

## **Community benefits from net zero energy developments – Scottish Government consultation 2025**

### **Proposed response from East Lammern Community Council**

#### **Consultation questions: Offshore wind communities**

Question 1: In the context of offshore wind development, what or who or where do you consider the relevant communities to be?

*At a national level, Scotland is the relevant community. For any single (large) offshore windfarm, the coastal communities in sight of the windfarm are a relevant group of communities.*

*For each and every offshore windfarm, the communities most directly impacted where the electricity makes landfall and connects to the national grid are the primary community of interest. Harbour- and port-related communities are also relevant; note they may benefit from jobs but not suffer any of the disadvantages of the landfall and connection to the grid.*

Question 2: When defining the relevant communities to receive benefits from offshore wind development, which factors should be considered, and by whom? Are there any factors which are most important, and why?

*Timing is critical here. The most important factor is where people's lives are disrupted by the construction, landfall and connection to the grid of each off-shore windfarm. Those communities should have the first benefits of any community benefit – this may be appropriately limited to the period of construction, and years immediately afterwards. After that it may be that little onshore infrastructure is visible or intrusive.*

*This would require offshore wind developers to provide more than penny-pinching "Construction Funds" during the construction period. A good example is the Eastern Green Link 1 where a clear community benefit fund is available during the construction phase, totalling £7.9M across the whole project and likely to be spent by the time the project is in place.*

## **Consultation questions: Maximising the impact of community benefits from offshore wind developments**

Question 3: Who should decide how offshore wind community benefits are used (decision-makers)? Are there any groups, organisations or bodies you feel should have a formal role in this?

*Decisions about how community benefits funds are used should be made by a democratically accountable local body specifically designed and set up for that purpose. Community councils are perhaps the most likely bodies to work together to create such entities.*

*Where such a body does not yet exist for a relevant community, an intermediary might be appointed to focus on capacity building and the creation of an appropriate body as a first priority. This will take time.*

Question 4: What are the best ways to ensure that decision-makers truly reflect and take into account the needs and wishes of communities when determining how community benefits are used?

*Democratic accountability, as exercised in community council schemes across Scotland.*

Question 5: What could be done to help maximise the impact of community benefits from offshore wind? What does good look like?

*We need to significantly raise our ambitions.*

*The first priority is to enhance the lives of those directly impacted by construction, landfall and grid connections. This should perhaps take the form of upgrading all relevant domestic and business properties to an acceptable Energy Performance Certificate level – not through subsidised electricity bills.*

*Subsequently, multi-community discussions should identify their priorities with an eye to known quantum of benefits available, strategic impact and long-term sustainable effects. District Heat Networks will be a good example – which Scotland is not yet considering at an appropriately ambitious scale.*

Question 6: How do you think directing community benefits towards larger scale, longer term, or more complex projects would affect the potential impact of community benefits from offshore wind?

*This can be a win-win if communities are offered meaningful ownership and share the decision making about the larger scale, longer term, complex projects.*

*If such projects are awarded to the private sector we will see the impact of community benefits adding to the inequality gap across Scotland.*

Question 7: The development of offshore wind is often geographically dispersed with multiple communities who could potentially benefit. To what extent do you agree or disagree that a regional and/or national approach to delivering community benefits would be an appropriate way to address geographical dispersal of development and multiple communities? Please explain your answer.

*A national approach is likely to fail to build local capacity or sense of ownership. It would not be appropriate.*

*A national fund could be shared out to regional partnerships, with all decisions about final spend sitting at the regional level.*

*Regional is a tricky word. Communities that resonate with the people who live in them should be able to manage to govern and make decisions about community benefits – perhaps up to council-size geographies or say 100,000 population. (The current crop of Health & Social Care Partnerships may offer a model to consider.)*

*Ambitious projects like district heat networks could operate at this regional scale in line with the current arrangement of Local Heat & Energy Efficiency strategies.*

Question 8: Are you aware of any likely positive or negative impacts of the Good Practice Principles on any protected characteristics or on any other specific groups in Scotland, particularly: businesses; rural and island communities; or people on low-incomes or living in deprived areas. The Scottish Government is required to consider the impacts of proposed policies and strategic decisions in relation to equalities and particular societal groups and sectors. Please explain your answer and provide supporting evidence if available.

*Sorry – nothing comes to mind here. We do not yet have experience of offshore wind-related community benefits.*

### **Consultation questions: Determining appropriate levels of community benefits from offshore wind**

Question 9: In your view, what would just and proportionate community benefits from offshore wind developments look like in practice?

*£5k per generated megawatt. All offshore wind developers have built this figure into their budgeting to date, and can afford to pay it.*

*Offshore wind represents a generational opportunity to redistribute wealth, build resilient local economies, and deepen public participation in the energy transition.*

*Scottish Government should step up and set this benchmark level in order to maximise this opportunity.*

Question 10: What processes and guidance would assist communities and offshore wind developers in agreeing appropriate community benefits packages?

*A standard national flat rate, with penalties for those who ignore it.*

### **Consultation questions: Shared ownership of offshore wind developments**

Question 11: What do you see as the potential of shared ownership opportunities for communities from offshore wind developments? Please explain your answer.

*Shared ownership should be seen as a complement to—not a substitute for—community benefit payments, and it must be structured to include all residents, not just private investors.*

*There is potential if developers are instructed to accommodate it. 1% ownership could be offered to a regional relevant community, at the point the windfarm becomes operational, with an option to buy up to a further 4%. This offer might be taken up by well-established multi-community Community Benefits Bodies, once they have cut their teeth on smaller more manageable projects such as onshore wind, or battery storage.*

Question 12: Thinking about the potential barriers to shared ownership of offshore wind projects, what support could be offered to communities and developers to create opportunities and potential models, and for communities to take up those opportunities? Potential barriers include high costs of offshore wind development, community access to finance and community capacity.

*National Wealth Fund, Great British Energy and other bodies charged with considering community ownership could work with appropriately sized and governed groups to develop the capacity to take a share in an offshore wind farm.*

*All community benefits from net zero projects should be founded on a principle of building community capacity. Community ownership of a share of the very largest projects is one logical conclusion of such an approach actually working.*

### **3.3 Onshore consultation questions**

#### **3.3.1 Extending the scope of the Good Practice Principles**

a) Which of the following onshore technologies should be in scope for the Good Practice Principles? Select all that apply.

- Wind YES
- Solar YES
- Hydro power (including pumped hydro storage) YES
- Hydrogen YES FOR ITS WASTE HEAT
- Battery storage YES
- Heat networks SHOULD BE COMMUNITY-OWNED
- Bioenergy YES
- Carbon Capture, Utilisation and Storage (CCUS)
- Negative Emissions Technologies (NETs)
- Electricity transmission YES DURING CONSTRUCTION
- Other – please specify in question 1b

b) Please explain your reasons for the technologies you have selected or not selected and provide evidence where available.

*We have selected primarily developments likely to see significant construction-related impact on local communities. And in many cases a psychological blow to communities who do not wish to see the industrialisation of their rural idyll.*

Should the same Good Practice Principles apply in a standard way across all the technologies selected, or should the Good Practice Principles be different for different technologies? Please explain the reasons for your answer and provide evidence where available.

*Good principles are applicable regardless of the technology.*

#### **3.3.2 Improving the Good Practice Principles**

Do improvements need to be made to how eligible communities are identified? For example, changes to how communities are defined at a local level, and whether

communities at a regional and/or national level could be eligible. Please explain your answer and provide supporting evidence if available.

*At a national level, Scotland is the relevant community. But no onshore net zero project except the national grid is large enough to generate a fund that would be best managed nationally.*

*For each and every net zero project, the communities most directly impacted where the electricity is generated, stored and connects to the national grid are the primary community of interest.*

*Timing is critical here. The most important factor is where people's lives are disrupted by the construction, and connection to the grid of each net zero development. This is different from the old concentric-circle model used with some onshore windfarms. Those impacted communities should have the first benefits of any community benefit – this may be appropriately limited to the period of construction, and up to five years immediately afterwards. After that it may be that in some cases little onshore infrastructure is visible or intrusive, and at that point funds could move to a regional approach.*

*This would require offshore wind developers to provide more than penny-pinching "Construction Funds" during the construction period. A good example is the Eastern Green Link 1 where a clear community benefit fund is available during the construction phase, totalling £7.9M across the whole project and likely to be spent by the time the project is in place.*

*Regional is a tricky word. Communities that resonate with the people who live in them should be able to manage to govern and make decisions about community benefits – perhaps up to council-size geographies, or say 100,000 population. (The current crop of Health & Social Care Partnerships may offer a model to consider.)*

*Ambitious projects like district heat networks could operate at this regional scale in line with the current arrangement of Local Heat & Energy Efficiency strategies.*

Should more direction be provided on how and when to engage communities in community benefit opportunities, and when arrangements should take effect? Please explain your answer and provide evidence/examples of good practice where available.

*Is there any evidence about the effectiveness of the current guidance on engaging communities in community benefit opportunities? Our experience locally is that where a powerful landowner has engaged a land agent to discuss benefits, they have extracted*

*a far better deal than we have ever managed as a local community. Equally in the Isle of Lewis, the pre-nup agreement about the proposed Spiorad na Mara windfarm sees some £4.5 million each year for the operational lifetime, expected to be around 35 years, to communities on the west coast of Lewis. These examples certainly suggest that additional support to local communities during any early engagement about community benefits would reap benefits as yet unheard of.*

*In terms of when arrangements should take effect, timing is critical. The most important factor is where and when people's lives are disrupted by the construction, and connection to the grid of each net zero development. This is different from the old concentric-circle model used with some onshore windfarms. Those impacted communities should have the first benefits of any community benefit – this may be appropriately limited to the period of construction, and up to five years immediately afterwards. After that it may be that in some cases little onshore infrastructure is visible or intrusive, and at that point funds could move to a regional approach.*

How could the Good Practice Principles help ensure that community benefits schemes are governed well? For example, what is important for effective decision-making, management and delivery of community benefit arrangements? Please explain your answer and provide evidence/examples of good practice where available.

*Democratic accountability, as exercised in community council schemes across Scotland. If community councillors populate the majority of seats on a decision-making board, and local people don't like how that community-based body is administering a community benefit fund, they can appoint different members to the body. Developer involvement is not important beyond initial agreement of any exclusion criteria. If developers wish to invest in "effective decision-making, management and delivery of community benefit arrangements" then they can provide staff to work for the local democratically elected and accountable community benefits organisation. If they sign up to the good practice guidance and implement the spirit of that guidance, then Developers do not need their own Community Benefits Team.*

How could the Good Practice Principles better ensure that community benefits are used in ways that meet the needs and wishes of the community? For example, more direction on how community benefits should or should not be used, including supporting local, regional or national priorities and development plans. Please explain your answer and provide evidence/examples of good practice where available.

*Where a community manages more than (say) £100k per annum it should be required to spend some of its funding developing a properly community-based Local Place Plan or*

*similar Community Action Plan. This should form the basis of decision making, and should be refreshed over time.*

What should the Good Practice Principles include on community benefit arrangements when the status of a new or operational energy project changes? For example, reviewing arrangements when a site is repowered or an extension is planned, or when a new project is developed or sold.

*Many windfarms actually constitute several phases of build, sometimes with sequential names such as Crystal Rig 1, 2, 3 and 4. Re-powering of a series of builds such as these effectively means that local communities on construction access routes will be permanently affected by renewal works. In such cases the relationship between developers/owners and local communities needs to be that of genuine good neighbours. The developer/owners should enter partnerships with affected communities and agree long term plans for investment and improvement to the area.*

Should the Good Practice Principles provide direction on coordinating community benefit arrangements from multiple developments in the same or overlapping geographic area? If so, what could this include? Please explain your answer and provide evidence/examples of good practice where available.

*Yes! Definitely. The renewal of the National Grid is already leading to an algal bloom of alternative technologies around new or enlarged substations. It is critical that these developments if built see a concerted approach to improving the local area where they have landed.*

- 1) Where three or more developments impact on the same or overlapping communities, developers should be required to work together to propose a single access community benefits pot, locally managed in line with all of the good practice principles.*
- 2) There should be no duplicate reporting on spend – one format should work for the local community (first) and (therefore) for all funders. Developers should agree this – no more frequent than annual reporting.*
- 3) Where funding operates over different but overlapping time frames, developers should work with affected communities to agree the most beneficial cashflows, aligning separate funding streams for the benefit of local aspirations as set out in Local Place Plans or Community Actions Plans.*
- 4) Developers should prioritise capacity building in communities, not in their own organisations. Where there are separately funded community benefits staff (as for example transmission projects funded through OFGEM, where there is an additional funding offered to the transmission owners to “manage community benefits” they should be deployed to work to the governance of local communities whilst meeting the governance requirements of the developer. This*



*may involve ensuring the best arrangements for several disparate funding streams supported by an officer who nominally works for only one of the developers.*

What improvements could be made to how the delivery and outcomes of community benefit arrangements are measured and reported? For example, the Good Practice Principles encourage developers to record and report on their community benefit schemes in Scotland's Community Benefits and Shared Ownership Register. The register showcases community benefits provision across Scotland using a searchable map.

*Meaningful, transparent, accessible reporting to the relevant local community should be the top priority. If assistance were offered to do this well locally, products could feed into national databases like the above-mentioned Register.*

In addition to the Good Practice Principles, what further support could be provided to communities and onshore developers to get the most from community benefits? For example, what challenges do communities and onshore developers face when designing and implementing community benefits and how could these challenges be overcome? Please explain your answer and provide evidence/examples of good practice where available.

*Supported networking across Scotland. This happens informally through Foundation Scotland – why don't Scottish Renewables actively support this? A learning network??*

### **3.3.3 Setting a funding benchmark**

Do you think that the Good Practice Principles should continue to recommend a benchmark value for community benefit funding? The current guidance recommends £5,000 per installed megawatt per year, index-linked (Consumer Price Index) for the operational lifetime of the energy project.

*YES – but starting from 2014 when this benchmark was established.*

a) Should the benchmark value be the same or different for different onshore technologies? Please explain your answer.

*Profit-margins matter. Can we be confident of understanding these? If so, it should be possible to build in an expectation to each relevant technology so that community benefits are generated for the affected communities to build capacity there.*

b) How could we ensure a benchmark value was fair and proportionate for different technologies? For example, the current benchmark for onshore is based on installed

generation capacity but are there other measures that could be used? Please provide any evidence or data to support your preferred approach.

Community-benefit levels should be based on a true understanding of profit margins (see previous answer). In addition, where super-profit years occur clauses should ensure that these are shared with local communities.

### **3.3.4 Assessing impacts of the Good Practice Principles**

Are you aware of any likely positive or negative impacts of the Good Practice Principles on any protected characteristics or on any specific groups in Scotland, particularly: businesses; rural and island communities; or people on low-incomes or living in deprived areas? The Scottish Government is required to consider the impacts of proposed policies and strategic decisions in relation to equalities and particular societal groups and sectors. Please explain your answer and provide supporting evidence if available.

*The existence of the current benchmark and broad principles enabled East Lammermuir Community Council to run a Community Support Fund during COVID, in agreement with the funders Fred. Olsen Renewables. This provided direct financial assistance to local residents in urgent need, usually on the day after any request was made. It directly addressed immediate financial inequalities. It did not make a long-term difference, and this led the community council to develop more sustainable approaches across and outwith its own geographical area. One of these benefited people suffering health inequalities through the funding of an Exercise on Referral Scheme in partnership with Dunbar GP practices and Enjoy Leisure Trust.*

*Many day-to-day funding support decisions are made with an eye to supporting those who are less well-off in East Lammermuir. For example, making sure all dancers can attend international competitions when some families may struggle to pay. Or funding the Food Bank.*

*Were there no good practice guidance and particularly a funding benchmark there would undoubtedly be less money available for the community to use in this way – see benefits rates prior to 2014.*