

"UK Energy Policy: The Small Business Perspective & The Impact on the Rural Economy  
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Council - February 2006

The Small Business Council is a non-departmental public body established in May 2000 to advise the Secretary of State for Trade and Industry and the Chief Executive of the Small Business Service on the needs of existing and potential small businesses in order to help them succeed and prosper. Working with Ministers and Senior Policy makers, the Council advises and reports on the effects on small businesses of current and potential policies.

Executive Summary:

..... This report surveys the intense debate now taking place as to why the chosen strategy is not achieving its objectives. We believe that a principal factor is to be found in the increasingly controversial renewable energy policy, which is widely criticised for its lack of balance and its over-emphasis on onshore wind at the expense of other technologies. Information is now available from the world's largest operators of large-scale onshore wind portfolios. The experiences of Germany and Denmark demonstrate the difficulties and costs of coping with intermittency and transmission. Experience in Germany suggests that the net economic effect of wind energy development is not positive. Taken together these matters raise many questions about the wisdom of the current UK policy's commitment to onshore wind for the bulk of the renewable energy target.

This study focuses attention on one particular area of potential impact in the United Kingdom, the impact on tourism, an area dominated by small businesses and of pivotal importance to the rural economy as a whole. Twenty-five percent of all registered businesses are in rural areas. The rural visitor economy is worth £14 billion in England alone and supports up to 800,000 jobs. Research shows that for an average 75% of visitors, the quality of the landscape and countryside is the most important factor in choosing a destination. Between 47% and 75% of visitors felt that wind turbines damage the landscape quality. In North Devon turbines would deter 11% of visitors, at a cost of £29 million and the loss of 800 jobs. Approximately 7% of visitors would not return to Cumbria, which would result in a loss of £70 million and 1,753 jobs. In the South West, just a 5% overall reduction in visitor numbers would lose the region £400 million and 15,000 jobs. Because of the multiplier effect, a reduction of visitors can have far-reaching consequences for the overall regional economy, a fact richly illustrated during the Foot and Mouth crisis. The evidence shows that in some areas, 49% of all sectors of rural businesses experienced a negative impact.

We argue that the current trend towards high levels of wind energy development onshore presents an unacceptable threat to rural businesses and runs counter to almost all other aspects of Government policy relating to the rural economy. This has important implications when assessing the overall cost-benefit equation of the current renewable energy policy." .....

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It's about time no-nonsense people started reacting to wind hysteria.