# Stirches Renewable Energy Park

# Socio-Economic Benefit Statement

# For

# Stirches Solar Farm Limited / ib vogt UK Ltd

# Final Report

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# 1 Introduction

## Introduction

1.1 MKA Economics was appointed by ib vogt UK Ltd, through their Stirches Solar Farm Limited Special Purpose Vehicle (SPV) (the Applicant), to formulate an independent socio-economic assessment of co-located Photo Voltaic (PV) and BESS scheme, Stirches Renewable Energy Park, located just north of Hawick in the Scottish Borders (the 'Proposed Development').

1.2 This report sets out the socio-economic assessment, outlining the economic rationale, policy fit, socio-economic context and estimated socio-economic benefits. It is completed to address National Planning Framework 4 (NPF4) Energy Policy 11(c) which states:

> *'Development proposals will only be supported where they maximise net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities.'*

## Background

1.3 The proposals for the Proposed Development have been put forward by Stirches Solar Farm Limited, a SPV of ib vogt UK Ltd, a leading developer of renewable energy projects in the UK.

1.4 IB Vogt is a leading utility-scale solar development platform with a global footprint and a 20-year track record, in terms of recent figures provided by ib vogt UK Ltd:

- €646.50m revenue in 2023
- €119m investments in 2023
- 4.70GWp PV solutions built and under construction
- 1.60GWp operations & Maintenance
- €4.40bn funds raised
- 8.40GWp projects commercialised before construction
- >55GWp PV project pipeline
- 7GWp IPP projects targeted by 2026
- 20GWp BESS projects targeted by 2026

1.5 The site is located on agricultural land south and east of Stirches Mains, TD9 7NR, north-west of Hawick in the Scottish Borders Council administrative area.

1.6 The Proposed Development is for a PV solar array and BESS of up to 30 Megawatt AC (MWac), substation and associated electrical equipment, drainage, access, landscaping, underground cable route, fencing and other ancillary infrastructure. Additional elements of the Proposed Development include:

- On site sub-station;
- Underground cabling;
- Supporting infrastructure such as inverters, transformers, and access tracks;
- Security measures including fencing and CCTV; and
- Tree planting and ecological enhancements.

1.7 The PV and BESS will help generate and store renewable energy and release it when needed, supporting the stability of the national grid and improving the reliability of Scotland's renewable energy sources.

1.8 The socio-economic impacts of the Proposed Development are set out with this report.

## Approach

1.9 This report presents the findings from the socio-economic assessment of the Proposed Development. The objectives of the research are to:

- outline the strategic fit and alignment with socio-economic and renewable energy policies and priorities;
- present an overview of the local economy through the completion of a high level socio-economic audit;
- estimate economics impacts for temporary and permanent employment, turnover and Gross Value Added (GVA);
- provide information on other economic, financial and wider social effects of the Proposed Development; and
- summarise the main finding from the socio-economic benefit assessment.

1.10 While this report is based on recent consultations with ib vogt UK Ltd, it should be stressed that some assumptions underlying the impact calculations are still indicative. It remains indicative as the construction design and procurement will be finalised after planning consent. It also draws on available national guidance on metrics for calculations, i.e. average house consummation etc. Similarly, there will continue to be technological and industry changes, i.e., construction advancements. Where incomplete information is available, our analysis has erred on the side of caution, and adopted a prudent set of assumptions.

# 2 Socio-Economic Rationale and Policy Fit

## Introduction

2.1 This section presents the economic and market rationale for developing the Proposed Development and setting the policy agenda in which it supports and contributes towards.

## Socio-economic Rationale

2.2 The UK is currently undergoing a significant energy transition, driven by a commitment to decarbonise industries, the power supply and deliver Net Zero. Under a future energy system dominated by renewables, the supply of energy will increasingly be determined by the strength of wind and solar.

2.3 The decarbonisation of Scotland's electricity sector has been driven by Scottish Government policy to decarbonise, a desire to involve local communities in decisions that affect them, supportive market frameworks, and rapidly declining prices of renewable technology globally – with wind and solar now the lowest cost forms of new generation[1].

## Solar Rationale

2.4 The essential benefits of using solar energy for the generation of electricity are that it is renewable, safe and does not release any gaseous emissions into the atmosphere during operation. It also provides for diversity and security of supply which remain part of the UK Government's energy policy, since the creation of electricity from renewable resources within the UK provides a source that is not open to interruption by the actions of foreign governments or others, nor subject to market manipulation or price uncertainty. Energy security is a refreshed key aim of national energy policy as it faces growing uncertainties around the ongoing Ukraine war and implications on energy prices.

2.5 Another benefit is the issue of economic development. From its beginnings 30 years ago, the very slow growth in the development of new renewable technologies in the UK meant that other countries which had already branched out into these technologies were able to utilise their established manufacturing capacity to supply the emerging UK industry's demands.

2.6 The more recent growth in the number and scale of solar installations has created the potential for much of the development stage work to be undertaken using local or UK based national contractors, and of course on construction. There would be a need for service personnel to maintain the site, with further local demands for equipment and materials.

[1] Electricity Generation Costs, Department for Business, Energy and Industrial Strategy, 2020

2.7 A further key point about solar energy generation is that it is the nature of the supply system that units of electricity produced by this solar farm will displace units generated further afield by other centralised and large-scale methods of generation. Embedded generation reduces the need for long distance transmission of power which produces its own losses in transmission. Not only that, but the evidence is that renewables such as wind and solar are now cheaper than gas (and far cheaper than nuclear) which itself has a downward effect on the wholesale pricing process.

2.8 Quite apart from the local benefits and the energy savings, the scheme would be a contribution towards the Scottish Government's target of reaching net zero greenhouse gas emissions by 2045. The Scottish Government is currently consulting on a Draft Energy Strategy and Just Transition Plan[2]. This sets out how the Scottish Government seeks to realise climate change ambitions, and the need to transform the way Scotland generates, transports and uses energy.

2.9 The draft Energy Strategy and Just Transition Plan sets out the scale of that opportunity and provides clarity on how Scotland will prepare for a Just Energy Transition. The draft Energy Strategy and Just Transition Plan sets a vision for Scotland's energy system to 2045 and a route map of ambitions and actions that, coupled with detailed sectoral plans and the forthcoming Climate Change Plan, will guide decision-making and policy support over the course of this decade.

2.10 Specifically related to renewable energy, the vision for a fairer, greener 2045 includes all energy needs being met by renewable sources. The draft strategy has an ambition for *'more than 20GW of additional renewable electricity on and offshore by 2030.'*

2.11 The proposed solar farm will have a generating capacity of 30MWac. This is equivalent to meeting the annual electricity needs of approximately **8,600 average UK households**[3]. The BESS will store and release electricity from the electricity distribution network and will have an export capacity of 30MWac.

[2] Draft Energy Strategy and Just Transition Plan, Scottish Government, 2023

[3] No. of homes powered = Annual kWh generated (taking into account solar load factor of 10.8%) ÷ average UK domestic electricity consumption per household.

2.12 During the operation of the Proposed Development, there will be a potential carbon saving resulting from the export of renewable electricity to the local distribution network, in lieu of the current energy mix, which include fossil fuels and renewable sources. This is anticipated to be a carbon saving of approximately 1,319 tCO2e per annum. This is a saving of approximately 55,640 tCO2e over the 40-year operational lifespan of the Proposed Development. If displacing only fossil fuel sources, the Proposed Development is anticipated to result in a carbon saving of approximately 5,194 tCO2e per annum. This is a saving of approximately 207,760 tCO2e over the 40-year operational lifespan of the Proposed Development.

## BESS Rationale

2.13 The intermittent generation of electricity will pose critical challenges for ensuring a sustainable and flexible UK and Scottish energy grid. Unlike other forms of energy, electricity cannot be stored directly and requires conversion into alternative energy forms for effective storage.

2.14 Several technologies exist to convert electricity into energy storage systems (ESS), including pumped hydro, compressed air storage, liquid air energy storage, and batteries, each offering different durations of storage. The selection of stationary storage technologies with varying durations depends on the specific requirements and characteristics of the energy system.

2.15 One of the most cost effective and high growth ESS, is BESS. Battery energy storage systems (BESS) are expected to dominate the flexible ESS market, capturing 81% and 64% of installed capacity by 2030 and 2050 respectively[4].

2.16 This is the overarching economic and market rationale driving the Stirches Renewable Energy Park proposal.

[4] National System Energy Operator, ESO Future Energy Scenarios, System Transformation Scenario, 2022

## National Policy

2.17 There is no statutory requirement placed on developers or decision makers to consider socio-economic impacts from developments. There is however, an imperative to generate socio-economic assessments for developments as set out in National Planning Framework (NPF4)[5]. NPF4 places an increasing importance on supporting the development of new renewable energy technologies, as the overarching energy policy (Policy 11) intent is stated to be:

> *'To encourage, promote and facilitate all forms of renewable energy development onshore and offshore. This includes energy generation, storage, new and replacement transmission and distribution infrastructure and emerging low-carbon and zero emissions technologies including hydrogen and carbon capture utilisation and storage.'*

2.18 Importantly for this socio-economic assessment, the energy policy (Policy 11 (C)) states that:

> *'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.'*

2.19 NPF4 has a regional focus including the 'South' and has three key themes which are 'sustainable places', 'liveable places' and 'productive places'. For 'South' these themes have the following priorities:

> *'To deliver **sustainable places**, Regional Spatial Strategies and Local Development Plans in this area should protect environmental assets and stimulate investment in natural and engineered solutions to climate change and nature restoration, whilst decarbonising transport and building resilient physical and digital.'*

> *'To deliver **liveable places**, Regional Spatial Strategies and Local Development Plans in this area should increase the population by improving local liveability, creating a low carbon network of towns and supporting sustainable rural development.'*

> *'To deliver **productive places**, Regional Spatial Strategies and Local Development Plans in this area should support local economic development whilst making sustainable use of the area's world-class environmental assets to innovate and lead greener growth.'*

[5] National Planning Framework 4, Scottish Government, 2023

2.20 NPF4 has states there is *'significant potential for the area to develop and increase recognition of it as a place to live, work and visit'.* By guiding RSS and LDPs in this area, NPF4 aims to:

- Protect environmental assets and stimulate investment in natural and engineered solutions to climate change and nature restoration, whilst decarbonising transport and building resilient physical and digital connections.

- Increase the population by improving local liveability, creating a low carbon network of towns and supporting sustainable rural development.

- Support local economic development whilst making sustainable use of the area's world class environmental assets to innovate and lead greener growth.

2.21 NPF4 is clear in its desire to rebalance the South of Scotland economy to enable it to make a strong contribution towards meeting the country's ambition for a net zero and nature positive country by demonstrating how natural assets can be managed and used to secure a more sustainable future.

2.22 NPF4 seeks to enhance the potential to address the impact of climate change on communities whilst also generating renewable heat and facilitating urban cooling from our rivers. Mine water, solar and onshore support for offshore renewables, including development that makes use of existing infrastructure at strategic hubs, all provide opportunities for decarbonisation.

2.23 Importantly for the South of Scotland, NPF4 promotes a planned approach that can help to target future development in areas of significant economic disadvantage so that new and better jobs are more fairly distributed to help address national, regional and more localised inequality.

2.24 NPF4 mirrors the aim of National Strategy for Economic Transformation (NSET) to focus on green growth to foster economic wellbeing and prosperity and this assessment will directly focus on this aspect and present an independent assessment of the economic development role which the proposal will bring to the area.

2.25 NPF4 is founded on sustainable economic growth principles and is governed by the NSET which confirms that the planning system should proactively support development that contributes to sustainable economic growth and to create sustainable places.

**2.26 The Proposed Development directly supports this vision through new investment and employment in renewable energy generation which supports the vision of moving Scotland's economy towards net zero.**

2.27 The Scottish Government replaced the Scottish Economic Strategy (SES) with the National Strategy for Economic Transformation (NSET)[6] in 2022. This is the Scottish Government's statement of ambition for economic recovery following the Covid-19 pandemic.

2.28 It sets the ambition of the next ten years as a time of huge change and 'extraordinary opportunity' and promotes Scotland as a nation with competitive advantages in the new industries generated by technological change, scientific advance and the response to the climate and nature crises.

2.29 The strategy deliberately focuses on five policy programmes with the greatest potential benefit, including to *'strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero'*.

2.30 The transition to net zero is seen not just an environmental imperative but an economic opportunity – one where Scotland will become world leading. The identified opportunities for this competitive advantage include the construction and development of renewable energy generating technologies.

2.31 The Draft Advice on Net Economic Benefit and Planning[7] states the importance of demonstrating the net economic benefit of a proposed scheme, highlighting the importance of taking economic benefits into account when making a planning decision. The meaning of 'net economic benefit' is described as the difference between the estimated economic position where the development proceeds and the position if the proposal does not go ahead.

*2.32* Advice is provided on the methodology to be used when modelling economic benefits and it acknowledges that *'assessing the additional benefit from a proposal will usually involve making some assumptions, and is therefore not an exact science. It is important that the level of detail of any assessment is kept proportionate to the likely scale of the net economic benefit, and that assumptions made are completely transparent, evidence-based and as accurate as possible'.*

[6] National Strategy for Economic Transformation, Scottish Government, 2022

[7] Draft Advice on Net Economic Benefit and Planning, Scottish Government, 2016

2.33 The Scottish Government has a range of ambitious climate change policies in place to reduce greenhouse gas emissions and ensure a just transition to a net zero economy. The main piece of legislation is the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 which amends the Climate Change (Scotland) Act 2009[8] and aims to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest, with interim targets for reductions of at least 75% by 2030 and 90% by 2040. These figures are based on the advice of the independent UK Climate Change Committee (CCC).

2.34 The just transition is a key aspect of Scottish climate policy. The 2019 act embeds the principles of a just transition, which involves reducing emissions in a way which tackles inequality and promotes fair work. The Just Transition Commission is currently working to prepare advice for Scottish Ministers on how to maximise the economic opportunities involved in tackling climate change, whilst minimising the risks.

2.35 The overarching strategy for all policies involved in tackling climate change is the Climate Change Plan 2018-2032[9] which brings together more than 100 new policies and proposals to support Scotland's green recovery and ensure a just transition to net zero that will:

- *support environmentally and socially sustainable jobs;*
- *support low-carbon investment and infrastructure;*
- *develop and maintain social consensus through engagement with workers, trade unions, communities, non-governmental organisations, representatives of the interests of business and industry;*
- *create decent, fair and high-value work in a way which does not negatively affect the current workforce and overall economy; and*
- *contribute to resource efficient and sustainable economic approaches which help to address inequality and poverty.*

2.36 Focusing on a green recovery is the Scottish Government's commitment to transition to net zero emissions in a way that is just, and that delivers a thriving, sustainable economy that works for all of Scotland.

[8] Climate Change (Scotland) Act 2019, Scottish Government, 2019

[9] Update to the Climate Change Plan 2018 – 2032, Scottish Government, 2021

## Regional Policy

2.37 Following extensive engagement across the South of Scotland, the South of Scotland Regional Economic Partnership developed a Regional Economic Strategy (RES)[10].

2.38 The ten-year strategy sets out a clear vision for how the region's economy will look and work in the future, which focuses on making the South of Scotland 'Green, Fair and Flourishing'. The vision is:

> *'We will be a region of opportunity and innovation - where natural capital drives green growth, ambition and quality of life rivals the best in the UK, communities are empowered and cultural identity is cherished, enabling those already here to thrive and attracting a new generation to live, work, visit, learn and invest in the South of Scotland.'*

2.39 The RES has six themes, these are:

- Skilled and Ambitious People;
- Innovative and Enterprising;
- Rewarding and Fair Work;
- Cultural and Creative Excellence;
- Green and Sustainable Economy; and
- Thriving and Distinct Communities.

2.40 This is the first ever economic strategy covering the whole of the South of Scotland (Dumfries and Galloway and the Scottish Borders). It is an opportunity to drive the transformational change that many living and based in the region want to see. It is worth noting that the Proposed Development would be centrally located within the South of Scotland Economic Partnership region.

2.41 As the region looks to continue to recover from the impacts of the global Covid-19 pandemic; adjust to the UK's exit from the EU; address the climate crisis; and capitalise on new opportunities, the need for a long-term vision to guide and coordinate efforts is more important than ever.

[10] Regional Economic Strategy, South of Scotland Regional Economic Partnership, 2021

2.42 Although the Scottish Borders Economic Strategy and the Scottish Borders Low Carbon Strategy has been subsumed by the RES, these are still referenced by Scottish Borders Council. The Scottish Borders Economic Strategy[11] provides a long-term vision for the development of the local economy. The shared vision is that by 2023 the Scottish Borders will be amongst the best performing and most productive rural economies in Scotland.

2.43 The development of the Scottish Borders Economic Strategy 2023 reflects the broad policy areas being promoted at EU, UK and Scottish government levels, including the promotion of a low carbon economy. The plan focuses on four strategic aims; these are presented below:

- Creating the conditions for businesses to compete;
- Building on our assets;
- Developing the workforce of the future; and
- Providing Leadership.

2.44 The regional economic strategy is supported by Scottish Borders Low Carbon Economic Strategy[12]. This strategy focuses on the 'transition to a low carbon economy' aspects of the regional economic strategy. The vision of the Low Carbon Economic Strategy is:

> *'By 2023 the Scottish Borders will have a more resilient low carbon economy. By supporting communities and businesses to reduce their carbon footprint, our business competitiveness and quality of life will be improved.'*

2.45 The strategy has four key priorities, one being 'To Improve Business Competitiveness'. This priority includes two objectives: (1) To develop the renewable energy sector - to develop a strategic approach to the delivery of all scales of renewable energy schemes, and (2) To develop a workforce equipped with low carbon skills and awareness - to ensure that we are equipping our current and future workforce with skills for success in a low carbon future.

2.46 Scottish Borders Council developed a new Council Plan[13] for 2025/26 in February 2025. The new Council Plan is based on six outcomes that aim to deliver for the Scottish Borders. Five of the outcomes focus on improving the wellbeing of citizens within the Scottish Borders and making the region a more sustainable and better place to live, work in and to visit. The sixth outcome is about developing a Council that is as effective and efficient as it can be and in order to deliver on the other five outcomes. These six outcomes are:

[11] Scottish Borders Economic Strategy 2023, Scottish Borders Council 2013

[12] Scottish Borders Low Carbon Economic Strategy, Scottish Borders Council, 2013

[13] Scottish Borders Council Plan, Scottish Borders Council, 2025

- Clean Green Future;
- Fulfilling Our Potential;
- Strong Inclusive Economy, Transport and Infrastructure;
- Empowered, Vibrant Communities;
- Good Health and Wellbeing; and
- Working Together Improving Life.

2.47 There is a strong emphasis on supporting sustainable economic growth and a particular focus on greening the economy. The agreed priority for 'Clean Green Future' is to *'Accelerate action to adapt to and mitigate the effects of climate change and extreme weather.*' To achieve this priority, four outcomes have been set, these being:

- Reduction of greenhouse gas emissions to meet or exceed our targets to deliver Net Zero by 2045;
- Positive behaviour change which supports sustainable use of resources and increased community resilience;
- An approach to energy in the Scottish Borders which is robust, affordable and which supports the region's response to climate change; and
- Protected, managed and restored environments which support the wellbeing of people and nature, as part of Scotland's first Natural Capital Innovation Zone.

2.48 Responding to the climate and nature emergency is the backbone to the plan, as is doing so by creating a green economy built on the Scottish Border's outstanding natural capital.

## Local Policy

2.49 A Hawick Place Plan[14] was developed in 2023 and 24, it was produced by the people of Hawick, through the Town Team and supported by Scottish Borders Council, South of Scotland Enterprise, and The Paul Hogarth Company.

2.50 The Hawick Place Plan sets the following vision for Hawick over the next ten years:

*'In Hawick, we look forward by drawing on the pride of all our people, heritage, industries, sports and creativity. Together we'll make Hawick the healthiest and happiest of places in which to live, visit and invest.'*

2.51 To realise this vison, five thematic areas have been identified, these being:

- Welcoming. Inclusive & Open: A town for everyone, extending a warm welcome to Hawick.
- Connected & Collaborative: A place of linkages across the Borders and throughout the town.
- Interesting & Proud: A place of intrigue, rooted in our heritage and with stories to share.
- Vibrant, Healthy & Happy: A lively place in which to do business and live life to the full.
- Sustainable & Prosperous: A forward looking town, nurturing our young people and environment for a brighter future for all.

2.52 Within the Place Plan, Hawick's five priorities align with the strategic investment objectives of the Borderlands Place Programme.

2.53 ib vogt UK Ltd continues to have dialogue with the local community, as well as dialogue with the Hawick Town Team and Scottish Borders Council. These are ongoing, and the Proposed Development can play a role in helping to develop and deliver aspects of the Hawick Place Plan.

[14] Hawick Place Plan 2024 – 2034, Scottish Borders Council, 2024

## Summary

2.54 In summary, there are a number of key policies which bear particular relation to the Proposed Development. There is a clear market rationale, and growing requirement, for energy storage systems in the UK. This is particularly the case for solar and BESS to store energy when energy generation is plentiful and to balance the grid network when intermittent renewable technologies such as solar and wind are not operating due to weather conditions.

2.55 In terms of the environment, the Scottish Government policies on climate change are supportive of the Proposed Development, as it will aid in expanding Scotland's renewable energy capacity and generation, and contribute towards a net zero economy by 2045, whilst helping to offset emissions from carbon-intensive energy generation technologies such as fossil fuels.

2.56 The Proposed Development will also contribute towards the aims of the new NSET, fostering investment and innovation in renewable technology, including solar and battery storage.

2.57 Importantly, the Proposed Development has been shaped by NPF4. which states that energy 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.

2.58 The Proposed Development will also contribute towards the aims of the regional economic transformation, which is set out in the South of Scotland Economic Strategy, notably the focus on making the South of Scotland 'Green, Fair and Flourishing'.

2.59 The Proposed Development can support the Scottish Border's Council Plan and importantly the Hawick Place Plan. The Hawick Place Plan clearly sets out its priorities, needs and aspirations, offering the Applicant, and other renewable developers, the opportunity to provide targeted support and funding that could assist in delivering the Hawick Place Plan. The Applicant continues to work with the community to help develop a workable community benefit package which achieves this should the Proposed Development gain consent.

# 3 Socio-Economic Baseline

## Introduction

3.1 This socio-economic baseline assessment outlines the socio-economic characteristics of the local area. It does not seek to present a detailed audit of the Hawick and Scottish Border economy but has a focus on presenting some of the key trends and projections of the local area.

## Demographics

3.2 The largest and most southerly town in the Scottish Borders, Hawick has a population of 13,522[15] and a rich history, shaped by its location close to the border with England. The town is on the north south A7 route connecting Edinburgh to Carlisle and its close proximity to the border has resulted in a strong physical relationship with Carlisle as much as the major Scottish cities.

3.3 However, the population has been falling for the last 20 years, from around 14,500 in 2001 and 14,200 in 2011. Although population projections are not available at the local level, the National Records of Scotland has population projections for the local authority, which highlights that the regional population is forecast to grow by 0.8% over the period to 2043, compared to a national increase of 2.5%.

3.4 In Hawick, the largest age cohort is now those aged over 65 years old, this accounts for 25% of the local population, however, this is below the 41% nationally and 54% for Scottish Borders as a whole.

## The Local Economy

3.5 Originally a market town, much of Hawick's growth has been influenced by the industrial revolution and the success of the knitwear industry. The town was at the forefront as the industry developed, becoming synonymous with hosiery, knitwear, and tweed. As the number of mills grew, so did the population, peaking in 1891 at 19,800.

3.6 The introduction of the railway line in 1849 benefited the town's economy, both in terms of knitwear and livestock trading, with large numbers of sheep and cattle being sold at Hawick's market before being moved by rail. Competition and cheaper manufacturing, however, led to a decline in the industry and the railway was decommissioned, and withdrawn from the town in 1969, as part of the Beeching cuts.

[15] Scotland Census 2021, Scottish Government, 2021

3.7 The Borders Railway opened in 2015, providing vital public transport connections between Edinburgh and the Scottish Borders. While offering some benefit to the town, with nearby stations at both Galashiels and Tweedbank, there are future aspirations for the railway to extend to Hawick, subject to a feasibility study through the Borderlands Inclusive Growth Deal.

3.8 Today, while on a smaller scale, the production of high-quality knitwear is thriving within the town, with producers such as Barrie (Chanel), Hawick Cashmere, House of Cheviot, Johnstons of Elgin, Scott & Charters, Teviot Knitwear, Shorts of Hawick, and William Lockie all present in Hawick.

3.9 In terms of unemployment, the local unemployment rate (March 2025) for Hawick and Denholm is 4.0%, this compares 3.1% at the regional level and 3.2% at the national level. There are around 250 people out of work and claiming unemployment benefits locally, and this figure has fallen by 44% since the pandemic, compared to 47% fall nationally. Hawick has an above average unemployment rate, with the Burnfoot rate double the Scottish average.

## Deprivation

3.10 For a developed nation, Scotland has relatively high levels of inequality. Although less stark than other parts of the UK, the gap between those with access to economic opportunities and those without is significant.

3.11 Increasingly, policymakers are recognising that tackling inequality is not just an important outcome in itself, but that it can be an important driver of sustainable economic growth, i.e. 'inclusive growth'. The Scottish Index of Multiple Deprivation (SIMD)[16] ranks 6,976 Scottish data zones from the most deprived to least deprived areas using 38 indicators, condensed into seven domains.

3.12 Employment Deprivation is a compiled list of indicators used by The Scottish Index of Multiple Deprivation to measure whether an area is socially excluded or deprived due to people not being in employment. Scottish Borders has significantly lower employment deprivation than the Scottish average but almost all parts of Hawick have significantly higher levels.

3.13 Rates are again highest in Burnfoot, which is one of the measures that contributes to its high Multiple Deprivation ranking. This is presented in Table 3.1 below.

[16] Scottish Index of Multiple Deprivation, Scottish Government, 2020

**Table 3.1: Employment Deprivation Rate**

| Area | % Employment Deprived |
|---|---|
| Scotland | 9.3% |
| Scottish Borders | 7.7% |
| Burnfoot | 16.8% |
| Hawick Central | 11.8% |
| Hawick North | 11.8% |
| Hawick West End | 11.8% |

## Environment

3.14 In Hawick the decline of the knitwear industry has left behind a legacy of derelict sites. Due to the town's compact nature, many people live close to former mill sites, impacting on their quality of life and wellbeing. The table below outlines that there is a significantly higher proportion of the local population residing with 500 metres of a derelict site, especially when compared to the national and regional average.

**Table 3.2: Percentage of Population Living within 500 metres of a Derelict Site**

| Area | % within 500m of derelict site |
|---|---|
| Scotland | 29.8% |
| Scottish Borders | 38.9% |
| Burnfoot | 92.9% |
| Hawick Central | 100.0% |
| Hawick North | 82.1% |
| Hawick West End | 70.8% |

3.15 Town centre footfall has been declining in Hawick since 2007, when the weekly average was recorded as 9680, within the Scottish Borders Council Footfall Report. In 2023 this recording had dropped to 2990, marking a significant reduction.

3.16 Scottish Borders Council Retail Survey, shows the retail vacancy rate in Hawick has decreased by 1% to 14% in winter 2023, noting vacancies are interspersed throughout the High Street, Buccleuch Road and North Bridge Street.

## Labour Market Dynamics

3.17 The proportion of the workplace population of the Scottish Borders that consists of residents from the Scottish Borders is 79%, whilst the proportion that commutes from the rest of Scotland is 17%. The remaining 4% commute to the area from the rest of the UK[17].

3.18 It is noteworthy that there is a strong bias towards commuters from the Scottish Borders travelling into Edinburgh, the Lothians and Northumberland rather than the reverse. As such, employment opportunities are far more likely to filled by residents from the Scottish Borders rather than those from Edinburgh, the Lothians and Northumberland. It is worth noting the level of containment in the Edinburgh City Region is likely as a result of the significant size of Edinburgh as an economic and employment hub. This is likely to be enhanced should the Borders Railways be expanded into Hawick.

3.19 On this basis, it can be assumed that the vast majority (79%) of employment and resultant GVA effects from the Proposed Development will be absorbed within the Scottish Borders region.

## Summary

3.20 It is clear from the socio-economic overview presented in this section that the local area has been witnessing population decreases in recent times, and the region is not expected to increase at the same rate forecast for the national economy. The Scottish Borders is forecast to continue to grow over the period to 2043, which suggests there will be a requirement for new jobs as well as more investment in infrastructure, including energy infrastructure.

3.21 Although unemployment has been falling since the pandemic, the local unemployment rate remains above the regional and national average. This also suggests there is a need to support more inward investment and employment opportunities such as the Proposed Development.

3.22 Employment deprivation levels are also higher locally, compared to the regional and national average, which against suggests more needs to be done locally to encourage new investment and jobs.

3.23 Although the focus of the economic audit has been on the local area, it is fair to assume that the zone of influence of the Proposed Development will be the wider Scottish Borders which is expected to be the area which see the greatest impact, or around 79% of the benefits will accrue at this defined local area.

[17] Census 2011: WU01UK - Location of usual residence and place of work by sex, Office of National Statistics, 2011

3.24 It may be that the local area (Hawick and Denholm) also experiences economic benefits, but accurately presenting the localised impacts is inherently difficult to predict. Therefore, the following impact section presents the impacts at the regional level.

3.25 The local area continues to be affected by the demise of traditional sectors, with the population having fallen from around 20,000 over the last century. There remains a large number of derelict sites and buildings, and new investment can help as part of the Hawick Place Plan to support a virtual spiral of growth, against a backdrop of longer terms decline.

3.26 The Proposed Development can aid economic development encouraging new investment, jobs, skills development and incomes.

# 4 Socio-Economic Impact Assessment

## Introduction

4.1 The Proposed Development is likely to benefit the economy in a number of different ways. This section sets out the socio-economic impacts of the Proposed Development across a range of key indicators.

## Pre-Development Phase

4.2 The Applicant has already invested around £600,000 in the development of the Proposed Development, of which around £400,000 has benefited Scottish based companies, including local companies and consultancies. Another £100,000 is committed in the for of ecological studies, local services and other additional services. This includes consultants, solicitors and community engagement activities. In total, **around £500,000 will be spent in Scotland** as part of the pre-development phase.

## Construction Phase

4.3 The Applicant is seeking planning permission to build a Renewable Energy Park containing a co-located solar PV and BESS scheme. Construction is expected to commence on site in late 2027 and take place for approximately 12 months, with the Proposed Development becoming operational in late 2028.

4.4 The quantum of construction labour anticipated to be generated by the Proposed Development is based on professional judgement and has been estimated from the Applicant's experience of construction programming for major solar and BESS projects across the UK.

4.5 The Applicant expects to appoint a UK-based EPC contractor to deliver the entire installation, with the preference of using a UK-based company. They will be utilising local sub-contractors to deliver different elements of the work, for example, use of local civil contractors to undertake ground workers, track layers, electricians for wiring and local fencers etc. This contract has not been let, but there will be a 'local procurement' clause which will seek to ensure the EPC main contractor seeks suitably qualified local sub-contractors where possible. There will also be a stipulation by the Applicant that the EPC contractor provides local employability initiatives, in the form of apprenticeship and training opportunities for local people.

4.6 The Applicant will seek to use local suppliers if deemed efficient and appropriate and if they can meet the Principal Contractor's standards for materials and operation.

4.7 The total value of the construction contract is expected to be around **£40 million** and it is estimated that around 25% of this has the **potential to benefit Scottish based companies, or £10 million.** The other aspects of the kit will be procured from China, Europe and Turkey.

4.8 Regional level employment can be estimated on the basis of around £10 million benefiting local businesses. Utilising the Scottish Annual Business Statistics[18], which outlines that one person year of construction employment for every £132,538 in the Scottish Borders. This results in an estimated 75 person years of employment (PYE) at the regional level as a result of construction activity. It is expected that the main contractor will recruit and sub-contract to Scottish Border, and Edinburgh City Region, based businesses and contractors, where available.

4.9 The HCA Additionality Guide[19] provides standards (or 'ready reckoners') for displacement of existing jobs from a given area. Within the context of a construction project of this scale and influence, a low displacement factor for 25% is considered appropriate according to the HCA. Resultantly, the net direct employment from the Scheme is **56 PYE jobs**.

4.10 In addition to the direct employment generated by construction, the Proposed Development is anticipated to support an estimated further 0.6 employees per net direct FTE employee per annum through indirect employment in the construction industry supply chain, and through induced economic impacts of increased spending by employees and suppliers on local goods and services. This multiplier is based on a 50% reduction of the national multiplier for the construction sector, as presented in the Scottish Government's Input-Output Tables[20]. This results in a further **34 PYE jobs** in the supply chain.

4.11 Overall, this equates to **90 PYE jobs** as a result of the Proposed Development. As stated in Section 3.23 it can be assumed that the vast majority (93%) of employment and resultant GVA effects from the Proposed Development will be absorbed within the Scottish Borders region. Assuming 79% of these jobs benefit the regional area, this equates to a **regional impact of 71 PYE jobs**.

[18] Scottish Annual Business Statistics, Scottish Government, 2022

[19] Homes and Communities Agency, Additionality Guide 4th Edition, 2014

[20] Supply, Use and Input-Output Tables, Scottish Government, 2021

4.12 Utilising figures from the Scottish Annual Business Statistics[21], which states that the GVA per head in the construction sector in the Scottish Borders is £51,229. This equates to a **GVA effect of £3.6 million** during the construction phase. The actual value of this work will be dependent on the ability and desire for local firms to tender for the various construction contracts offered by the Proposed Development.

## Operation Phase

4.13 The operation and management of the Proposed Development throughout its operating lifetime of 40 years is estimated to require the **full time equivalent (FTE) of three direct onsite posts**, as estimated from the Applicant's previous experience of operating other solar and BESS projects across the UK. These jobs are estimated to fall within the 'electric power generation, transmission and distribution' specialist industry and include an Asset Manager, a Site Manager and an Operations and Maintenance post. There will be other ad-hoc requirements for other contracted service providers including pest control, security and facilities management.

4.14 In addition to the three full time posts, ib vogt UK Ltd will invest around £1.5 million per annum on the operation and management of the Proposed Development. Utilising the Scottish Annual Business Statistics[22], which outlines that one person year of professional and technical employment for every £197,846 in the Scottish Borders. This results in an estimated further eight full time equivalent (FTE) posts at the regional level as a result of operation activity. This includes operation and maintenance budgets, land rentals and insurances. This suggests a total direct operational impact of around nine FTE jobs, when accounting for direct onsite jobs.

4.15 As with construction, HCA ready reckoners for displacement (25%) and indirect and induced employment have been accounted in the same manner. This results in **seven full time operational jobs** associated with the Proposed Development once fully constructed and operating to full capacity.

4.16 In addition to the direct employment generated by operation, the Proposed Development is anticipated to support an estimated further 0.25 employees per net direct FTE employee per annum through indirect employment in the operational supply chain, and through induced economic impacts of increased spending by employees and suppliers on local goods and services. This multiplier is based on a 50% reduction of the national multiplier for the construction sector, as presented in the Scottish Government's Input-Output Tables[23]. This results in a further **two FTE jobs** in the supply chain.

[21] Scottish Government, Scottish Annual Business Statistics, 2024

[22] Scottish Annual Business Statistics, Scottish Government, 2022

[23] Supply, Use and Input-Output Tables, Scottish Government, 2021

4.17 Overall, this equates to **nine FTE jobs** as a result of the Proposed Development. As stated in Section 3.23 it can be assumed that the vast majority (79%) of employment and resultant GVA effects from the Proposed Development will be absorbed within the Scottish Borders region. Assuming 79% of these jobs benefit the regional area, this equates to a **regional impact of seven FTE jobs**.

4.18 Utilising figures from the Scottish Annual Business Statistics[24], which states that the GVA per head in the construction sector in the Scottish Borders is £141,737. This equates to an **annual GVA effect of £992,000** once fully operational.

4.19 ib vogt UK Limited has a strong preference to work with local suppliers for operations and maintenance, wherever possible. This, of course, depends on the availability of local companies with the necessary expertise, as well as the ability to offer competitive pricing.

4.20 ib vogt UL Limited's UK O&M team would carry out a formal tender process to appoint subcontractors. In new markets, we always undertake market research and meet with local suppliers ahead of tendering.

4.21 The company already manage a site in Scotland (owned by another developer) under an ongoing O&M contract. Routine maintenance there is carried out by a company based in Cumbria, while most other subcontracted services-such as grass cutting, sheep grazing, and security-are provided by Scottish firms.

4.22 In summary, for all routine services, ib vogt Limited aim to work with local suppliers wherever possible.

## Further Economic Benefits

4.23 An annual lease payment will be made to the farm landowner who will be leasing the land to the Proposed Development. This amount is confidential, however, this will generate a new level of income to support the farming business. It is expected that this investment will support wider local economic opportunities in the form of safeguarding the wider agricultural use and creating new investment and jobs.

4.24 The site is currently used to grow forage crops, which are used to feed the cattle/sheep on the farm. These can easily be relocated into the farmers wider landholdings, so there is no loss of income or jobs. In fact, the solar and BESS development will help the farmer to diversify by providing an additional source of income so he can continue his agricultural practices.

[24] Scottish Government, Scottish Annual Business Statistics, 2024

4.25 The Proposed Development therefore fits well within the existing operation of the farm, providing an opportunity to further diversify the farm. By providing a long term guaranteed income for the farm unit which is less susceptible to fluctuations in market prices, fuel and fertiliser prices, weather conditions and other variables, this allows a greater focus on improving the efficiency of the wider farm unit.

4.26 In addition to the pre-development, construction, operational and GVA benefits, the Proposed Development will also provide community benefit funding, rent to the landowner, rates to Scottish Borders Council as well as national exchequer effects in the form of Corporation Tax.

4.27 In terms of taxation, ib vogt UK Ltd is a UK registered company and pays tax in the UK. This project will be owned by SPV, Stirches Solar Farm Limited (Company number 13622723). All revenues will be generated through Stitches Solar Farm Limited, which is UK registered company and all national exchequer (Corporation Tax and National Insurance Contributions) taxes will be paid through HMRC.

4.28 Local business rates will also be generated by the Proposed Development. It is estimated that the solar PV will generate £1,715 per MW in business rates and the BESS will generate £5,000 per MW in rates. **This suggests annual local business rates of around £200,000 per annum.**

## Community Benefits

4.29 In terms of community benefit obligations, the Applicant has consulted with the community to agree the community benefit package, and has already completed extensive community consultation to help inform the design of the Proposed Development. The Applicant agrees that the community benefit package should be designed to best meet local needs and has committed to a community fund package to support the community to develop lasting legacy projects and contributing to local projects and events. It should be noted that this is a voluntary offer, as it is not an obligation of the planning system.

4.30 Community benefit offers are a well-established, integral part of many renewable energy projects. They represent a commitment by the developers to add value to the communities that host them and provide recognition of the community's role in contributing towards UK and global targets to decarbonise our energy supply and put a stop to climate change.

4.31 Community Benefit Funds are offered on a voluntary basis by renewable developers as an act of good will and are not a material consideration in a planning application.

4.32 ib vogt UK is offering a Community Benefit Fund for the Stirches Renewable Energy Park project in line with the following principles:

- Provision of £400 per MW of solar power each year, for the 40-year lifetime of the project, index-linked, or around **£12,000 per annum or almost £1 million over the lifetime of the Proposed Development**.

- This benchmark value may take many forms, including community benefit offers of:

    - Non-financial, or 'in-kind' benefits (e.g. provision of solar panels for nearby properties, provision and maintenance of on-site interpretation or access improvements).

    - An annual index-linked payment per MW for a set number of years or the operational lifetime of the project to be contributed into a fund managed by a third party.

    - A combination of financial and non-financial benefits over a longer or shorter period, subject to the agreement of the community and ib vogt UK Ltd

- Benefits are to be provided no earlier than the date the project is connected to the electricity grid and exporting electricity.

- This policy is not applicable to battery storage capacity (where this forms part of the development).

- ib vogt UK reserves the right to make the final decision on what the benefit may and may not be used for and the frequency and timing of community benefit payments/provision.

- A working group has been set up to discuss priorities for the local community and how the fund will be managed.

4.33 These ideas will continue to be discussed with the appropriate local community bodies and their communities to ensure the community benefit fund supports projects which meet the needs and aspirations of the local community.

## Wider Economic Impacts

4.34 In addition to the stated economic opportunities during the construction and operational phases, there are also a variety of wider economic impacts which will have positive effects on the regional and national economies. These include:

4.35 ***Supporting policy objectives:*** the Proposed Development can play an important role in supporting regional and national policy objectives. Importantly, the Proposed Development can support the ambitions set out in the national and regional economic strategies discussed earlier in this report, primarily through being a new and significant capital investment, whilst also supporting the area's green credentials, supporting local business through supply chain opportunities and thereby creating jobs and offering skills development. There is not expected to be any loss in agricultural-related employment as a result of the Proposed Development.

4.36 The Proposed Development will play a role in supporting the drive for high value sector growth, increasing wages and reducing the outward migration of young people. The Proposed Development can support Scottish Borders Council, and its constituent communities, in achieving a reduction in greenhouse emissions and directly support the ambition of the national Climate Change Plan and the UN Framework Convention on Climate Change.

4.37 ***Local supply chain opportunities:*** it is worth noting the wide range and scale of potential 'ripple effects' associated with the Proposed Development, notably around the expenditure of workers who visit the local area and will then benefit the accommodation and food service sectors. The wider 'knock-on' effects can in turn support the supply chain of other activities, such as the spending habits of retail operations and accommodation providers. In addition, there will be project staff requiring other local serviced and non-serviced accommodation on a regular basis. Worker expenditure will support the local and regional economies throughout the 12-month maximum core construction period and over the duration of the project lifetime.

4.38 ***Pre-development effects:*** it is important to note that considerable pre-development investment into the Proposed Development has been borne by the Applicant, benefitting both local and national firms. Pre-development activities include technical consultancy, environmental consultancy, legal and accounting activities and project management support services. Additional impacts related to accommodation of technical staff and their local spending habits can also be described as a pre-development effect.

4.39 ***Income effects:*** the economic analysis has focused on the GVA impact of generated employment as this is the 'real' impact on the economy. However, it is worth noting that new employment will generate additional wages and salaries, much of which will be spent in the Scottish Borders.

4.40 ***Exchequer impacts:*** the analysis has not attempted to estimate the additional exchequer impacts as a result of taxes borne (Corporation Tax, Employer National Insurance and Irrecoverable VAT) and taxes collected (Income Tax, Employee National Insurance and non-domestic business rates). These are additional financial benefits which will support the regional and national economies.

4.41 ***Perception benefits:*** the employment, economic and financial impacts are enhanced through wider strategic impacts associated with strengthening the perception of the area as a place to live, work, visit and invest.

4.42 ***Community benefits:*** The Applicant is committed to contributing to the local community, which is reflected in the level of payments highlighted earlier in this report. The Applicant is working with the community to ensure the funding put forward is community driven, so that it best meets the local needs.

4.43 ***No adverse effects on property values:*** the Scottish Government commissioned independent research into the effects of onshore wind farms on property prices[25]. This research found that there was not a consistent negative effect of wind turbines or wind farms when averaging across the entire sample of Scottish wind turbines and their surrounding houses. A more recent piece of work by Scottish Renewables[26] found that energy infrastructure in the form of grid investments do not have a detrimental effect on local property prices.

4.44 ***No significant adverse effects on tourism or recreation assets:*** As only a relatively small number of tourism and recreation receptors have been identified within the area surrounding the Proposed Development, it is not anticipated that the Proposed Development will exhibit any significant negative impact on the tourism industry or recreational assets. There are no Public Rights of Way or Core Paths within the site of the Proposed Development. There is a long distance path that is directly adjacent to the western boundary (next to BESS and following cable route), this is the Borders Abbey Way. A Landscape Strategy Plan including the retention, strengthening and addition of planting will assist in screening the Proposed Development to minimise visual impact. There are very few historic or natural heritage designations within the areas, and no national landscape designations. The Cultural Heritage Assessment has established that there are limited surviving remains of local heritage value within the Proposed Development site.

4.45 ***Growing support for solar developments;*** A more recent piece of research for Solar Energy UK[27] found that support for local solar development is very strong among people living near solar farms, with only 25% opposing solar development, and that this support has increased over time, increasing by 17%. Furthermore, it states that the general public supports the prioritisation of solar energy in national planning decisions, with only 6% opposing it. Members of the public said that solar's economic and environmental impacts were most important to them. 39% said the most important issue when considering new solar developments is minimising environmental impacts. 28% said that creating local jobs, skills and supply chain opportunities is the highest priority. There was overwhelming support in that government direction should prioritise creating jobs and minimising environmental impact.

[25] Scottish Government, Impact of Wind Farms on Property Prices, 2016

[26] Scottish Renewables, House Prices: Impact of Beauly-Denny Grid Infrastructure, 2024

[27] Realising the UK's Potential: A study into the public attitudes to solar, Solar Energy UK, 2022

4.46 ***Land management and ecological enhancements:*** a Biodiversity Enhancement Management Plan (BEMP) will be produced for the Proposed Development. The Proposed Development has been designed to deliver a biodiversity net gain through the creation and enhancement of habitats and vegetation. A grazing management plan will be established. The biodiversity enhancements will improve the quality of existing habitats and support wildlife by enhancing the land beyond its intensive agricultural grassland use. Additionally, no agricultural jobs will be lost as a result of the Proposed Development.

## Summary

4.47 In summary, the Proposed Development is expected to benefit the local and national economy in the following respects:

- Pre-development investment and planning fees, benefitting a range of Scottish-based companies and organisations, with total Scottish based expenditure valued at around **£500,000**.

- A total estimated construction investment of **£40 million**, with around **£10 million potentially benefiting Scottish based companies**. Generating in the region of **71 PYE** jobs and a predicted **GVA impact of £3.6 million** to the Scottish Borders Council area.

- Annual operating costs of **£1.5 million**, supporting **seven new FTE jobs** once fully operational, and benefits to the regional economy, with an annual **GVA effect of £992,000.**

- Wider financial benefits linked to an indexed linked community benefit funding package of up to **£12,000 per annum**, or almost **£1 million over 40 years** (in 2025 prices).

- Further financial benefits in the form of rent, rates and exchequer receipts, are estimated to be contributed over the project lifespan – local business rates expected to generate around **£200,000 per annum for Scottish Borders Council**.

- Wide economic benefits, including policy support, pre-development effect, supply chain benefits, perception effects, community investments, habitat improvements and no adverse impact on tourism and the agricultural sector.

- The proposed solar farm will have a generating capacity of 30MWac. This is equivalent to meeting the annual electricity needs of approximately **8,600 average UK households**[28]. The BESS will store and release electricity from the electricity distribution network and will have an export capacity of 30 MW with a 2 hour storage capacity.

[28] No. of homes powered = Annual kWh generated (taking into account solar load factor of 10.8%) ÷ average UK domestic electricity consumption per household.

- During the operation of the Proposed Development, there will be a potential carbon saving resulting from the export of renewable electricity to the local distribution network, in lieu of the current energy mix, which include fossil fuels and renewable sources. This is anticipated to be a carbon saving of approximately 1,319 tCO2e per annum. This is a saving of approximately 55,640 tCO2e over the 40-year operational lifespan of the Proposed Development. If displacing only fossil fuel sources, the Proposed Development is anticipated to result in a carbon saving of approximately 5,194 tCO2e per annum. This is a saving of approximately 207,760 tCO2e over the 40-year operational lifespan of the Proposed Development.

4.48 The Proposed Development would support jobs during construction and during operation across the Scottish economy. Overall, the socio-economic effects of the capital investment, employment and GVA to the economy would be beneficial, both short-term during construction and long-term during operation.

# 5 Conclusions

5.1 MKA Economics was appointed by ib vogt UK Ltd, through their Stirches Solar Farm Limited Special Purpose Vehicle (SPV) (the Applicant), to formulate an independent socio-economic assessment of co-located Photo Voltaic (PV) and BESS scheme, Stirches Renewable Energy Park, located just north of Hawick in the Scottish Borders (the 'Proposed Development').

## Economic Rationale

5.2 There is a clear market rationale, and growing requirement, for solar PV development and energy storage systems in the UK. The essential benefits of using solar energy for the generation of electricity are that it is renewable, safe and does not release any gaseous emissions into the atmosphere during operation. This is particularly the case for BESS that store energy when there is a generation surplus, and provide power to balance the grid network when intermittent renewable technologies, such as solar and wind, are not operating, for example due to weather conditions.

## Policy Fit

5.3 In terms of the environment, the Scottish Government policies on climate change are supportive of the Proposed Development, as it will aid in expanding Scotland's renewable energy capacity and generation, and contribute towards a net zero economy by 2045, whilst helping to offset emissions from carbon-intensive energy generation technologies such as fossil fuels.

5.4 The Proposed Development will also contribute towards the aims of the new NSET, fostering investment and innovation in renewable technology, including solar and battery storage.

5.5 Importantly, the Proposed Development has been shaped by NPF4. which states that energy 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.

5.6 The Proposed Development will also contribute towards the aims of the regional economic transformation, which is set out in the South of Scotland Economic Strategy, notably the focus on making the South of Scotland 'Green, Fair and Flourishing'.

5.7 The Proposed Development can support the Scottish Border's Council Plan and importantly the Hawick Place Plan. The Hawick Place Plan clearly sets out its priorities, needs and aspirations, offering the Applicant, and other renewable developers, the opportunity to provide targeted support and funding that could assist in delivering the Hawick Place Plan.

5.8 The Applicant continues to work with the community to help develop a workable community benefit package which achieves this should the Proposed Development gain consent.

## Socio-economic Baseline

5.9 It is clear from the socio-economic overview presented in this section that the local area has been witnessing population decreases in recent times, and the region is not expected to increase at the same rate forecast for the national economy. The Scottish Borders is forecast to continue to grow over the period to 2043, which suggests there will be a requirement for new jobs as well as more investment in infrastructure, including energy infrastructure.

5.10 Although unemployment has been falling since the pandemic, the local unemployment rate remains above the regional and national average. This also suggests there is a need to support more inward investment and employment opportunities such as the Proposed Development.

5.11 Employment deprivation levels are also higher locally, compared to the regional and national average, which against suggests more needs to be done locally to encourage new investment and jobs.

5.12 Although the focus of the economic audit has been on the local area, it is fair to assume that the zone of influence of the Proposed Development will be the wider Scottish Borders which is expected to be the area which see the greatest impact, or around 79% of the benefits will accrue at this defined local area.

5.13 It may be that the local area (Hawick and Denholm) also experiences economic benefits, but accurately presenting the localised impacts is inherently difficult to predict. Therefore, the following impact section presents the impacts at the regional level.

5.14 The local area continues to be affected by the demise of traditional sectors, with the population having fallen from around 20,000 over the last century. There remains a large number of derelict sites and buildings, and new investment can help as part of the Hawick Place Plan to support a virtual spiral of growth, against a backdrop of longer terms decline.

5.15 The Proposed Development can aid economic development encouraging new investment, jobs, skills development and incomes.

## Socio-economic Impacts

5.16 The Proposed Development is expected to benefit the local and national economy in the following respects:

- Pre-development investment and planning fees, benefitting a range of Scottish-based companies and organisations, with total Scottish based expenditure valued at around **£500,000.**

- A total estimated construction investment of **£40 million**, with around **£10 million potentially benefiting Scottish based companies**. Generating in the region of **71 PYE** jobs and a predicted **GVA impact of £3.6 million** to the Scottish Borders Council area.

- Annual operating costs of **£1.5 million**, supporting **seven new FTE jobs** once fully operational, and benefits to the regional economy, with an annual **GVA effect of £992,000**.

- Wider financial benefits linked to an indexed linked community benefit funding package of up to **£12,000 per annum**, or almost **£1 million over 40 years** (in 2025 prices).

- Further financial benefits in the form of rent, rates and exchequer receipts, are estimated to be contributed over the project lifespan – local business rates expected to generate around **£200,000 per annum for Scottish Borders Council**.

- Wide economic benefits, including policy support, pre-development effect, supply chain benefits, perception effects, community investments, habitat improvements and no adverse impact on tourism and the agricultural sector.

- The proposed solar farm will have a generating capacity of 30MWac. This is equivalent to meeting the annual electricity needs of approximately **8,600 average UK households**[29]. The BESS will store and release electricity from the electricity distribution network and will have an export capacity of 30MWac.

[29] No. of homes powered = Annual kWh generated (taking into account solar load factor of 10.8%) ÷ average UK domestic electricity consumption per household.

- During the operation of the Proposed Development, there will be a potential carbon saving resulting from the export of renewable electricity to the local distribution network, in lieu of the current energy mix, which include fossil fuels and renewable sources. This is anticipated to be a carbon saving of approximately 1,319 tCO2e per annum. This is a saving of approximately 55,640 tCO2e over the 40-year operational lifespan of the Proposed Development. If displacing only fossil fuel sources, the Proposed Development is anticipated to result in a carbon saving of approximately 5,194 tCO2e per annum. This is a saving of approximately 207,760 tCO2e over the 40-year operational lifespan of the Proposed Development.

5.17 The Proposed Development would support jobs during construction and during operation across the Scottish economy. Overall, the socio-economic effects of the capital investment, employment and GVA to the economy would be beneficial both short-term during construction and long-term during operation.

5.18 In accordance with NPF4, the Proposed Development will maximise net economic impact (including local and community socio-economic benefits such as employment, associated business and supply chain opportunities) as described in the preceding sections. Furthermore, the Proposed Development will not result in unacceptable significant adverse economic effects or impacts which cannot be satisfactorily mitigated.

5.19 Stirches Solar Farm Limited and ib vogt UK Limited will help to deliver Scotland's sustainable development and economic objectives and should therefore be approved subject to compliance with all other NPF4 policies.

5.20 In addition, the Proposed Development will bring a range of additional wider and longer economic effects, and it has been found that solar farm investments are increasingly being welcomed by national and local government and the general public.

5.21 Public attitudes to the key benefits and drawbacks of solar energy are diverse. There is a lot of support, but this is threatened by a lack of awareness and misunderstanding. People want to see more rooftop solar in their areas and consider multifunctional land use to be one of the key benefits of solar energy. Recent research by Solar Energy UK concluded by indicating:

- Public ambition extends beyond solar development; they expect jobs, skills, and supply chain opportunities too;

- Solar creates jobs, skills and supply chain opportunities - much of the public considers this the most important issue when developing a solar farm;

- Minimising environmental impacts is considered to be the most important issue;

- Increasing understanding of the positive impact of solar farms on biodiversity and local environments will help capitalise on public support; and
- Strong public support for solar farms in their local area is out of step with public perceptions of opposition to solar.