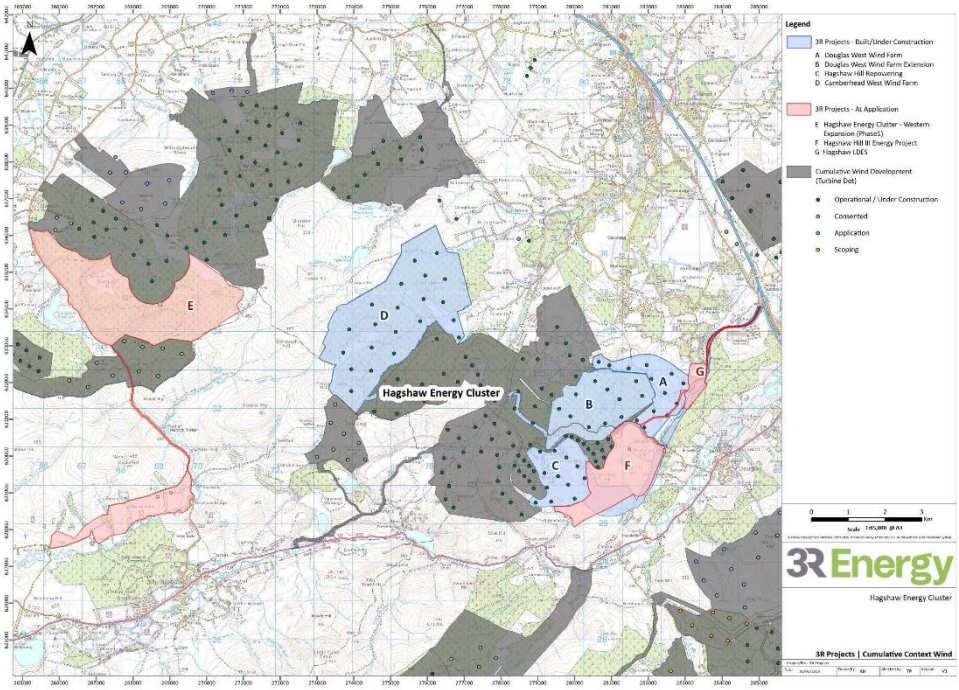
3R Energy is also a founding partner of the award-winning Hagshaw Energy Cluster Development Framework[1] which represents an ambitious vision for the future of the Hagshaw Energy Cluster and surrounding area, identifying opportunities to enhance and invest in the local environment, communities and place.

3R Energy has worked with local stakeholders and regulators to develop larger-scale projects and has now consented over 330 MW of onshore wind developments in the Hagshaw Energy Cluster. The existing projects developed by 3R Energy comprise of:

- Douglas West Wind Farm (45 MW total capacity);
- Douglas West Extension (78 MW total capacity);
- Hagshaw Hill Wind Farm Repowering (84 MW total capacity); and
- Cumberhead West Wind Farm (126 MW total capacity).

[1] Land Use Consultants (2023) Planning for Net Zero: A Development Framework for the Hagshaw Energy Cluster.

Figure 2-1: 3R Energy Projects and the Hagshaw Energy Cluster



Source: 3R Energy (2025).

Based on the EIA reports[2], the construction and development phases of these projects have generated/ are generating approximately £169 million GVA and c.1,800 job years in Scotland as a whole, and the operational phase will generate around £1.67 million per annum in community benefits[3]. 3R Energy also has three new projects (including this one) in development which have a total generating/ storage capacity of up to 1 GW and are expected to deliver additional community benefit funding in the region of £1.1 million per year.

The projects developed by 3R Energy, as well as the other developments in the Hagshaw Energy Cluster, collectively make significant contributions to Scotland and the UK's climate change goals, helping to reduce carbon emissions but also address economic challenges, creating jobs and providing opportunities in an area with relatively high deprivation and limited opportunities for young people since the end of the mining operations.

2.2 Report Structure

The remainder of this report is structured as follows:

- section 3 places the Proposed Development in the context of national, regional, and local economic strategies;

[2] 3R Energy (2024), Application Documents Downloads. Available at: https://3renergy.co.uk/downloads/ .
[3] Although some of these developments may currently have different generating capacity to the figures stated in the EIA reports, the order of magnitude is expected to be the same.

- section 4 considers the socio-economic context for the Proposed Development;
- section 5 outlines the assessment methodology;
- section 6 sets out the economic impact of the construction and operation of the Proposed Development;
- section 7 provides details on maximising socio-economic impacts considering the commitments of the Applicant as a part of the Proposed Development;
- section 8 outlines the tourism sector of the area and considers the relationship between the Proposed Development and the local tourism economy;
- section 9 contains a conclusion on net economic impacts; and
- the appendix contains the Developer's Responsible Contracting Policy.

3. Strategic Context

This section considers national, regional, and local strategies and how the Proposed Development supports their delivery.

3.1 National Strategic Context

3.1.1 National Planning Framework 4

The Fourth National Planning Framework (NPF4)[4] is Scotland's national spatial strategy, setting out the principles to be applied to planning decisions, regional priorities and national developments.

The first principle is a just transition, ensuring the move to Net Zero is fair and inclusive while revitalising rural communities through sustainable development. Applying these and other principles is intended to support the planning and delivery of sustainable places, where emissions are reduced, and biodiversity is restored and better connected.

As part of the Policy 11(a), all forms of renewable technologies will be supported. This is subject to the test outlined in Policy 11(c), which states that: "*the 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*".

The Proposed Development will support employment and create opportunities for local businesses at both the construction, and operation and maintenance phases.

This report includes an assessment of whether the Proposed Development maximises net economic impact in the context of NPF4 Policy 11(c) (see Section 9).

Policy 11(e) also sets out a range of impacts that should be addressed during project design and mitigation. That list does not include tourism. Whilst not required by NPF4, section 8 of this report does consider whether there could be any implications for tourism.

[4] Scottish Government (2023). National Planning Framework 4.

3.1.2 Scotland's National Performance Framework

The purpose of the National Performance Framework[5] is:

> **"To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth."**

The National Performance Framework is designed to provide a more complete view of development in Scotland beyond the traditional metrics of Gross Domestic Product (GDP) growth with the purpose to:

- create a more successful country;
- give opportunities to all people living in Scotland;
- increase the wellbeing of people living in Scotland;
- create sustainable and inclusive growth; and
- reduce inequalities and give equal importance to economic, environmental and social progress.

The National Performance Indicator sets out 11 national outcomes:

- **children and young people**: grow up loved, safe and respected so that they realise their full potential;
- **communities**: live in communities that are inclusive, empowered, resilient and safe;
- **culture:** are creative and their vibrant and diverse cultures are expressed and enjoyed widely;
- **economy**: have a globally competitive, entrepreneurial, inclusive and sustainable economy;
- **education**: are well educated, skilled and able to contribute to society;
- **environment**: value, enjoy, protect and enhance the environment;
- **fair work and business**: have thriving and innovative businesses, with quality jobs and fair work for everyone;
- **health**: are healthy and active;
- **human rights**: respect, protect and fulfil human rights and live free from discrimination;
- **international**: are open, connected and make a positive contribution internationally; and
- **poverty**: tackle poverty by sharing opportunities, wealth and power more equally.

The Proposed Development would contribute to the achievement of the national outcomes. Investment in renewable energy can increase productivity in the economy

[5] Scottish Government (2023), Scotland's National Performance Framework.

and by creating jobs in the local area the Proposed Development can contribute to inclusive growth. It also supports environmental progress by increasing the generation and storage capacity of renewable energy.

3.1.3 Scotland's National Strategy for Economic Transformation

In March 2022, the Scottish Government published the National Strategy for Economic Transformation[6], which set out its ambition for Scotland's economy over the next decade. The strategy lays out how it intends to deliver economic growth that makes Scotland prosperous, productive, and internationally competitive. Of particular importance is the ambition to be greener, through a Just Transition to Net Zero, a nature-positive economy, and rebuilding natural capital.

To deliver its vision, five programmes of action have been identified (with a sixth priority of creating a culture of delivery), including:

- establishing Scotland as an entrepreneurial nation;
- strengthening Scotland's position in new markets and industries, generating new, well-paid jobs from a transition to Net Zero;
- making Scotland's businesses, industries, regions, communities, and public services more productive and innovative;
- ensuring that people have the skills they need to meet the demands of the economy, and that employers invest in their skilled employees;
- reorienting the economy towards wellbeing and fair work.

The strategy notes that Scotland has substantial energy potential and that it has developed a growing green industrial base. This provides a strong foundation for securing new market opportunities arising from the transition to Net Zero and will need continued investment and support. Renewable energy also has a role to play in supporting productive businesses and regions across Scotland. The Proposed Development contributes to the continuing development of the renewable energy sector.

3.1.4 Onshore Wind Policy Statement

The Onshore Wind Policy Statement[7] published by the Scottish Government in 2022 set a target to deploy 20 GW of onshore wind energy in Scotland by 2030. The Policy Statement outlines a framework of considerations the Scottish Government will take when striving to achieve its onshore wind targets, these include:

- environment: ensure access to renewable energy whilst tackling climate crises;
- communities: abide by the just transition principles to guarantee communities across Scotland benefit from the transition to a net zero economy;
- Scotland: support opportunities in the supply chain, skills and tourism;
- aviation: evaluate and mitigate impact on aviation operations;
- technical considerations: including abnormal loads and seismological monitoring; and

[6] Scottish Government (2022), Scotland's National Strategy for Economic Transformation
[7] Scottish Government (2022). Onshore Wind Policy Statement 2022.

- energy systems and regulations: work with relevant stakeholders to develop electricity infrastructure.

The Policy Statement sets an expectation that onshore wind energy developments will support supply chains and develop workforce skills ensuring that the transition to Net Zero creates employment, growth and benefits to the local communities across Scotland. This report sets out how the Applicant proposes to meet these expectations with the Proposed Development.

3.1.5 Onshore Wind Sector Deal

The Onshore Wind Sector Deal[8], published in September 2023, establishes a series of commitments between the Scottish Government and the onshore wind industry to achieve Net Zero targets through a collaborative approach. This partnership aims to deliver 20 GW of onshore wind capacity by 2030, whilst maximising the economic benefits for Scotland and prioritising community involvement and benefit.

The Onshore Wind Sector Deal highlights what the sector can do collectively and in partnership with the Scottish Government.

Under supply chain, skills and the circular economy commitments, the onshore wind sector commits to address skills gaps by committing to apprenticeships, training opportunities, and skilled job creation across related industries for the duration of the sector deal. An onshore wind pipeline data will be used to identify geographic clusters for operations and maintenance, encouraging co-investment in facilities and infrastructure in Scotland to deliver local economic benefits.

The sector commitments also include publishing data on local content in supply chains and in operations and strategic action to promote supply chain opportunities and enhance local content.

The sector commits to early engagement with communities, ensuring agreements on benefits align with local priorities and are established before key financial decisions. Transparency in community benefit fund management and reporting is prioritised and efforts to encourage and simplify shared ownership models are also a key focus.

The Applicant is committed to contributing to these commitments, during the construction and operation of the Proposed Development and as an active contributor to the Hagshaw Energy Cluster collaboration pilot project.

[8] Scottish Government (2023). Onshore Wind Sector Deal.

3.2 Regional and Local Strategic Context

3.2.1 South Lanarkshire Economic Strategy (2022-2027)

The South Lanarkshire Economic Strategy[9] outlines the ambitions, context and actions the South Lanarkshire Council will take to drive prosperity in the region. The strategy's vision is to make South Lanarkshire a "*flourishing, green, dynamic and equitable place for all*". The strategy focuses on three areas:

- **people**: support fair work opportunities, inclusive and sustainable growth, and address poverty and inequality within the community;
- **places**: develop town centres, support business locations, grow the visitor and tourism economy; and
- **business**: increase business survival rate, support the transition to Net Zero, improve digital confidence, strengthen local supply chains, and link fair work to improved productivity.

The strategy emphasises the need to drive inclusive growth, noting that "*young people and citizens who live in deprived areas are more likely to be in less secure, low wage jobs that are more at risk*" whilst also taking actions to transition the economy towards Net Zero. The strategy outlines the need to minimise unemployment and underemployment in disadvantaged communities.

The Proposed Development will help drive inclusive growth by stimulating higher paid job creation in the renewable energy supply chain, jobs which could help reduce inequalities and tackle local poverty in the long run.

3.2.2 Local Strategic Context

There are a number of local strategies and community action plans[10] that apply to the communities surrounding the Proposed Development. Whilst some of these are now dated, they include longer term objectives and so provide an indication of the aspirations and priorities of communities. There are several consistent objectives highlighted:

- **economic diversification**: create new opportunities to offset the decline of traditional industries;
- **tourism and heritage**: use natural landscape and local heritage to drive growth;
- **infrastructure and connectivity**: improve transport links and address vacant properties;
- **community led development**: encourage local participation to drive change;
- **enhancing public spaces**: revitalise town centres and invest in community facilities and events; and

[9] South Lanarkshire Council (2022). South Lanarkshire Economic Strategy 2022 – 2027.
[10] Rigside & Douglas Water Community Action Plan 2018 – 2023; Lesmahagow, Brocketsbrae and Hawksland: A Community Led Action Plan 2019-2024; Coalburn, Douglas and Glespin: Community Action Plans; Muirkirk Community Action Plan; Sandford & Upper Avondale Community Action Plan 2020.

- **retaining and attracting young people**: develop affordable housing and create more opportunities to retain younger generations.

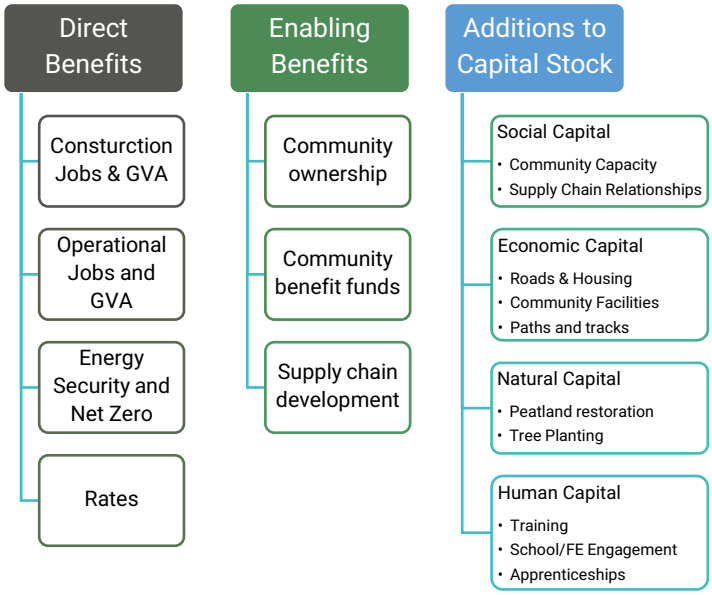
The Proposed Development will create high quality job opportunities and support the local economies, whereas the community benefits offered align well with the abovementioned objectives, indicating the major contribution of the Proposed Development to the local communities.

3.3 Maximising Net Economic Benefits

This report also considers how 3R Energy will maximise the net economic impact of the Proposed Development. This will consider the different types of benefits that are generated by onshore wind projects. Examples of these are given in Figure 3-1, and this covers:

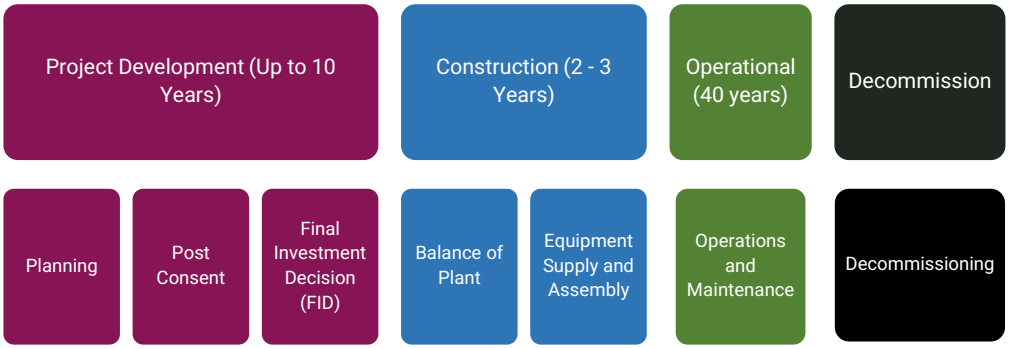
- **Direct Benefits** – these are the benefits and impacts over which the developer has direct control and can most easily influence. This can include the economic impacts generated by the projects and their contribution to public policy and public finances;
- **Enabling Benefits** – many of the potential positive impacts associated with an onshore wind farm are not within the control of the developer. These can include how communities invest any funding made available and how the supply chain builds capacity through the project. However, the developer can influence and support these organisations and individuals to maximise these enabling benefits and therefore it is appropriate to consider how the developer is working to maximise these enabled benefits; and
- **Additions to Capital Stocks** – the development of an onshore wind project should leave the local communities wealthier across all types of capital stock, including human, social, economic and natural capital.

Figure 3-1 Types of benefits from onshore wind in Scotland



The assessment of whether a project maximises the net economic impact is mindful of the process of building an onshore wind farm and the period in which this assessment takes place. The development timeline is outlined in Figure 3-2.

Figure 3-2 Example of Onshore Wind Farm Development and Timeline per Phase



Source: Scottish Renewables

In 2025, Scottish Renewables[11] published guidance to help developers deliver and enhance local benefits. This guidance sets out six principles that can be used to assess whether a project has been developed in a way that is likely achieve the objective of maximising socio-economic benefits. These include:

- **Place-based:** every project and every community is slightly different, so packages of benefits that are tailored around the needs and capacity of the community in question are likely to generate greater benefits than a standardised approach.

[11] Scottish Renewables, (2025), Maximising Net Socio-Economic Benefit of Renewable Energy Guidance and Reporting Framework

- **Innovative:** many of the benefits that have been realised by renewables to date have happened because of innovation at the project level. To maintain this culture of continuous improvement developers must continue to innovate.
- **Collaborative:** many of the benefits of renewable energy developments are not directly within the gift of developers. They will require input and support of others in the public, private and third sector to realise, making a collaborative approach essential.
- **Transparent:** effective collaboration requires the parties involved to trust each other and an open and transparent approach is crucial for establishing this trust.
- **Flexible:** a lot can change between project inception and completion, and these changes can make a big difference to the benefits ultimately realised. A flexible approach that responds positively to such changes is therefore important.
- **Deliverable:** providing communities with realistic expectations about what can be delivered during the construction and operation phase of a project will help achieve trust with relevant stakeholders.

These principles highlight that in considering whether the Proposed Development maximises net economic impact, it is necessary to consider both the economic impacts that are expected and the approach that 3R Energy is taking to ensure these benefits are consistent with community needs.

The focus of the assessment is on proposed approaches across supply chain engagement, skills development, and community empowerment. This is mindful of the development timelines outlined in Figure 3-2 and the point at which impacts are likely to occur.

3.4 Summary of Strategic Context

The Proposed Development is expected to have various socio-economic benefits in line with national, regional and strategic policy documents and aspirations for the area. Through the generation of renewable energy, it will contribute to the decarbonisation of the Scottish economy and towards Scotland's Net Zero target, whilst delivering economic benefits for Scotland and local communities.

4. Local Context

This section considers the socio-economic context for the Proposed Development.

4.1 Study Areas

The aim of the socio-economic context is to set the Proposed Development and its potential for economic benefits within existing socio-economic conditions.

This section considers the socio-economic context of the following study areas:

- Local Area (defined as the electoral wards of Clydesdale South and Ballochmyle);
- Regional Area (defined as the local authorities of South Lanarkshire and East Ayrshire); and
- Scotland.

While the Proposed Development is located in South Lanarkshire the Regional Area has been defined to include East Ayrshire, as the project is close to the border and it is likely that workers will commute to from across the Regional Area.

4.2 Demographics

The latest data for the Regional Area and Scotland relates to 2024, while the latest population estimates at the electoral ward level relate to 2021. Table 4-1 presents population estimates for these areas.

In the associated years, the population of the Local Area was 28,610, this was 6.3% of the total population of the Regional Area (456,000). The share of the working age population (aged 16-64 years) in the Local Area is 60.6%, a smaller proportion than that across the Regional Area (62.0%) and Scotland (63.3%) as a whole. The proportion of residents over the age of 65 in the Local Area is 22.5%, compared to 21.2% across the Regional Area, and 20.5% across Scotland, indicating a relatively old population.

Table 4-1 Population Estimates (2024)

	Local Area	Regional Area	Scotland
Total	**28,600**	**456,000**	**5,547,000**
0-15	16.9%	16.8%	16.2%
16-64	60.6%	62.0%	63.3%
65+	22.5%	21.2%	20.5%

Source: National Records of Scotland (2025), mid-2024 population estimates. National Records of Scotland (2024), small area population estimates: mid-2022. *latest population estimates for small areas are from 2022.

4.2.1 Population Projections

Between 2023 and 2047, the Regional Area is projected to see a total population increase of 7.4% (+33,170 persons), compared to an increase of 5.3% for Scotland as a whole.

While the number of working-age individuals (16-64) in the Regional Area is expected to rise by approximately 10,000 (a 3.6% increase), their overall proportion of the population will decrease from 62.2% to 60.0%. This trend is mirrored across Scotland, where the working-age population is projected a 1.2% increase (+41,124 persons), yet its share of the total population is expected to fall from 63.4% to 60.9%. This shift highlights a significant demographic change, as the growth in the 65+ age group - which is projected to reach roughly 25% in both areas - is the primary driver of the population increase.

Table 4-2 Population Projections (2023 to 2047)

	Regional Area		Scotland	
	2023	2047	2023	2047
Total	**451,000**	**484,200**	**5,490,100**	**5,783,000**
0-15	16.9%	14.9%	16.3%	14.0%
16-64	62.2%	60%	63.4%	60.9%
65+	20.9%	25.1%	20.3%	25.0%

Source: ONS (2025), Population Estimates, National Records of Scotland (2025), mid-2024 population estimates. National Records of Scotland (2025), subnational population projections: 2022-based.

4.3 Industrial Structure

As shown in Table 4-3, the sectors with the highest proportion of employment in the Local Area are human health and social work, and manufacturing, employing 14.9% and 13.1% of the working population respectively. The share of human health and social work is slightly below the Scottish national average of 16.2%, while manufacturing is higher than the national average of 6.9%. The Local Area's manufacturing mainly consists of food, beverage and wood manufacturing, which

may not see large benefits from this project. A large proportion of the Regional Area is employed in human health and social work (20.7%), compared to Scotland's average (16.2%).

As highlighted in the economic assessment in this report (see Section 6), the greatest opportunities for the local economy during the development and construction stage of the Proposed Development are likely to be in the construction sector, which accounts for a higher proportion of employment in both the Local Area (10.0%) and in the Regional Area (8.4%), and compared to Scotland as a whole (5.9%).

Table 4-3: Sectoral Employment (2024)

	Local Area	Regional Area	Scotland
Human health and social work	14.9%	20.7%	16.2%
Manufacturing	13.1%	8.2%	6.9%
Wholesale and retail trade	12.0%	15.5%	12.5%
Public administration and defence	10.2%	6.6%	6.5%
Construction	10.0%	8.4%	5.9%
Transportation and storage	9.0%	3.7%	4.1%
Education	7.9%	7.0%	8.2%
Accommodation and food	7.5%	6.6%	8.1%
Administrative and support	4.7%	6.0%	6.4%
Professional, scientific and technical	3.2%	4.7%	7.1%
Arts, entertainment and recreation	2.1%	2.9%	3.0%
Other service activities	1.7%	2.0%	1.9%
Agriculture, forestry and fishing	0.9%	2.6%	3.1%
Real estate	0.7%	1.3%	1.6%
Water, sewerage, waste management	0.6%	1.0%	0.7%
Information and communication	0.6%	1.1%	2.7%
Electricity, gas, steam, air conditioning	0.4%	0.3%	0.8%
Financial and insurance	0.1%	1.3%	3.4%
Total employment	6,025	161,660	2,640,000

Source: ONS (2025), Business Register and Employment Survey, 2024

4.4 Labour Market Indicators

Table 4-4 shows the economic activity of the Regional Area and Scotland. The percentage of economically active people (defined as the proportion of the working age population who are in the labour market) in the Regional Area is lower than Scotland's average, at 74.7% compared to 76.9%.

The unemployment rate (defined as the proportion of the economically active population that is unemployed) is slightly higher, with the Regional Area sitting at 4.2%, and Scotland at 4.0%

The median annual gross wage (the gross wages of full-time employees at the mid-point in the distribution of earnings) is £33,981 in the Regional Area and £33,061 in Scotland.

Table 4-4 Economic Activity (2025)

	Regional Area	Scotland
Economically Active (%)	74.7%	76.9%
Unemployment Rate (%)	4.2%	4.0%
Median Annual Gross Wage (residents)	33,981	33,061

Source: ONS (2025), annual population survey - data for July 2024 to June 2025; ONS (2025), annual survey of hours and earnings - resident analysis - 2024; ONS (2025), model-based estimates of unemployment - data for July 2024 to June 2025.

4.5 Education

The qualification levels of the working-age population in the Regional Area are generally lower than in Scotland as a whole, particularly at advanced attainment levels. Across the Regional Area, 47% of the population has achieved at least a Regulated Qualification Framework level four (RQF4+) which is equivalent to the first year of a bachelor's degree, this is 7 percentage points lower than the Scottish average of 54%. Similarly, the proportion of individuals attaining RQF3+ in the Regional Area is 65%, which is 7 percentage points lower than the national average.

Scotland overall has lower levels of attainment at lower tiers, for both RQF1+ and RQF2+, compared to the Regional Area. This indicates a regional workforce with a relatively strong concentration of vocational skills.

Table 4-5 Education Levels (2024)

	Regional Area	Scotland
RQF 1+	90%	88%
RQF 2+	88%	87%
RQF 3+	65%	72%
RQF 4+	47%	54%
Other Qualifications	2%	4%
No Qualifications	8%	8%

Source: ONS (2025), annual population survey, Jan 2024 - Dec 2024.

4.6 Scottish Index of Multiple Deprivation

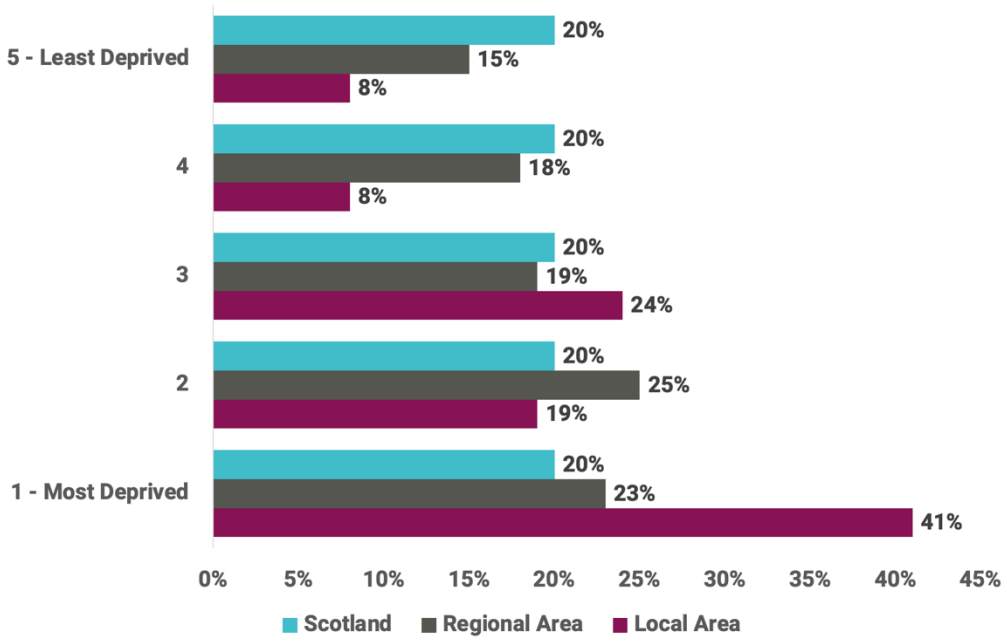
The Scottish Index of Multiple Deprivation (SIMD) 2020 provides a relative measure of deprivation across Scotland by ranking small areas (data zones) based on measures such as income, employment, health, education, and access. These ranks are grouped into quintiles, where Quintile 1 represents the 20% most deprived data zones in Scotland and Quintile 5 represents the 20% least deprived.

As show in Figure 4-1, 41% of the data zones in the Local Area are situated in the most deprived quintile, and 60% of the zones are in the two most deprived quintiles. It has 12 percentage points less than average in the least deprived quintile.

The Regional Area is closer to the Scottish average than the Local Area but is still more deprived. There are 8 percentage points more data zones in the two most deprived quintiles, and 7 percentage points less data zones in the two least deprived quintiles.

The significant difference in the SIMD of the Local Area compared to the Regional Area and Scotland indicates that the area has a distinct economic makeup. The qualification levels and economic activity for the Local Area (of which there is no data available) may be atypical.

Figure 4-1 Scottish Index of Multiple Deprivation (SIMD)



Source: Scottish Government (2020), Scottish Index of Multiple Deprivation 2020.

4.7 Summary of Local Economic Context

Based on standard labour market indicators, the combined Regional Area of South Lanarkshire and East Ayrshire presents a broadly similar profile to Scotland as a whole, while the Local Area of Ballochmyle and Clydesdale South displays more distinct socio-economic characteristics.

Demographic projections indicate that, over the next two decades, the Regional Area is expected to experience more pronounced population ageing than Scotland, with a declining proportion of working-age residents and a growing population aged 65 and over. This trend suggests the continued out-migration of working-age people, potentially in response to more limited economic opportunities.

Should similar trends occur within the Local Area, the implications could be disproportionately significant given existing levels of deprivation. This underscores the importance of creating well-paid, sustainable employment opportunities to retain and attract working-age residents, alongside initiatives that enhance quality of life and community resilience.

In this context, the Proposed Development has the potential to generate meaningful local economic benefits. The industrial structure of both the Local Area and the Regional Area indicate a relatively higher reliance on the construction sector compared to Scotland as a whole, suggesting that the local and regional economies are well positioned to benefit from construction-related employment and supply chain opportunities associated with the Proposed Development.

5. Assessment Methodology

This section describes the methodology used to assess the economic impact from the Proposed Development as well as the contribution to the maximisation of net economic benefits.

5.1 Approach

5.1.1 Measures of Economic impact

The economic impacts are reported with respect to the following measures:

- **Gross Value Added (GVA)**: a commonly used measure of economic output, GVA captures the contribution made by an organisation to national economic activity. This is usually estimated as the difference between an organisation's turnover and its non-staff operational expenditure; and
- **Employment**: this is expressed as years of employment (e.g. a job that lasts for 18 months would support 1.5 years of employment) for construction activity and as annual jobs for operations and maintenance contracts.

5.1.2 Sources of Economic Impact

The assessment will consider the following sources of economic impact:

- **direct impacts**: the economic value generated through the contracts associated with the Proposed Development;
- **indirect impacts**: the impact from the spending of contractors within their supply chains; and
- **induced impacts**: the impact from the spending of those workers carrying out contracts for the Proposed Development and on behalf of its contractors.

All figures included in this assessment are based on 2026 prices.

5.1.3 Study Areas

The assessment of economic impacts considered the following study areas:

- Regional Area (South Lanarkshire and East Ayrshire); and
- Scotland.

5.2 Economic Impact Methodology

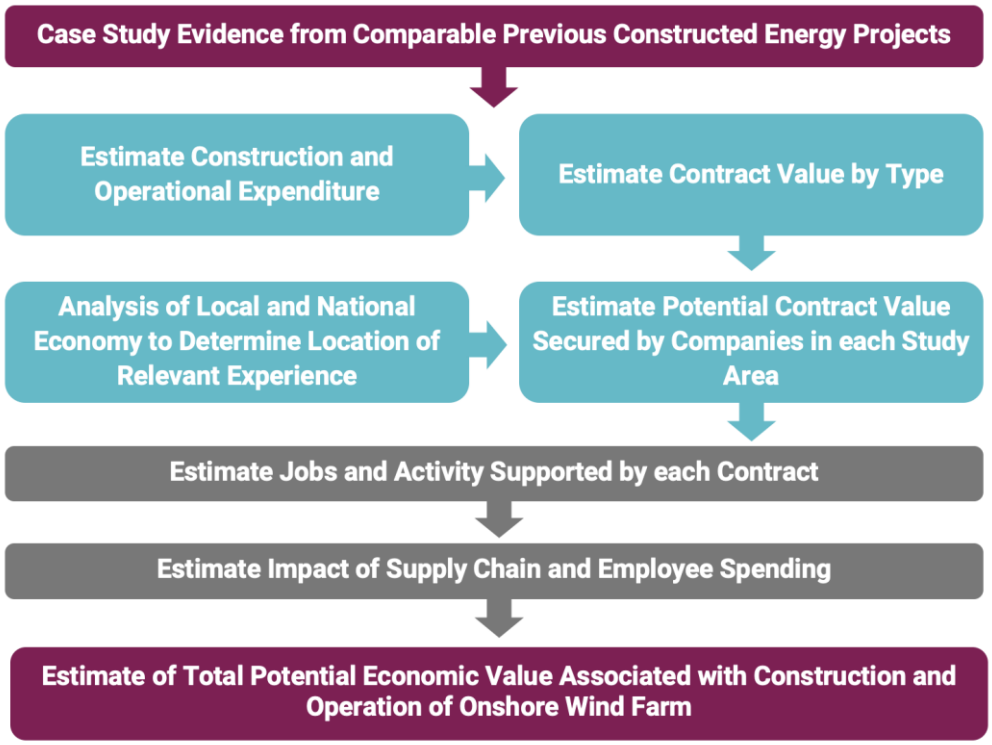
The methodology employed to assess the economic impact of energy developments adheres to industry best practice. The first step is to determine the total costs of a Proposed Development and a breakdown by category of cost for each element

(onshore wind, solar, LDES). This is based on the best available evidence, including case study evidence of previously constructed developments.

From there, an assumption was made about the level of spend that could be secured in each study area, based on an analysis of their economies and case study evidence. This was then used to estimate the direct economic impact as well as the indirect and induced impacts.

This is shown in Figure 5-1.

Figure 5-1 Approach to Economic Impact



Source: BiGGAR Economics.

5.2.1 Onshore Wind Element

The methodology employed to assess the economic impact of onshore wind developments adheres to industry best practice. It leverages research, conducted by BiGGAR Economics in 2015 on behalf of RenewableUK[12], on the construction and operational costs from numerous onshore wind farm projects across the UK. Furthermore, the approach draws on more recent evidence gathered from a multitude of case studies of construction and operational costs in the sector.

The methodology has now been used to assess the economic impact associated with numerous onshore wind developments across Scotland, and the UK. The economic modelling methodology comprises the following stages:

[12] RenewableUK (2015), Onshore Wind: Economic Impacts in 2014.

- development and planning;
- turbine;
- balance of plant; and
- grid connection.

The economic impact methodology adjusts the assumptions to account for varying capacities of businesses throughout Scotland to fulfil onshore wind contracts.

5.2.2 Solar Element

The total construction and development costs were estimated by multiplying the expected installed capacity by the cost per MW of the elements and services required during development and construction. This was based on previous analysis undertaken by BiGGAR Economics in the UK[13] as was the breakdown of costs.

5.2.3 LDES

The Proposed Development is expected to support the development of the national supply chain by contributing to the growth of Scotland's emerging vanadium flow battery (VFB) manufacturing sector. Unlike commonly known lithium-ion battery storage projects, which rely on imported technology, the Proposed Development is expected to use VFB technology manufactured in Scotland[14]. Information on the costs and associated economic impacts was sourced directly from Invinity Energy Systems, which manufactures VFBs in Scotland.

[13] Solar Energy UK/BiGGAR Economics (2025), The economic impact of solar and battery storage

[14] Figures from construction phase are based on utilising candidate VFB technology manufactured in Scotland. The final selection of technology will be determined through a full procurement process, with the implementation of the Applicant's Responsible Contracting Policy.

6. Economic Impacts

This section sets out the expected economic impacts related to construction and operation of the Proposed Development.

6.1 Development and Construction

The Proposed Development is a mixed renewable energy development, on land between the existing Hagshaw Hill and Douglas West wind farms at the Hagshaw Energy Cluster in South Lanarkshire.

The Proposed Development comprises of 8 turbines with a combined operational capacity of approximately 57.6 MW of wind energy (8 turbines x c.7.2 MW capacity). The Proposed Development also includes c.30 MW of solar photovoltaic energy generation and approximately 50 MW of LDES, which can provide continuous power for up to 12 hours. It was estimated that the total development and construction expenditure would be expected to amount to £225.6 million at 2026 prices.

The expenditure was split into four main categories:

- development and planning;
- balance of plant;
- turbines; and
- grid connection.

The greatest expenditure component will be associated with the LDES, equivalent to £139.1 million, or 62% of the total development and construction spend. The second largest expenditure will be associated with turbines accounting for 19%, followed by solar energy (10%), balance of plant (5%), development and planning (2%), and grid connection (2%) of total expenditure.

Table 6-1 Value of CAPEX Contracts

	% of Capex	Value (£m)
Development and Planning	2%	4.7
Turbines	19%	42.4
Balance of Plant	5%	11.5
Grid Connection	2%	4.8
Solar Energy	10%	23.1
LDES	62%	139.1
Total	**100%**	**225.6**

Source: BiGGAR Economics Analysis of case study evidence from comparable previously constructed wind farms. Note: Totals may not sum due to rounding.

In assessing the economic impacts arising from the development and construction of the wind element of the Proposed Development, it was necessary to make assumptions on the ability of businesses within each study area to carry out contracts.

Based on the evidence from similar developments within the Regional Area (South Lanarkshire and East Ayrshire) and the Applicant's established work on previous projects, it was estimated that approximately 71% of the Proposed Development's contracts will be carried out by Scottish businesses, with a value of £159.5 million.

The LDES element of the Proposed Development has been designed using a candidate technology of VFBs from Invinity Energy Systems, a Scotland-based company and global supplier of modular VFBs for utility-scale energy storage. On this basis, it is anticipated that up to 100% of LDES-related expenditure will remain in Scotland, supporting manufacturing employment in Scotland. This contrasts with lithium-ion projects, where most equipment is sourced internationally and much of the associated spending flows abroad.

It was estimated that spending on businesses based in the Regional Area would be approximately £11.9 million, equivalent to 6% of the total development and construction expenditure.

The greatest opportunity for Scottish businesses aside from LDES is expected to be in contracts associated with the balance of plant, which could be worth £10.2 million. Balance of plant contracts (and associated sub-contracts) are also likely to be the largest opportunity for businesses in the Regional Area, worth £3.9 million.

Table 6-2 Development and Construction Expenditure by Study Area

	Regional Area		Scotland	
	%	£m	%	£m
Development and Planning	34%	1.6	75%	3.5
Turbines	3%	1.1	10%	4.1
Balance of Plant	34%	3.9	89%	10.2
Grid Connection	37%	1.8	73%	3.5
Solar Energy	4%	1.0	12%	2.8
LDES	2%	3.3	97%	135.4
Total	**6%**	**11.9**	**71%**	**159.5**

Source: BiGGAR Economics Analysis. Note: Totals may not add up due to rounding.

Having estimated the size of the contracts that could benefit each of the study areas, it was possible to estimate the GVA and years of employment that these are likely to support. This was done by splitting each contract category into its component contracts and assigning each to an industrial sector, based on its Standard Industrial Classification (SIC)[15] code. Direct GVA was then estimated by applying the relevant turnover per GVA from the UK Annual Business Survey (ABS)[16].

On this basis, it was estimated that the development and construction phase could generate £5.2 million GVA in the Regional Area, and £59.7 million GVA in Scotland.

Table 6-3 Development and Construction Direct GVA by Study Area and Contract Type (£m)

	Regional Area	Scotland
Development and Planning	0.8	1.9
Turbines	0.6	2.0
Balance of Plant	1.5	4.2
Grid Connection	0.7	1.3
Solar Energy	0.4	1.1
LDES	1.4	45.7
Total	**5.2**	**59.7**

Source: BiGGAR Economics Analysis. Note: Totals may not add up due to rounding.

[15] Office for National Statistics (2009), Standard Industrial Classification of industrial Activities (SIC 2007).

[16] Office for National Statistics (2020), Annual Business Survey 2018 - Revised.

Similarly, it was possible to estimate the number of direct jobs supported by spending in construction and development contracts. This was achieved by dividing the expenditure in each contract by the turnover per job ratio for the relevant sector.

In this way, it was estimated that the development and construction phase of the Proposed Development could directly support 64 job years in the Regional Area, and 226 job years in Scotland.

Table 6-4 Development and Construction, Direct Employment by Study Area, and Contract Type (Years of Employment)

	Regional Area	Scotland
Development and Planning	7	21
Turbines	11	32
Balance of Plant	16	46
Grid Connection	9	17
Solar Energy	4	11
LDES	17	100
Total	**64**	**226**

Source: BiGGAR Economics Analysis. Note: Totals may not add up due to rounding.

Expenditure in development and construction contracts is also expected to generate 'knock-on' effects across the economy. Specifically, it will be associated with further rounds of expenditure along the supply chain and with the spending of the wages and salaries of those involved in the development and construction of the Proposed Development. These are referred to as 'indirect' and 'induced' impacts.

To estimate indirect and induced impacts, it was necessary to apply the relevant Type 1 and Type 2 GVA and employment multipliers from the Scottish Government Input-Output Tables[17] to direct GVA and direct employment. Since the multipliers refer to sectoral interactions occurring at the level of the Scottish economy, it was necessary to adjust them when considering impacts taking place in the Regional Area.

The total economic impact of the Proposed Development was estimated by adding together the direct, indirect and induced impacts together. The total combined impact was estimated to be:

- £7.1 million GVA and 84 job years in the Regional Area; and
- £96.3 million GVA and 386 job years in Scotland.

[17]Scottish Government (2020), Supply, Use and Input-Output Tables.

Table 6-5 Economic Impact GVA of Development and Construction (£m)

	Regional Area	Scotland
Direct	5.2	56.2
Indirect	0.8	23.0
Induced	1.1	17.1
Total	**7.1**	**96.3**

Source: BiGGAR Economics Analysis *totals may not add up due to rounding

Table 6-6 Employment Impact of Development and Construction (job years)

	Regional Area	Scotland
Direct	64	226
Indirect	9	102
Induced	10	58
Total	**84**	**386**

Source: BiGGAR Economics Analysis *totals may not add up due to rounding

6.2 Operation

The initial stage in determining the economic impact stemming from the operations and maintenance of the Proposed Development involved assessing the annual total expenditure necessary for its operation. Based on the number of turbines and the Proposed Development's capacity, it was estimated that the annual cost of operations and maintenance (OPEX) is likely to amount to approximately £5.8 million.

It was further assumed that businesses in the Regional Area could benefit from a total of £2.0 million in operations and maintenance contracts (36% of OPEX) annually, and that annual expenditure in Scottish contractors could be up to £3.9 million (65% of OPEX).

Table 6-7 Value of OPEX Contracts by Study Area

	Regional Area		Scotland	
	%	£m	%	£m
Operations and Maintenance – Wind Element	42%	1.2	87%	2.4
Operations and Maintenance – Solar Element	44%	0.2	62%	0.3
Operations and Maintenance – LDES Element	23%	0.6	47%	1.2
Total	**36%**	**2.0**	**65%**	**3.9**

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

As with the construction phase, the contract values awarded in each of the study areas represent an increase in turnover in those areas. The economic impact of the increase in turnover on GVA and employment estimated in the same way as the construction expenditure, using the Annual Business Survey.

In this way, it was estimated the operation and maintenance phase could directly support £1.0 million GVA and 5 jobs in the Regional Area and £1.7 million GVA and 10 jobs in Scotland.

Table 6-8 Operations and Maintenance Direct Impact by Study Area

	Regional Area	Scotland
Direct GVA (£m)	1.0	1.7
Direct Employment (Jobs)	5	10

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

There would also be indirect and induced impacts during the operation and maintenance phased, which were estimated using the same method as for the development and construction phase.

Adding together the direct, indirect and induced impacts, it was estimated that the total annual economic impact would be:

- £1.3 million GVA and 6 jobs in the Regional Area and;
- £3.1 million GVA and 19 jobs in Scotland.

Table 6-9 Economic Impact of Operations and Maintenance by Study Area

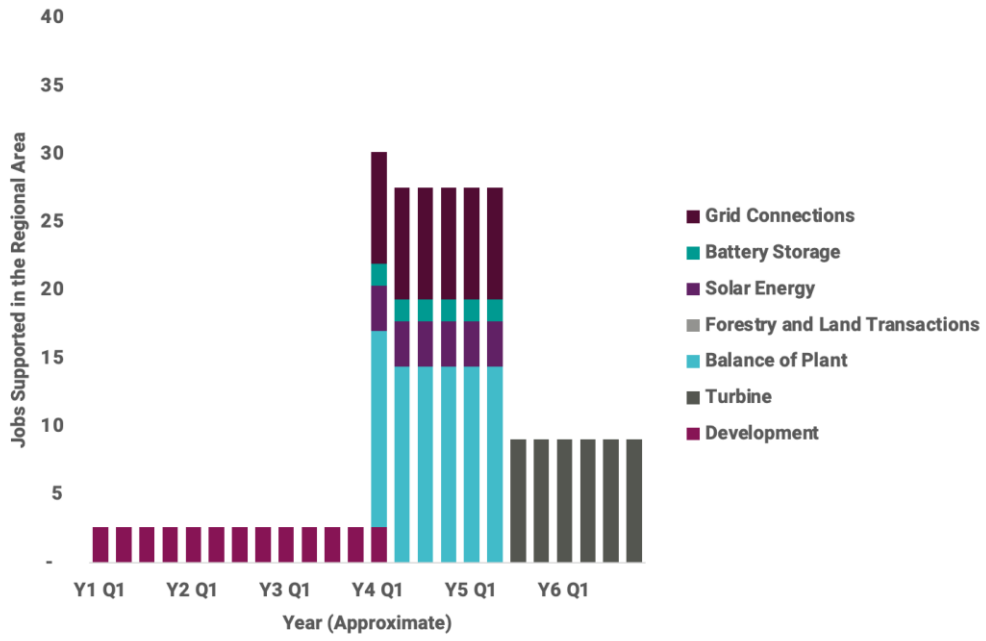
	Regional Area	Scotland
GVA (£m)	1.3	3.1
Jobs	6	19

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

6.3 Impact over Lifetime

Figure 6-1 shows employment created by the project over time in the Regional Area, peaking in Year 4 with 30 jobs. It is estimated that during this phase up to 84 jobs will be supported across the Scottish economy.

Figure 6-1 Employment over time (Regional Area)



6.4 Non-Domestic Rates

The Proposed Development is expected to generate a stream of revenue to the Regional Area through the annual payment of non-domestic rates. The Proposed Development would be liable for non-domestic rates, the payment of which would contribute directly to public sector finances and infrastructure investments.

In 2023, the Scottish Assessors Association (SAA) published guidance on the valuation of onshore wind[18] and solar PV developments[19]. The rateable value of the

[18] Scottish Assessors Association (2023), Practice Note 2: Valuation of On-shore Wind Turbines.
[19] Scottish Assessors Association (2023), Practice Note 3: Valuation of Photovoltaic Electricity Generators.

onshore wind element was calculated using the expected income per MW, the expected annual net yield, the cost of equipment per MW and the decapitalisation rate. A similar approach was followed for the battery element. For the solar element, the unaccredited rateable value per MW was applied for the calculations. The annual liability of the Proposed Development was then calculated by multiplying the estimated rateable value by the Scottish Higher Property Rate of 55.9 pence[20].

Using this approach, it was projected that over its operational period, the Proposed Development could make a total annual contribution of approximately £8.9 million to public finances. Across its 40-year operational lifespan, this contribution towards non-domestic rates is anticipated to accumulate to around £354.0 million.

Demand for public services has been increasing whereas the funding has been reduced in recent years and the South Lanarkshire expect the budget gap for 2024/25 to be over £20 million[21]. The Proposed Development would strengthen the financial position of local government, supporting additional spending on public services, though in practice not all the income would necessarily go to South Lanarkshire Council since the distribution of non-domestic rate revenues are determined nationally.

6.5 Community Benefit Funds

Community benefits, an annual payment that is made by the Applicant to those communities in the proximity of a wind farm, have become a common practice to support local ambitions and needs. While they do not constitute a material consideration at the planning stage, commitment to a comprehensive package of community benefits has a role in fostering a good relationship between the Applicant and the community hosting the development.

To provide a framework on how to deliver community benefits, in 2019 the Scottish Government published its 'Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments'[22], which updated previous guidance issued in 2015. The Scottish Government recommends onshore wind developers to deliver community benefit funding worth £5,000 per MW of installed capacity. The document also encourages developers to engage in holistic ways to maximise benefits locally, going beyond a purely monetary approach.

Following this recommendation, the Applicant is proposing a tailored package of benefits for the community from the Proposed Development and according to the current layout design and installed wind capacity of approximately 57.6 MW (8 turbines x 7.2 MW), and a community benefit contribution of £5,000 per MW of

[20] Scottish Government (2024), Non-domestic rates guidance.
[21] South Lanarkshire (2024), Budget consultation. Available at: https://www.southlanarkshire.gov.uk/budget-consultation#:~:text=The%20budget%20gap%20for%202024,will%20make%20the%20final%20decisions.
[22] Scottish Government (2019), Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments.

installed wind energy capacity, this could equate to community benefit funding for the local area worth £288,000 annually, which is equivalent to £11.5 million over the project's lifetime.

The Applicant is also committed to offering up to an additional £5,000 per year on the 50 MW Long Duration Energy Storage element over the 40-year operational life, equivalent to £200,000 over the project's lifetime.

This could support local aspirations and projects and generate economic impacts. The local needs and priorities can be identified from the community consultations taking place. The presence of the Proposed Development would provide local communities with additional funding, which could be used to deliver short-term and long term strategic, large–scale projects/initiatives which create tangible and lasting benefits for local communities.

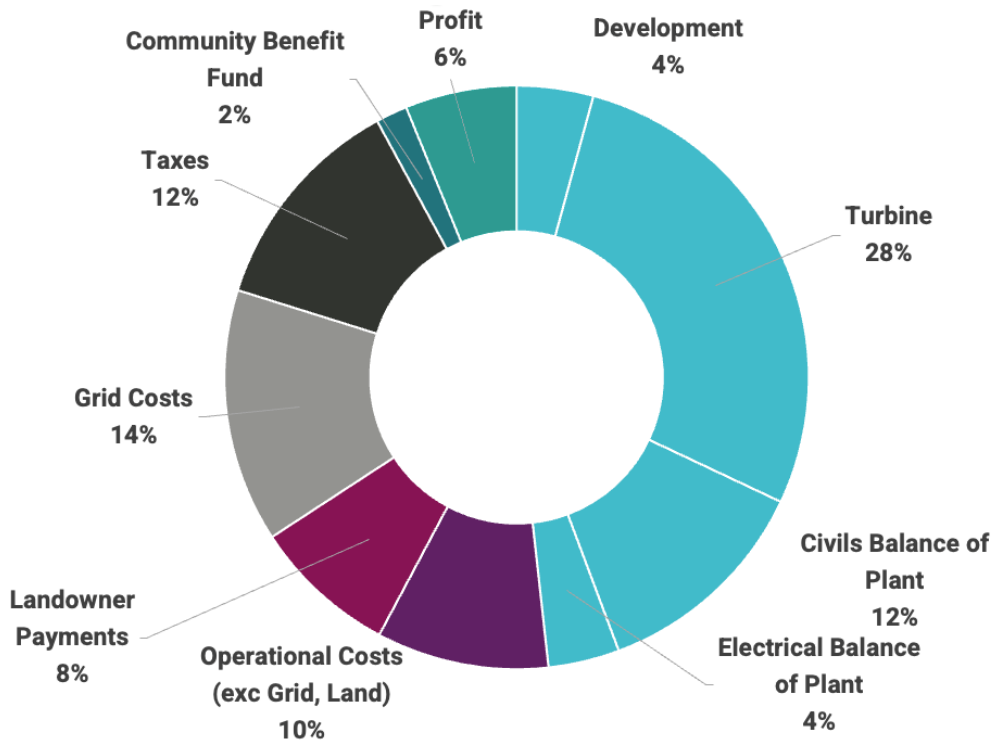
7. Maximising Socio-Economic Impacts

This section considers how 3R Energy maximises the local socio-economic benefits from the Proposed Development.

7.1 Supply Chain

The supply chain is vital for maximising economic benefits from renewable energy developments. The distribution of the income of a typical onshore energy park in Scotland is shown Figure 7-1. This shows that the majority of the value of an onshore renewable energy park is captured within various elements of the supply chain. Areas that Scotland has the ability to supply the majority of the work (such as development, the electrical and civil balance of plant and operational activities) account for at least 30% of the value of an onshore renewable energy park and therefore, maximising the supply chain opportunities from any project is crucial to maximising the net economic benefits of a project.

Figure 7-1 Distribution of Revenue of a Typical Onshore Renewable Energy Park in Scotland



Source: BiGGAR Economics Analysis

Building local supply chain capacity allows developers to reduce costs while supporting regional economic growth. This approach brings together national policy and community expectations for local content and job creation.

Onshore renewable energy developers can only utilise a local supply chain if it exists and is competitive at the time the developer needs the goods or services it could provide.

As outlined in Section 3.3 for a project to maximise its socio-economic benefits, it needs to be place-based, innovative, collaborative, flexible, transparent and deliverable. For maximising benefits through the supply chain, this would mean the developer would need to:

- **research the local business base**, to understand the capacity to provide the goods and services needed and identify opportunities to support supply chain development;
- take reasonable steps to **maximise local supply chain content,** including working with Tier 1 contractors to make use of local suppliers;
- adopt **progressive procurement practices** that make it easier to make use of small local businesses and social enterprises; and
- supporting ongoing efforts to **increase regional supply chain capacity** and collaborate with clusters of expertise.

Effective capacity-building requires targeted outreach to raise awareness among local businesses about opportunities. This involves informing suppliers about technical standards, safety requirements and procurement processes and positions them to compete successfully for contracts. Clear communication of requirements and timelines gives local businesses the lead time needed to prepare, enhancing local competitiveness and reducing dependence on distant suppliers.

The supply chain serves as a strategic tool for developers to enhance economic returns, support communities and maximise local benefits in each stage of the development process while also strengthening the renewable energy sector's sustainability and commitment to deliver value.

The rest of this section considers the implications of this for the Proposed Development.

7.1.1 Hagshaw Energy Cluster Development Framework

The Hagshaw Energy Cluster Development Framework[23] is a non-statutory, place-based planning framework developed through close collaboration between developers (including 3R Energy), local authorities, NatureScot, and a wide range of stakeholders. It provides a coordinated approach to guiding renewable energy

[23] Land Use Consultants (2023) Planning for Net Zero: A Development Framework for the Hagshaw Energy Cluster

development across the Hagshaw Energy Cluster, aligning strategic investment with Scotland's Net Zero ambitions and local spatial priorities.

The Proposed Development will be delivered in alignment with the Hagshaw Energy Cluster Development Framework, adopting its place-based and collaborative approach to coordinating renewable energy investment and supply chain development.

In practical terms, this will involve coordinated engagement with local authorities, statutory agencies, community representatives, and other developers operating within the Cluster to identify shared opportunities for supply chain participation, skills development, and infrastructure investment.

This collaborative approach enables supply chain benefits to be planned at a cluster scale rather than on a site-by-site basis, increasing opportunities for local businesses to access repeat workstreams, build capacity, and invest in long-term capability, rather than short-term project-specific contracts. Through this mechanism, the Proposed Development will contribute to a place-based approach that supports sustainable growth, resilience, and long-term value creation within the local area.

7.1.2 Applying Lessons Learnt from experiences working in the Local Area

The Applicant will apply lessons learned from previous engagement with local suppliers across the Hagshaw Energy Cluster to shape a locally responsive and deliverable supply chain strategy for the Proposed Development.

Previous experience has demonstrated the value of early engagement, clear communication of procurement opportunities, and proportionate contract packaging in enabling meaningful participation by local businesses. These lessons will be embedded into the delivery model for the Proposed Development to ensure that local supply chain opportunities are accessible, transparent, and realistically achievable for businesses operating at different scales.

The approach will be flexible and adaptive, allowing procurement models to evolve in response to market conditions, supplier feedback, and local economic needs. By building on established relationships and local knowledge, the Proposed Development will support continuity of local employment, skills retention and business growth, strengthening the long-term economic resilience of the local supply chain.

7.1.3 Responsible Contracting Policy

The framework (see Appendix: 3R Energy Responsible Contracting Policy) was established by the Applicant for 3R Energy projects, and outlines how the developer intends to integrate community and local employment benefits into the procurement process for Balance of Plant construction contracts. The primary objective of the policy is to ensure that contractors' commitments to the local area are weighted during the evaluation and award of tenders. This approach expands the definition of "most economically advantageous offer" to include the social and economic value provided to nearby communities.

For the Proposed Development, the Applicant will implement the Responsible Contracting Policy to ensure that insights from earlier developments directly enhance community and employment benefits. This will translate into contractual requirements for main contractors and tier-one suppliers to demonstrate how they will engage local supply chains, support local employment pathways and contribute to skills development initiatives.

7.1.4 Progressive Procurement Practices

The Proposed Development will adopt progressive procurement practices designed to reduce structural barriers to participation for small local businesses and social enterprises.

Innovative procurement approaches will also be explored, including collaborative contracting models, framework agreements, and the use of local supplier directories and mechanisms to connect contractors with local businesses.

The Applicant will work collaboratively with local enterprise agencies, business networks and community organisations to identify capable suppliers where required. This approach creates a flexible and deliverable procurement environment that enables meaningful local participation while maintaining quality, safety and delivery standards.

7.1.5 Commitments for Monitoring for the Supply Chain

Once these actions have been committed to, it will also be important to consider how intended outcomes will be monitored and reported on.

Table 7-1 3R Energy Supply Chain Commitments and Monitoring

Commitment
Implementing the Hagshaw Energy Cluster Development Framework.
Apply lessons learnt from experiences working in the local area.
Implement Responsible Contracting Policy.
Apply progressive procurement practices, including early communication of requirements, to support local subcontracting and SME participation.

Source: BiGGAR Economics

7.2 Skills Development

Developing skills within the local region plays a pivotal role in maximising the economic benefits of wind farm projects. By investing in local workforce development and building relations with education and training providers 3R Energy can help ensure that the community directly benefits from the jobs and opportunities created by the project.

Skills development can enhance the capacity of the local workforce to meet the technical demands of the renewables sector. Offering training and upskilling

opportunities can help prepare local workers to take on both short-term construction roles and long-term operational positions, contributing to sustained employment.

Building regional skills helps create a supply chain network, where local businesses can provide goods and services directly to the Proposed Development. This capacity-building in the local business community supports the growth of small and medium-sized enterprises, encouraging economic diversification and strengthening areas of expertise and delivery locally.

Through initiatives that target specific skills gaps and industry requirements, 3R Energy can maximise the immediate economic benefits of the Proposed Development but also participate and contribute to a workforce that can be competitive in future renewable energy projects. This creates a foundation for the region's long-term economic vitality, ensuring local communities remain integral to the sector as it develops.

The rest of this section considers the commitments and actions relating to this for the Proposed Development.

7.2.1 Diversifying and Building Local Skills

Developers in the Hagshaw Energy Cluster have taken a coordinated, place-based approach to skills development, aligned with the Hagshaw Energy Cluster Development Framework. Skills development is identified as a strategic opportunity for inclusive and sustainable growth, with projects acting as a practical delivery platform for translating strategic ambitions into tangible local outcomes.

Building on Douglas Valley's industrial heritage and existing workforce capabilities, the approach focuses on aligning transferable skills from traditional sectors with the evolving demands of the low-carbon energy economy. By identifying roles and competencies within areas of work required and enabling local workers to pivot into green economy roles, the Proposed Development will contribute to the creation of long-term, sustainable employment pathways that retain economic value within the local area.

Drawing on models such as the Connect2Renewables initiative, the Proposed Development is expected to adopt a collaborative delivery model, working in partnership with local employability services, training providers, further education institutions, local authorities, and third-sector organisations to identify specific skills gaps and workforce development opportunities. A primary focus is inclusivity, ensuring that training pathways and job opportunities are accessible to those furthest from the employment market, effectively transforming the regional transition into a vehicle for social and economic equity.

7.2.2 Apprenticeships, Training, and Upskilling Opportunities

The Proposed Development will promote apprenticeships, training and upskilling opportunities as a component of project delivery, with a focus on long-term workforce development.

Tier 1 contractors and principal suppliers will be encouraged, through procurement and contractual mechanisms, to support apprenticeships, accredited training programmes, and on-the-job learning opportunities linked to construction, electrical systems, civil engineering, environmental management, and renewable energy operations. This approach will be delivered through collaborative partnerships with local colleges, training providers, and employability organisations to ensure that training provision is aligned with local labour market needs and industry standards.

7.2.3 Engagement With Schools and Careers Activities

The Proposed Development will support early-stage engagement with schools and young people as part of a long-term skills pipeline strategy for the local area. This will include collaboration with primary and secondary schools, career services, colleges, and youth organisations to raise awareness of renewable energy careers and the wider green economy.

The Applicant is already involved in these initiatives on other sites in the Hagshaw Energy Cluster, including primary school student site visits to Douglas West Wind Farm and workshops delivered by Earth Energy Education, in collaboration with other developers. This is demonstrated in the Education Impact Report[24]. The initiative is funded and set to continue for 2026.

These initiatives are designed to provide practical insight into low-carbon careers and build aspiration among young people within the local community.

7.2.4 Commitments for Monitoring for Skills Development

Once these actions and activities have been committed to, it will also be important to consider how intended outcomes will be monitored and reported on.

Table 7-2 3R Energy Skills Development Commitments and Monitoring Proposal

Commitment
Working with local employability and training providers.
Encourage Tier 1 contractors to support apprenticeships, training, and upskilling opportunities.
Support and participate in collaborative schools and careers engagement activities.

Source: BiGGAR Economics

7.3 Community Empowerment

It is good practice for wind farm developers to aim to provide community benefits worth at least £5,000/MW, however over the last 20 years, as experience of

[24] Hagshaw Energy Cluster Education Impact Report – Academic Year 2024/2025

delivering projects and understanding of community priorities has grown, a plethora of mechanisms for delivering community benefit have evolved. These include:

- provisions for shared equity arrangements with host communities;
- support for housing and social infrastructure in host communities;
- funding to support operational and/or staff costs of community anchor organisations;
- financial support for specific local roles such (e.g. nature wardens or rangers);
- financial support for local people to undertake professional training and development;
- local electricity discounts and other direct financial benefits for residents; and
- the provision of recreational infrastructure (paths and tracks) during the construction phase.

It is important all relevant mechanisms are considered as part of this assessment.

It is also important to differentiate between the *value* of funding a developer may provide and the *benefit* that funding may generate for the community. Community benefit packages that are designed to address the needs and aspirations of host communities and delivered in a way that puts communities at the heart of decision making are likely to generate greater benefits than those that are not.

The rest of this section considers the commitments and actions relating to this for the Proposed Development.

7.3.1 Community Engagement

In alignment with the Development Framework, the Applicant is committed to engaging with communities close to the Proposed Development. As in previous projects, the Applicant commits to early consultation events to inform residents about the Proposed Development, seek feedback, and gather ideas for initiatives that could benefit the local areas. This approach reflects Applicant's commitment to open communication and collaboration, ensuring that local voices continue to help shape developments within and around the Hagshaw Energy Cluster.

Building on experience from previous projects within the Hagshaw Energy Cluster, the Applicant has implemented early-stage and proactive consultation processes, including community information events, targeted local engagement, and participatory feedback mechanisms. These events were used to inform residents about the Proposed Development, gather local knowledge, and identify community priorities and opportunities for locally beneficial initiatives. The reporting of all community consultation undertaken to date and the feedback received is reported in the Proposed Development's 'Pre-application Consultation Report'.

This collaborative approach ensures that community engagement is not treated as a one-off process, but as a continuous relationship that supports trust, transparency, and shared ownership of outcomes.

7.3.2 Community Benefit Fund

Community benefits, an annual payment that is made by the Applicant to those communities in the proximity of a wind farm, have become a common practice to support local ambitions and needs. While they do not constitute a material consideration at the planning stage, commitment to a comprehensive package of community benefits has a role in fostering a good relationship between the Applicant and the community hosting the development. This is explored more in Section 6.5.

The Applicant is committed to establishing a community benefit contribution of £5,000 per MW of installed wind energy capacity, this could equate to community benefit funding for the local area worth £288,000 annually, which is equivalent to £11.5 million over the project's lifetime. In addition to this, a further £5,000 per year contribution is proposed for the LDES component of the Proposed Development, increasing the annual funding for communities in South Lanarkshire to £293,000 and c.£11.7 million over the lifetime of the project.

To ensure this fund is consistent with the objective of maximising socio-economic benefits, it will be important to set out how the benefits from this fund will be maximised. This should include establishing transparent, community-led governance arrangements.

3R Energy are in the process of developing a Community Benefit Strategy alongside the closest communities to agree an outline to the proposed distribution of funds and the possibility of ring fencing some of the funds to support strategic local community projects and/or a local energy discount scheme.

7.3.3 Potential Shared Ownership

To maximise the participation in the economic benefits from onshore wind, the Scottish Government encourages shared ownership schemes where possible. These provide local communities with a stake in an onshore wind development and a corresponding share of the profits, whenever these are realised. Focus on shared ownership is also in line with the Government's increased consideration of opportunities for community wealth building.

The Applicant has previously consulted with local community groups within the Hagshaw Energy Cluster on shared ownership opportunities and remains committed to exploring this option for the Proposed Development. While no local groups have to date progressed formal interest in shared ownership arrangements, the Applicant will continue to adopt an open approach, to exploring shared ownership opportunities up to the point of financial close for the project.

7.3.4 Commitments for Monitoring Community Empowerment

Once these actions have been identified, it will also be important to consider how intended outcomes will be monitored and reported on.

Table 7-3 3R Energy Community Empowerment Commitments and Monitoring

Commitment
Community engagement to develop a bespoke package of community benefits informed by local priorities and aspirations.
Establish a community benefit fund.
Explore any proposals from the local community for shared ownership .

Source: BiGGAR Economics

7.4 Environmental Protection and Enhancement

Renewable energy developers are expected to comply with a number of policies designed to ensure any adverse effect projects could have on the natural environment are effectively mitigated. However, it is sometimes possible for activity undertaken to achieve this to be delivered in a way that creates additional benefits for local communities. For example, rerouting access tracks can help ensure access to a site is maintained during a project but if this is done in a way that will improve access or enhance the experience of users this can create additional spillover benefits that should be considered as part of the socio-economic impact assessment.

The concept of environment in this context as encompassing both the natural environment (landscape, habitats, ecosystems, and biodiversity) and the urban environment (settlements, public spaces, infrastructure, and community assets), recognising their interdependence in shaping quality of life and place identity.

The rest of this section considers the commitments and actions relating to this for the Proposed Development.

7.4.1 Enhancing Tourism and Recreation

In alignment with the Hagshaw Energy Cluster Development Framework, the Applicant is committed to enhancing tourism and recreation opportunities as an integrated component of environmental, social, and economic value creation.

Building on delivery experience across previous sites within the Hagshaw energy Cluster, the Applicant will support the enhancement of outdoor recreation infrastructure through the upgrading of existing routes and the creation of new access tracks and pathways. These routes support a range of activities including walking, running, mountain biking, and e-biking, and will be designed to improve accessibility, connectivity, and safety.

These interventions will be coordinated with the wider recreation and tourism initiatives being advanced through the Development Framework, contributing to the establishment of a coherent local tourism identity for the Hagshaw Energy Cluster.

7.4.2 Douglas Valley Outdoor Recreation and Adventure Tourism Study

The Proposed Development will align with and support the objectives of the Douglas Valley Outdoor Recreation and Adventure Tourism Study[25], which identifies the creation of a recreational tourism Community Hub and Visitor Centre in Douglas West, adjacent to the Proposed Development. The proposed Hub includes enhanced parking and coach facilities, electric vehicle charging infrastructure, improved signage and wayfinding and a destination play area, creating a multifunctional offer to the wider Hagshaw Energy Cluster.

This initiative is intended to promote both local and regional visitation, supporting diversified business development and employment opportunities linked to recreation, tourism, hospitality and environmental services. The study sets three core components: the development of an active travel network, the delivery of recreational routes, and the establishment of a central recreational hub to act as a focal point for adventure tourism.

7.4.3 Enhancing Public Spaces

The Applicant is committed to supporting the enhancement of existing and the creation of new public spaces within settlements surrounding the Hagshaw Energy Cluster, recognising the importance of high-quality urban environments in supporting community wellbeing, social cohesion and place identity. Interventions will be guided by local character, heritage and landscape context, ensuring that public space improvements respect the historic identity and sense of place of local communities.

This approach will be delivered through collaborative working with local authorities, community organisations, and local residents to identify opportunities for improvements that are locally relevant and community led.

7.4.4 Coordinated Habitat Management and Peatland Restoration

As part of other projects in the Hagshaw Energy Cluster, the Applicant has prepared habitat management and enhancement plans and commits to doing the same for the Proposed Development. The Proposed Development Biodiversity Enhancement and Management Plan (BEMP) is to be implemented during the 40-year operational phase. The aim of the BEMP is to enhance habitat quality and increase opportunities for protected species building on the wider commitments of the Hagshaw Energy Cluster Development Framework aims and objectives.

By operating at both site and landscape scales, the approach supports climate resilience, carbon sequestration and ecosystem service delivery, while strengthening the long-term ecological health of the area.

7.4.5 Commitments and Monitoring for Environmental Protection and Enhancement

Once these actions have been identified, it will also be important to consider how intended outcomes will be monitored and reported on.

[25] BiGGAR Economics (2025), Douglas Valley Community-led Recreation and Adventure Tourism

Table 7-4 3R Energy Environmental Commitments and Monitoring

Commitment
Enhancing the outdoor recreation offering in the local area through the upgrading of existing and creating new outdoor tracks.
Enhancement of existing and creation of new public spaces within settlements around the cluster.
Habitat management and continuing peatland restoration in the local area.
Deliver and monitor commitment on net positive impact on biodiversity.

Source: BiGGAR Economics

7.5 Summary of Commitments and Maximising Benefits

Collectively, these measures ensure that maximising benefits for the Proposed Development are practical, place-responsive and capable of delivering tangible economic benefits while meeting policy objectives. The focus on collaboration, innovation, flexibility, and local delivery capacity positions the Proposed Development as a long-term contributor to sustainable economic development within the Hagshaw Energy Cluster rather than a standalone infrastructure project.

8. Tourism

This section provides an overview of the tourism drivers in the Local Area and considers the relationship between the Proposed Development and the local tourism assets.

NPF4 does not identify tourism impacts as a material concern for onshore wind development and therefore, a review of the national and local evidence of onshore wind farms on tourism is considered to determine any potential impact according to the existing literature.

8.1 Evidence on Wind Farms and Tourism

A number of studies have considered the relationship between wind farm developments and tourism activity.

A study undertaken in 2008 by the Moffat Centre at Glasgow Caledonian University[26] examined the potential effects of wind farms on tourism. The study found that while there could be minor effects on tourism providers, the overall effect on tourism expenditure and employment would be very limited.

Since this study, wind farms have become a more common feature in Scotland and any negative effects on the tourism economy as a result of their existence would now be apparent.

In 2021, BiGGAR Economics produced a report analysing the relationship between the construction of onshore wind farms and tourism employment at the national, regional, and local level[27]. Nationally, the report found that, while Scotland had experienced a significant increase in onshore wind energy (with the number of turbines increasing from 1,082 in 2009 to 3,772 in 2019), employment in tourism related sectors had increased by 20%. At the local authority level, those local authorities which had seen the largest increase in onshore wind energy, also experienced increases in tourism employment, equal to, or greater than, other areas across Scotland.

The report included case studies of 44 onshore wind farms constructed between 2009 and 2019. This included an updated analysis of 28 wind farms (included in a

[26] Moffat Centre (2008) *The Economic Impact of Wind Farms on Scottish Tourism.* [online] The Scottish Government. Available at: https://www.gov.scot/publications/economic-impacts-wind-farms-scottish-tourism/

[27] BiGGAR Economics (2021) *Wind Farms & Tourism Trends in Scotland: Evidence from 44 Wind Farms.* [online] Available at: https://biggareconomics.co.uk/wp-content/uploads/2021/11/BiGGAR-Economics-Wind-Farms-and-Tourism-2021.pdf

previous report[28]) constructed prior to 2015, and 16 additional wind farms constructed between 2015 and 2019. The study reported on changes in tourism-related employment in the data zones within 15 km of each wind farm. Of the 28 wind farms previously analysed, the local areas surrounding 18 of those experienced an increase in tourism employment above the Scottish average, in the years following the construction. Of the local areas surrounding the additional 16 onshore wind farms, 11 experienced increases in tourism employment, which outperformed the Scottish average. These results strongly suggested that tourism employment in local areas across Scotland changed independently of wind farms located in the area.

The report concluded that there was no pattern or evidence to suggest that the development of onshore wind farms in Scotland had any negative effects on the tourism economies in the immediate areas surrounding wind farms, the local authority areas, or indeed, across the country as a whole.

These conclusions are not surprising given that:

- Onshore Wind Policy Statement acknowledges that while concerns about the impact on tourism exist, current evidence does not indicate negative effects but instead highlight the potential for developments to support local tourism through improved access, recreational opportunities and community-focused initiatives contributing positively to local economies and aligning with a 'people and place' approach;
- There are high levels of public support for renewable energy;[29]
- As wind farms are well-established in Scotland, tourists might already expect to see wind farms when visiting Scotland, especially rural Scotland;
- The factors that determine the success of the tourism sector do not include the presence or otherwise of an onshore wind farm; and
- Issues that influence tourism include the ability and willingness to travel, economic performance (and so whether tourists have disposable income available for leisure trips), exchange rates, the quality of the overall tourism product, the effectiveness of destination marketing and the quality and value for money of the services offered by tourism businesses.

NPF4 also does not identify tourism impacts as a material concern for onshore wind development that requires examination. Overall, it is accepted that onshore wind does not adversely impact tourism interests.

[28] BiGGAR Economics (2017) *Wind Farms and Tourism Trends in Scotland.* [online] Available at: https://biggareconomics.co.uk/wp-content/uploads/2020/01/Wind-farms-and-tourism-trends-in-Scotland.pdf

[29] DESNZ (2025). Public Attitudes Tracker: Energy Infrastructure and Energy Sources. Winter 2024, UK. [online] Gov.UK. Available at: https://www.gov.uk/government/statistics/desnz-public-attitudes-tracker-winter-2024/desnz-public-attitudes-tracker-energy-infrastructure-and-energy-security-winter-2024-uk#:~:text=In%20Winter%202024%20%5Bfootnote%201,from%2026%25%20to%2021%25.

8.2 Evidence on Solar and Energy Storage Developments and Tourism

The evidence base on the relationship between solar and energy storage developments and tourism is relatively limited in comparison with wind farms.

A study undertaken in Cornwall in 2013[30] is the most comprehensive to consider the impact of solar farms on tourism. Over 1,000 staying visitors in six different areas were asked a series of questions about their feelings towards energy developments. The majority of respondents, undertaken by the South West Research Company, found that solar developments had no impact on their visit to Cornwall, while for 22% they had a positive impact and for 7% they had a negative impact.

In addition, when asked whether the presence of either wind farms or solar developments would impact on future visits, 94% said that it would have no impact, 2% would be more likely to visit and 2% would be less likely to be visit.

The experience of solar development and the tourism sector in Cornwall suggests that the two sectors can coexist. Cornwall is the local authority area that has the highest number of solar sites and highest solar capacity of all local authority areas in the UK (650 MW)[31]. It is also one of the leading tourism destinations, with around 4.0 million domestic overnight visits annually, the fifth highest county in England (behind London, Manchester, the West Midlands and Devon)[32]. Research undertaken by the South West Research Company on behalf of Visit Cornwall suggests the main challenges for the Cornish tourism sector are cost and overcrowding. The Cornwall Online Visitor Survey 2023 suggested sustainability is important to visitors, with 77% of respondents considering it to be important or very important[33].

On energy storage, we are not aware of any research that has considered any relationship between developments and the tourism economy.

8.3 Tourism in the Local Area

The area surrounding the Proposed Development does not heavily rely on tourism, though the towns of Douglas and Coalburn are home to several historically significant sites, such as Douglas Castle and St Brides Church, as shown in Table 8-1. Both towns are characterised by local heritage initiatives, with nature reserves, walking paths, and community space. The potential capacity for future tourism development in this area is high, especially given the close proximity to the M74, meaning the area could tap into the large day visitor market in the west of Scotland.

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[30] The South West Research Company (2013), The Impact of Renewable Energy Farms on Visitors to Cornwall

[31] Department for Energy Security and Net Zero (2025), Renewable electricity by local authority 2014-2024

[32] Visit England (2025),Domestic tourism statistics for England Counties, 2022 to 2024

[33] The South West Research Company (2023), Future Trends in Cornwall and Isles of Scilly Tourism

A 2024 study conducted by O'Donnell Brown[34] identified Douglas West as a potential location for the development of a visitor centre. Douglas West is situated in Douglas Valley between Coalburn and Douglas, 1 mile west of Douglas. It is a mostly wooded site (owned by Douglasdale Community Woodland Trust) once home to a coal mining operation, with its own (now disused) railway station.

The brief study outlines how the visitor centre would include a visitor hub building and a community workspace. It cites Kirroughtree Visitor Centre in Galloway as a case study, a hub that welcomes 78,000 outdoor enthusiasts annually. A similar development in Douglas West would increase footfall in the local communities, making the area more attractive to prospective visitors, creating jobs and improving the welfare of the local area.

A larger study[35] in 2023 looked at a development framework for the Hagshaw Energy Cluster. This study referenced inclusive and sustainable growth as one of its six themes; within this it considered tourism attractions focused on education and learning about renewable energy and nature as a key opportunity.

Table 8-1 – Tourism Attractions within 15km of the Proposed Development

Attraction	Description
Beeches Cottage Nursery	Independent, family run nursery and garden.
Blackhill Viewpoint	Burial cairn from the Bronze Age and an Iron Age fortress, owned by the National Trust.
Cameronian Regiment Memorial	Category A-listed statue of James Douglas, the first commander of the Cameronians' Regiment.
Douglas Castle	Stronghold of the Douglas family, first erected in the 13th century and rebuilt multiple times.
Glenbuck Heritage Village	Old coal mining village and birthplace of footballer Bill Shankly.
St Brides Centre	Community owned events venue.
St Brides Church	Church with what may be the oldest working clock in Scotland.
Turlood Equestrian Centre & Livery	Equestrian and Livery centre offering riding lessons and stables.
Douglas Heritage Museum	Local museum run by local volunteers.

[34] O'Donnell Brown (2024) Site and Brief Study: Douglas Valley

[35] Land Use Consultants (2023) Planning for Net Zero: A Development Framework for the Hagshaw Energy Cluster

8.4 Impact on Tourism

The Proposed Development is not expected to have a significant impact on tourism in the Douglas and Coalburn area with many existing energy developments already operational in the area. Visitor motivations in the area are primarily based on heritage, community initiatives and outdoor recreation, including visits to sites such as Douglas Castle, St Brides Church, Glenbuck Heritage Village, and local walking paths. The Proposed Development is located outside the immediate vicinity of these attractions and would not obstruct access or diminish the historical or cultural experience of these sites.

The potential development of a visitor centre at Douglas West is likely to complement these attractions by providing additional amenities and educational opportunities without interference from the Proposed Development. Moreover, studies of comparable sites have shown that renewable energy infrastructure can coexist with outdoor recreation and heritage tourism, particularly when they form part of an educational narrative.

Overall, visitor experiences focused on historical, cultural, and nature-based activities are unlikely to be materially impacted by the presence of the Proposed Development.

9. Conclusion

The Proposed Development delivers a comprehensive package of economic and wider benefits and, in this way, maximises net economic impacts for local communities.

This report assesses the potential socio-economic and community effects of the Proposed Development in the context of the NPF4 Policy 11(c) requirement to maximise net economic impact.

The socio-economic structure of the Local Area highlights the need for new job opportunities. This is reflected in the local demographic profile, with older population structures and worse labour market outcomes than Scotland. Future demographic pressures are expected to exacerbate these trends making job creation a priority to retain the existing population and attract more working age people to the area.

The Proposed Development is expected to support the **provision of local public services and the investment priorities of local communities**. During its operations, it is expected to generate approximately £8.9 million in non-domestic rates annually.

It is also relevant that the Applicant is a Lanark based company with strong ties to the area. This local presence, combined with its experience in partnering with large companies to deliver energy infrastructure in the area, positions the Applicant well to deliver on commitments supporting local jobs and businesses.

The assessment of the Proposed Development has found that the approach taken is:

- **place-based** and rooted in the context of the Regional Area to maximise the value of local expenditure;
- **innovative** in its approach to maximising benefits and supporting the process of continuous improvements and recreational enhancements around site infrastructure;
- **collaborative** with other developers, landowners, communities and public bodies;
- **transparent**, including monitoring and reporting;
- **flexible** enough to meet the evolving needs of the community that reflect the characteristics of the local labour market; and
- **deliverable** in an environment that allows the Proposed Development to generate tangible benefits for the host community while remaining affordable for the developer.

Based on this, it is concluded that 3R Energy's approach to the Proposed Development is consistent with Policy 11c of NPF4 on maximising net economic impact.

10. Appendix: 3R Energy Responsible Contracting Policy

10.1 Aims

The aim of this policy is to ensure that the community and local employment benefits offered by contractors are recognised in the evaluation and award of contracts. This will result in tenders submitted by contractors offering community and local employment benefits being more highly rated by 3R Energy during its tender evaluation than those without such benefits. The safety, quality and environmental management obligations placed on the selected contractor will not be compromised by this policy.

10.2 Justification

Tenders are normally selected on the basis of the "most economically advantageous offer". By recognising the economic advantage that the contract may bring to local communities and individuals within the definition of what is economically advantageous to 3R Energy, this policy seeks to foster a closer relationship between 3R Energy and the local communities. The construction of the Proposed Development will be the first physical activity in a project that will exist for at least 40 years and a close relationship between those parties is desirable for all concerned.

10.3 Site Information

The following steps will be taken by 3R Energy to implement this policy through the various stages of development of the project.

10.3.1 Planning Contract Procurement

- Consider the wider benefits for the community, which the contract could offer.
- Ensure that the pursuit of community benefit does not conflict with any relevant polices or regulations and that it is within the Company's powers.
- Compare with any existing case studies, where possible.

10.3.2 Prequalification of Tenderers

- Identify any external partners who may be able to support the project e.g. Job Centre plus, built environment sector skills, careers agencies etc.
- Include requirement for contractor to offer community benefits in contract notices and communication with potential contractors and sub-contractors.

- Engage with potential contractors and sub-contractors to share with them the strategy in respect of community and local employment benefits and discuss their commitment.
- Include details of the policy objectives in prequalification questionnaires sent to interested parties.
- Evaluate questionnaires submitted, offering to debrief those not invited to tender.

10.3.3 Tendering

- Include requirement for contractor to offer community benefits in contract notices and communication with tenderers.
- Organise meeting to brief tenderers, explain the objectives of this policy.
- Tenderers to include details of community and local employment benefits offered as part of their tender submission, including details of how these benefits would be realised, monitored, measured and reported.
- Community and local employment benefits offered by selected contractor are included within the contractual obligations to be delivered.

10.3.4 Reporting

- Contractor implements the plans submitted.
- Regular monitoring and reporting scheme established between contractor and 3R Energy.
- Regular reporting of performance against community and local employment objectives between 3R Energy and local communities.
- Learn lessons from implementation of policy and use these to improve future performance.

BiGGAR Economics, Shandwick House,
67 Shandwick Place, Edinburgh, Scotland EH2 4SD

info@biggareconomics.co.uk

biggareconomics.co.uk

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