

Members' Library Service Request Form

Date of Document	17/04/25
Originator	Graeme Marsden
Originator's Ref (if any)	
Document Title	Response to Scottish Government Consultation on Community Benefits from Net Zero Energy Developments

Please indicate if access to the document is to be “unrestricted” or “restricted”, with regard to the terms of the Local Government (Access to Information) Act 1985.

Unrestricted	<input checked="" type="checkbox"/>	Restricted	<input type="checkbox"/>
--------------	-------------------------------------	------------	--------------------------

If the document is “restricted”, please state on what grounds (click on grey area for drop-down menu):

For Publication

Additional information:

Authorised By	Ray Montgomery
Designation	Head of Development
Date	17/04/25

For Office Use Only:	
Library Reference	42/25
Date Received	09/05/25
Bulletin	May 25

REPORT TO: MEMBERS LIBRARY

MEETING DATE:

BY: DEVELOPMENT



**SUBJECT: SCOTTISH GOVERNMENT CONSULTATION ON
COMMUNITY BENEFITS FROM NET ZERO
ENERGY DEVELOPMENTS**

1 PURPOSE

- 1.1 Scottish Government (SG) were consulting on guidance for Community Benefits from Net Zero Energy Developments. A response was drafted by officers and then presented at an elected members briefing on 1 April. It was updated to reflect comment at the briefing and no further comments of charges were received. The attached response was submitted on 11 April.

2 RECOMMENDATIONS

- 2.1 N/A

3 BACKGROUND

- 3.1 Previous guidance on community benefits in relation to energy developments only related to onshore wind and therefore was not applicable to emerging offshore and other projects, such as solar or battery storage. Note this consultation is on guidance and best practice and not consultation on regulation or policy.
- 3.2 SG were consulting on updated guidance to cover offshore wind (part 1 of consultation) and how it may be applicable to other technologies such as battery storage and even transmission infrastructure (part 2).
- 3.3 <https://www.gov.scot/publications/community-benefits-net-zero-energy-developments-consultation/pages/1/>
- 3.4 The guidance consultation asks if the same value as the existing onshore guidance should be continued for offshore and other net zero technologies - £5,000 per installed MW. The draft response states that it should be broadly the same but consider other factors such as increased impacts from some technologies and cost factors to avoid disadvantaging projects in Scotland.

- 3.5 As well as the value of community benefits from projects, questions and responses also focus on:
- Defining the geographies of impacted communities – and therefore who benefit;
 - Who are the decision makers for how community benefits should be utilised and how those decision makers should reflect the needs and wishes of impacted communities;
 - Should there be regional or national approaches to delivering community benefits from offshore wind;
 - Process and guidance for agreeing community benefit packages;
 - Is there a role for shared ownership opportunities;
 - Should the good practice principles apply to other energy infrastructure technologies – we suggest so; and
 - Recording and monitoring of delivery and outcomes of community benefit arrangements.
- 3.6 Note that it is guidance and not statutory, but it is understood that offshore energy proposals (Inch Cape, Seagreen and Berwick Bank) in our area are proposing to comply with the guidance when it is finalised.
- 3.7 In terms of the mechanics and procedures of the consultation response, this has been primarily drafted by ELC Economic Development with input from other Development staff, including Climate Change and LHEES officers, as well as sharing with colleagues in the Communities Service following meetings with them. Following this it was presented to CMT for review and comment on 19 March.
- 3.8 This response seeks to present a balanced view and include considerations pertinent to local authorities, developers, and communities. Given that it would be very difficult to get agreement on issues across all communities, this will remain an ELC response. Communities and other parties will be able to submit own responses.
- 3.9 Officers captured comments made at the elected members briefing on 1 April and gave elected members until Monday 7 April for further written comments or changes, although no further were received. The amended response was submitted on Friday 11 April
- 3.10 Note that given the number of energy projects proposed in East Lothian, the value in community benefits that could be paid over the next 5-20 years could be significant. Therefore, as per the consultation response, we suggest there is a need for these sums and what they are spent on to be recorded and state that this should be done at a national level.
- 3.11 Note that this paper does not relate to Community Benefits as a result of public sector procurement processes.

4 POLICY IMPLICATIONS

None

5 INTEGRATED IMPACT ASSESSMENT

5.1 SG Guidance and not ELC so therefore not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – Not directly on ELC but value of community benefits could be significant.

6.2 Personnel - N/A

6.3 Other - none

7 BACKGROUND PAPERS

7.1 See accompanying final consultation response.

7.2 <https://www.gov.scot/publications/community-benefits-net-zero-energy-developments-consultation/pages/1/>

AUTHOR'S NAME	Jamie Baker & Graeme Marsden
DESIGNATION	Economic Development Manager & Project Manager
CONTACT INFO	jbaker@eastlothian.gov.uk gmarsden@eastlothian.gov.uk
DATE	17/04/25

Lesley Brown
Interim Chief Executive

John Muir House
Haddington
East Lothian EH41 3HA
T: 01620 827827
www.eastlothian.gov.uk

10th April

Gillian Martin MSP
Acting Cabinet Secretary for Net Zero and Energy
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Via Email: communitybenefitsconsultation@gov.scot

Dear Gillian,

Please find enclosed East Lothian Council's consultation response. Through its strategic coastal location and grid connections, East Lothian's infrastructure serves as a linchpin for Scotland's renewable energy transition. Repurposed industrial sites like the former Cockenzie Power Station are being reinvented into renewable energy hubs, while infrastructure developments like Eastern Green Link 1 show how integrated onshore and offshore systems boost grid capacity and energy security.

As a Council, we are committed to advancing a just transition to net-zero and ask that the Scottish Government ensure impacts from renewable energy developments are mitigated and that they support the delivery of sustainable and equitable benefits for our communities.

Our response outlines key principles:

- **Just Transition and Social Justice:** Renewable energy projects must catalyse a fair, inclusive transition that builds community wealth. We call for proactively addressing existing inequalities by prioritising communities most affected by development impacts. Our recommendations include adopting gender-based accounting and other impact assessment tools to adjust benefits for vulnerable groups.
- **Transparency and Co-Creation:** Our approach recommends clear, open communication and collaborative decision-making. We advocate early, inclusive engagement with local stakeholders, from coastal and rural communities to small businesses, to co-create community benefit schemes that are tailored to local needs while supporting capacity building and long-term employment.
- **Integrated and Equitable Benefit Distribution:** We stress aligning community benefit schemes with local priorities. By implementing transparent governance frameworks and robust monitoring, benefits can be fairly allocated to support both hyper-local projects and broader regional initiatives. This includes researching innovative models such as shared ownership and funding benchmarks that reflect the true economic realities of different

renewable energy technologies whilst ensuring local impacts are mitigated and opportunities realised.

Our response calls for guidance that supports robust decision-making while ensuring every community has a genuine say and the capacity to shape its renewable energy landscape. By embedding these principles, the Scottish Government, developers, and local communities can jointly achieve a sustainable, socially just energy future.

Thank you for the opportunity to contribute to this important consultation. We look forward to working collaboratively to ensure renewable energy developments drive a prosperous and equitable transition to net-zero.

Yours sincerely,

A handwritten signature in black ink that reads "Lesley R. Brown". The signature is written in a cursive, flowing style.

Lesley R. Brown
Interim Chief Executive
East Lothian Council

Questionnaire

Section 1: 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?

There are a range of communities that may be impacted and / or have a direct stake in the development of offshore wind projects:

Geographically Affected Communities

- **Rural, Coastal, and Island Communities**
These are the areas closest to the offshore wind farms or their infrastructure and may often experience direct benefits (e.g. job creation, infrastructure improvements) and potential negative impacts (e.g. visual impact, effects on fishing grounds, disruption during construction).
- **Nearby and Strategic Onshore Locations**
Towns and regions, often rural and agricultural, where energy is brought ashore, including those hosting substations, cabling routes, servicing and grid infrastructure. Also those areas that attract associated infrastructure or development such as Battery Energy Storage Systems (BESS), hydrogen production facilities, or data centres that may seek to make use of renewable electricity.

Economic and Industry-Related Communities

- **Fishing, Aquaculture, and Maritime Sectors**
Fishing / aquaculture communities and marine industries that could be displaced or impacted by offshore wind developments during construction and operation, necessitating consultation and mitigation strategies.
- **Supply Chain and Local Businesses**
Industries supporting offshore wind (manufacturing, maintenance, ports, logistics hubs, and associated developments) that should benefit from economic growth.
- **Tourism**
Those communities and businesses that depend on healthy or undisturbed coastal and other habitats, e.g. water and adventure sports, nature watching, diving.
- **Innovation and Research**
Scotland's diverse marine life is a living laboratory, ongoing research into marine biodiversity contributes to the development of new conservation strategies, sustainable resource management practices, and innovative blue economy solutions. There are opportunities and threats to this area from development.

Social and Energy User Communities

- **Wider Local, Regional, and National Populations**
People who could benefit from energy security, community benefit funds, reduction in energy cost, and local direct reinvestment from offshore wind projects.

- **Community Groups and Organisations**

Entities that engage in the fair distribution of benefits, ensuring investment in social infrastructure, training, and environmental projects etc.

In an East Lothian context the relevant communities would include coastal communities (including fishing and maritime) where cabling, substation, and transformer infrastructure is installed and operated as well as nearby onshore and other communities, including rural / agricultural, where infrastructure, grid connections, and associated developments are made or improved, including as above BESS etc. For example but not exclusively Prestonpans, Cockenzie Port Seton, North Berwick, and the Dunbar and East Lammermuir area.

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?

Defining relevant communities requires a balanced approach, recognising local impacts while considering the wider economic benefits offshore wind delivers across Scotland, several key factors should be considered:

1. **Geographical Proximity and Population Density**

Communities located near onshore infrastructure associated with offshore projects, such as substations and cable landfalls, often experience direct impacts and should be prioritised for mitigation and direct benefits. Also important is the level of direct benefits, e.g. higher net benefit from improved infrastructure and employment around ports, vs much lower direct benefit from infrastructure and other developments, e.g. transformers, cable routes, and BESS. Population density and local need are important factors to consider.

2. **Impact Assessment**

Identifying communities most affected by the development, including those experiencing environmental, economic, or social impacts ensures that mitigation measures and benefits address those bearing the project's 'burdens'. It is also important to assess the potential impacts of different types of community benefit and community capacity on an area-by-area basis, in some areas direct monetary support may be most appropriate, in others there may be more need or opportunity for other benefits, e.g. jobs, training, infrastructure. For regions with significant fishing /aquaculture / tourism / rural economies community benefits are critical. Affected businesses / communities should have a say in what a fair deal looks like for them, including the design, siting, and operation of onshore and offshore infrastructure.

3. **Local Authority and Community Engagement**

Involving diverse types of stakeholders, including local authorities, local residents, businesses, and interest groups in the decision-making may help foster a sense of ownership and ensure that benefits align with local priorities and community needs.

4. **Regional and National Considerations**

Given the dispersed nature of offshore wind developments, a regional or national approach may be appropriate to distribute some types of benefits equitably among multiple communities. It may be appropriate to consider a tiered approach to national / regional (e.g. wider economic /

supply chain / jobs), local (e.g. local supply chain, jobs, capacity building and investment), and hyper local (direct capacity building and investment) benefits and impacts.

Determining these factors should involve collaboration between developers, local authorities, and communities. An inclusive approach where all relevant developers work collaboratively with local stakeholders would help ensure the distribution of benefits is fair and reflects the priorities of those impacted by the developments. It is also important to acknowledge that community benefit funds are just one aspect of the economic benefits offshore wind brings to Scotland, others include employment and supply chain opportunities, reductions in carbon emissions and cleaner air, payments to Crown Estate Scotland, and ongoing revenue contributions that generate funds for broader public benefit, including through potential redistribution by the Scottish Government.

Among these factors, impact assessment and community engagement are particularly relevant. By focusing on communities most affected by offshore wind projects, benefits can be directed to address specific challenges and opportunities arising from the development, thereby promoting equity and fostering local support. Continuous engagement and flexibility ensure benefits remain relevant, a rigid approach may not reflect local variations in needs and challenges. Allowing flexibility enables more tailored, meaningful support. For example, local need and priorities will shift as issues are addressed or populations change over the lifetime of developments.

Impact assessment should also take account of cumulative impacts and clustering effects, and the capacity of local communities to realise benefits. This is particularly applicable in East Lothian where multiple cable landfalls are being developed alongside new and improved national grid infrastructure, and multiple proposals for associated developments that seek out grid connections, such as BESS and solar farms. There is a need for developers of all types to collaborate and a role for the energy consent unit to support joined up planning. It should also be noted that developments begun but not completed place a burden on local communities, e.g. a development starts moving through the planning process but is changed or not consented will nonetheless have required significant input / may have caused concern in local communities. Ministers should consider whether mitigation and some level of benefit or support is provided at the earliest stages of the consenting process.

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?

The decision-making process for offshore wind community benefits should be guided by community-led engagement and then consultation and local government knowledge, while maintaining consistency with existing or new Good Practice Principles (GPPs).

1. **Local Communities & Beneficiaries**

Community benefit funds should be shaped through extensive engagement and then consultation with identified communities. Co-creation and community decision-making models ensure that communities have a central role in directing funds toward local priorities. Where possible, decision-making should align with, for example, established local priorities present within local outcome improvement plans, local economic and community wealth strategies, local development plans, community action plans / area plans, and local place plans to help ensure strategic long-term impact. Identifying and facilitating the views of children and other young people is particularly important to realising the long-term benefits of projects.

2. **Developers**

Developers should facilitate the process by ensuring engagement is meaningful, transparent, and aligned with the GPPs. They should also work with enterprise agencies, statutory bodies, and local anchor organisations to ensure funding is invested effectively. Where local plans do not exist, community benefit funding could support the development of community planning structures and help build local capacity.

3. **Local Authorities, Community Councils, Development Trusts etc.**

Councils and trusts can help prioritise and / or administer funds, ensuring transparency and accountability. Their role should be flexible, as the relevance of different organisations will vary by community.

4. **Scottish Government & Good Practice Principles (GPPs) Framework**

It would be prudent to ensure GPPs remain consistent across different renewable technologies to avoid complexity and confusion. The GPPs should have a degree of flexibility built in, operating as a framework that ensures local communities retain influence and control over how benefits are used and developed over time.

A flexible but structured approach may be most appropriate. Communities should drive decision-making, supported by developers, local authorities, and relevant enterprise agencies and local anchors. The capacity and expertise of communities to support or deliver is particularly relevant and will vary by area, and as for earlier responses, capacity building and access to advice will be important as will considering / monitoring the appropriateness of benefits.

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?

Ensuring that decision-makers genuinely reflect and consider the needs and wishes of communities involves several key practices, many of which are standard approaches to engaging with and supporting local decision making / budgeting:

1. **Early and Inclusive Engagement**

Initiate dialogue with communities at the earliest stages of project planning. This proactive approach allows for the incorporation of local insights and concerns into decision-making processes. The early stages of gaining planning consent are often most appropriate.

2. **Transparent Communication**

Maintain open channels of communication, providing clear and accessible information about project developments, potential impacts, the purpose of any benefits, and details of benefit-sharing mechanisms and types of potential benefits available, e.g. a community might not wish to prioritise an energy discounting scheme over a capital project or vice versa. Transparency fosters trust and helps to empower communities to participate meaningfully.

3. **Collaborative Decision-Making**

Involve communities directly in decision-making bodies or committees overseeing the allocation and management of community benefits. This collaboration helps ensure that local priorities are adequately addressed. Consider whether communities have the capacity to take the lead in

planning or delivery, especially where projects are clustered or monetary / benefit levels are high (see 5 below).

4. **Cultural Sensitivity and Respect**

Recognise and respect the unique cultural, social, and economic contexts of each community. Tailoring engagement strategies to align with local customs and values enhances the relevance and acceptance of projects.

5. **Capacity Building (a mitigation, not a benefit)**

Provide resources and support to help communities understand the technical aspects of renewable energy projects and the associated benefits. Empowered with knowledge, communities can engage more effectively in discussions and decision-making. Ensure that methodologies support capacity building for local decision making and delivery where appropriate, including funding for local staff. Identifying and facilitating the views of children and other young people is particularly important to realising the long-term benefits of projects.

6. **Monitoring and Feedback Mechanisms**

Establish systems for ongoing monitoring and feedback to assess the effectiveness of benefit distribution and address any emerging changes or concerns promptly. Continuous evaluation and flexibility help ensure that community benefits remain aligned with local needs over time.

Individual areas may have well *developed* or *developing* capacity / groups / fora / plans that can support local decision making, for example community planning partnerships, local place planning groups, local area partnerships, community councils, development trusts, community wealth building structures, and in rural areas Community Led Local Development (CLLD) Local Action Groups. It should not however be assumed that the existence of local structures means that capacity for new or renewed activity is available at no cost to projects, activity associated with renewable energy projects should not displace other important local activity. At all stages, developers should keep the relevant local or national park authority informed of ongoing discussions, proposals, or the development of community benefit agreements in their area.

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

Maximising the impact of community benefits from requires a strategic, inclusive approach that ensures local communities receive meaningful, long-term benefits.

Aligning Benefits with Local Needs and Priorities

- Local engagement followed by consultation
- Tailored and flexible programs
- Proactive evolving dialogue

Investing in Capacity Building and Local Employment

- Capacity building for local communities
- Skills Development
- Long-Term Employment

Leveraging Innovation and Technology

- Supporting innovation, e.g. local energy production, or environmental management practices to help build a local green economy with broader implications
- Supporting infrastructure, e.g. local infrastructure needed for offshore wind (such as upgrading ports, roads, and grid connections) that also demonstrably benefits other sectors / communities.

Ensuring Fair, Transparent, and Inclusive Benefit Distribution

- Transparent governance Structures
- Clear guidelines
- Equitable distribution

Fostering Long-Term Sustainability

- Ensure ongoing sustainable benefits that are monitored and develop over time
- Ensure environmental sustainability

Building Strong Partnerships

- Collaboration with Local Authorities and other local bodies (e.g. CWB networks / CLLD LAGs)
- Collaboration with business and industry, with a focus on infrastructure, employment, and local supply chains

Monitoring and Accountability

- Regular reporting and evaluation
- Transparency in fund management

What Good Looks Like:

- **Real Community Impact:** Local projects that address immediate and long-term needs, such as youth employment programs, infrastructure improvements, though not as a replacement for public sector funding.
- **Sustainable Projects:** Long-lasting, self-sustaining initiatives like local renewable energy cooperatives, green job training hubs, or infrastructure improvements.
- **Inclusive Decision-Making and Ownership:** Active community participation and representation in decision-making processes and options for ownership allowing local people to have genuine understanding, influence, and control over how benefits are realised, used, and developed over time.
- **Measurable Outcomes:** Clear metrics for success, such as the number of jobs created, skills developed, or infrastructure improvements realised.
- **Transparency and Accountability:** Clear, open communication about how benefits are being allocated, used, monitored, and developed.

Community benefits should not replace statutory funding or be seen as a way of addressing issues which are the responsibility of local or national government. As mentioned in earlier responses, it is also important to take a place-based approach to interventions, especially where clusters of development arise so that cumulative impact is felt, e.g. is it then most appropriate to take wider local or regional approaches to realising benefits.

It is important to clearly differentiate between mitigating impacts and providing community benefits. Community benefits should be true benefits / offer additionality as opposed to simply offsetting loss, e.g. capacity building for local community organisations to engage meaningfully with projects and to put systems in place to manage and realise community benefits is itself a mitigation measure and not a benefit.

The Scottish Government's CARES programme is key to providing ongoing advice and support to communities.

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 could have a significant, lasting impact and opportunities, but also brings challenges:

1. Capacity Building and Gradual Growth

It's important to consider that not all communities will have the immediate or even eventual capacity to manage large-scale projects, and that 'large scale' will be a subjective term linked to area, population, capacity etc. Small-scale projects can serve as a stepping stone, allowing communities to build skills, capacity, and confidence. Early projects can be important for developing a track record of delivery, which in turn can increase capacity to handle more substantial initiatives.

2. Strategic, Long-Term Projects

While larger and more complex projects have the potential for broader impact, aligning with regional development goals or addressing longer-term needs, they must be tailored to the specific aspirations of each community. A critical element here is the engagement and then consultation process and ensuring projects align with regional strategic plans, local economic strategies, local development plans, and local place plans etc.

3. Developer Challenges and Funding Limitations

Developers may face challenges when committing to longer-term community benefits, particularly if financing models are not conducive or may change.

4. Collaborative and Regional Approaches

A more collaborative, regional (authority areas or wider) approach to funding may offer a solution for ensuring that community benefit funding can support long-term and transformational projects, especially where clusters of projects emerge. These projects may align more closely with both local needs and the broader goals of the renewables sector. However, scaling this approach may be challenging due to the financial scope, especially when considering the varying needs and capacities of different regions. As noted above, in this context it is particularly important that engagement between developers, planners, enterprise agencies, local authorities, and communities is considered. There are examples of regional approaches taken by large scale onshore developers, e.g. the SSE Community Benefit Fund.

In an East Lothian context we are seeing developers and infrastructure providers begin to cooperate and collaborate, and local communities that are willing to work together and potentially pool funds to support wider outcomes and longer-term projects e.g. supporting a feasibility study around heat networks. Collaboration and pooling of current / potential community benefits appears to be more acceptable for those communities who have already benefited over time / built capacity (or acknowledge their lack of capacity) from e.g. onshore wind farms, whereas communities who may be accessing funds or support for the first time may choose more localised and or small projects.

We are aware of examples where a tiered approach is established, e.g.:

- 50% of benefits are paid directly to the community
- 25% for energy efficiency or energy projects delivery
- 25% for 'strategic' projects

Long term investment and ongoing relationships are key to realising the opportunity of community benefits from renewables and other infrastructure developments. Local grant giving, whilst welcome, is significantly less impactful than the development of long-term investment and patient capital.

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.

In this context, we should consider the perspectives of energy developers, community needs, and the scale of available funding. It is also important to define the relevant populations and geographies, for example East Lothian is a relatively compact area with a significant amount of renewable and other infrastructure development concentrated around the coast and in the rural east and south. Here impact will be felt most, but populations may be smaller and more dispersed. In this context matching the community benefit(s) to the area of impact and need is important for e.g. direct cash payments (local or county wide is probably most attractive acceptable to communities), training and jobs (county with then ESES region), supply chain (county, ESES, national).

Local and Regional Approaches

Energy developers emphasise that community benefit funds should remain focused at a local or regional level where appropriate. A national approach is likely not viable due to the scale of funding available, and spreading funds too widely would dilute their impact. This reinforces the importance of ensuring that direct benefits remain linked to the communities most affected by offshore wind developments.

As noted in question 6, a regional approach, if carefully structured, can help address some of the challenges of geographical dispersal while maintaining this connection. However as above, the size of the region must be proportionate to the available funding level to ensure meaningful impact. This ensures that the benefits are neither too thinly spread nor disconnected from the communities closest to the developments.

In this context, it is important to remember the benefits the sector provides at a national / wider regional level in terms of GVA and that delivery of benefits from a developer's point of view needs to be linked to their / their investors CSR/ESG aims and objectives.

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.

Community benefits from renewables (all types) should be viewed through a just transition lens to ensure they address existing and emerging inequalities and do not introduce new inequalities or disparities.

Good Practice Principles have the potential to positively impact various groups by promoting community engagement and economic development. However, careful implementation and monitoring are essential to ensure that benefits are equitably distributed and that vulnerable populations truly gain from

renewable energy developments, see earlier comments regarding transparent engagement, scale of projects / funding, and capacity / capacity building.

Rural, coastal, and island communities are often host to renewable energy projects due to their location / natural resources. The Good Practice Principles should encourage developers to provide community benefits that will lead to investments in long term sustainable local priorities. Local demographics, protected characteristics, and need should be considered closely.

Gender-based accounting is a method of tracking, quantifying, and analysing how benefits and costs from a project are distributed among different gender groups, and by extension, other protected characteristics to promote social justice. In Scotland's renewable energy sector, this approach could be used to ensure that community benefit schemes not only generate economic gains but also address social inequalities, key points include:

- **Data Collection and Benchmarking:** Gathering and disaggregating data by gender (and other characteristics) to set measurable and benchmarked targets for equitable benefit sharing.
- **Impact Assessments:** Integrating gender impact assessments in project planning to highlight and mitigate differential impacts on protected characteristics.
- **Transparency:** Producing regular reports to monitor and adjust community benefit schemes, ensuring accountability.
- **Inclusive Capacity Building:** Designing targeted training and upskilling programmes to improve participation in green jobs from specific groups.
- **Just Transition:** Informing policies that tackle occupational segregation and mandate best practices so that the renewable energy transition is fair and inclusive.

In this context, programmes can more effectively address social justice and structural biases.

The above concepts extend to local businesses, for example capacity building in local enterprises / supply chains may be required, see activity of <https://www.forthandtayoffshore.co.uk/> a collaboration between local authorities, ports, and offshore developers that supports capacity building innovation, and skills development. For example, whilst local enterprises may experience increased demand for services during the construction and operation of renewable energy projects, small local businesses might face challenges in terms of capacity to deliver or if large external contractors are favoured for project-related or ongoing work due to capacity or cost. Renewable energy developers should engage with local authorities, enterprise agencies, and community wealth building structure to ensure local procurement is prioritised, e.g. through capacity building or weighting.

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

A just and proportionate community benefit model for offshore wind developments should aim to balance the expectations of developers and communities, ensuring that benefits are fairly distributed, impactful, and sustainable while also acknowledging the economic realities of offshore wind development.

1. Recognising Financial Challenges and Project Viability and Supporting Project Specific Flexibility

- Developers note that a single metric for community benefits is not appropriate as offshore wind developments vary significantly in cost and complexity – e.g. higher DEVEX, CAPEX and OPEX due to grid connection costs, operation in harsh and variable environments, R&D costs etc. This should

be subject to independent assessment as part of developing the Guidance, see following comments.

2. Clear National Guidance are Required

- Developers note that the levels of community benefit funding that communities have come to expect for onshore wind projects, per current GPPs, are not sustainable for offshore wind (for the reasons set out above), e.g. a fixed rate of £5,000 per MW could make economically viable projects unfeasible and may put Scottish projects at a disadvantage in the CfD process.
- Communities note that to plan effectively, especially in areas where clusters of projects impact them, it is imperative to understand the potential scale and sustainability of future community benefits from an early stage in the planning and consenting process. This is needed to underpin success / meaningful delivery of benefits.
- Noting the comments above, given that the Scottish Government has been actively reviewing guidance in this area and the well-established £5k per MW CB approach for onshore wind, it is likely that developers, including offshore wind, will have factored in / made provision for a corresponding level of community benefits within their current financial plans. It should be noted that the £5k per MW may require review, and a schedule of future review dates established.

3. Recognising the Community's Place and Local and Regional Benefit Distribution

- As note previously, maintaining a link between offshore projects and host communities is important. Benefits can be effectively focused at the hyperlocal, local, and regional level.
- Community benefits should be structured to support long-term social and economic development, including investment in local capacity, green skills, supply chain development, and local infrastructure.
- The pivotal role of communities in delivery of investment should be recognised, noting as mentioned in earlier responses that they ultimately deliver CSR/ESG outcomes on behalf of developers and investors.

Further research in this space is likely needed, ongoing review would be required to match both developer and community needs and establish what is both viable and equitable. Specific research and consideration should be applied to the viability of an equivalent to the £5k per MW onshore benchmark and community ownership / community shares as part of all types of development, especially where publicly owned land and assets are used.

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

it is important to ensure clarity, effectiveness, and applicability across different contexts:

1. Clarity and Accessibility

- Simple Language: Use clear and concise language that is easily understood by all stakeholders, including those without technical expertise.
- User-Friendly Format: Present information in a visually appealing and organised manner, using headings, bullet points, and diagrams to enhance readability.

2. Inclusivity and Stakeholder Engagement

- Involve Stakeholders: Engage a diverse range of stakeholders, including community representatives, developers, and local authorities, in the development of guidance to ensure it

reflects varied perspectives and needs. As noted in previous answer, consider protected characteristics, gender-based accounting, and how 'easy to ignore' groups are engaged with.

- Tailored Approaches: Recognise that different communities and projects may have unique circumstances; guidance should allow for flexibility while providing a framework.

3. Evidence-Based Recommendations

- Utilise Research and Best Practices: Base guidance on solid evidence, including case studies, best practices, and lessons learned from international examples and previous projects to enhance credibility and effectiveness.
- Regular Updates: Periodically review and update guidance to reflect new developments, emerging practices, and feedback from users.

4. Practicality and Real-World Application

- Actionable Steps: Provide clear, step-by-step instructions and examples to help stakeholders implement the guidance in real-world situations.
- Tools and Resources: consider toolkits, including templates, checklists, and other practical resources that can assist stakeholders in navigating the process.

5. Transparency and Accountability

- Clear Expectations: Clearly outline the purpose of the community benefit fund or activity and outline the roles and responsibilities of all parties involved in the process to promote transparency and accountability.
- Monitoring and Evaluation Framework: Considering equity and social justice, incorporate mechanisms for assessing the effectiveness of community benefits initiatives, allowing for adjustments based on stakeholder feedback.

6. Focus on Sustainability and Long-Term Impact

- Long-Term Vision: Emphasise the importance of sustainable community benefits that contribute to long-term community well-being and resilience.
- Support for Capacity Building: Encourage initiatives that build community capacity to engage in ongoing dialogues with developers and manage community benefit funds effectively.

The process followed to develop the Visitor Levy Guidance by Visit Scotland was a good example of a structured and inclusive approach <https://www.visitscotland.org/supporting-your-business/advice/visitor-levy> this was developed by an expert working group with input and testing with key stakeholders.

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

As noted above, this is an area that requires additional research to identify the constraints and opportunities as shared ownership could follow multiple models and attract investment risks for communities as well as significant benefit. Shared ownership could be an ideal means of providing communities and reliable, self-sustaining funding stream going forward. Other technologies (including onshore wind) may be more suitable for shared ownership. SG have set a target for shared ownership, which to date has proven challenging to achieve.

Offshore wind developments are less suitable for shared ownership in an East Lothian context than onshore energy generation or infrastructure. Shared ownership of the associated assets including substations, BESS, and cables are more applicable to East Lothian communities. Business cases for these projects will show how much money will be made, and communities should be privy to that knowledge and given the opportunity to share those benefits. Energy infrastructure is also likely to see more use as demand for electricity increases, so the value of shared ownership arrangements is likely to go up rather than down.

Shared ownership means shared understanding of the importance, so clear and accessible communication is even more critical. Shared ownership should also involve shared decision-making, so communities do not feel they are simply handing over their 'space' for a fee.

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.

Noting the previous response that set out differences between off and onshore developments, there are international examples of shared / community ownership that aim to address the issue of communities having developments 'done to' them and assist with community acceptance. It would be a valuable exercise to review examples from the UK and beyond to help establish the extent to which community ownership could provide self-sustaining funding for communities, e.g. the Middelgrunden wind farm in Denmark is half owned by a cooperative and played a key role in facilitating community engagement processes. As noted for earlier responses, there are interesting emerging examples associated with onshore developments, see Cowal Community Energy <https://www.scotsman.com/news/communities-unite-to-take-over-scottish-windfarm-from-energy-giant-5023255>

Main barriers would include:

- Community capacity – could be overcome by maintaining/increasing support for communities, e.g. through CARES.
- Access to finance the need for affordable, patient finance should be acknowledged and addressed, e.g. through SNIB

Section 2: Extending the scope of the Good Practice Principles

Question 1

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

- Wind
- Solar
- Hydro power (including pumped hydro storage)
- Hydrogen
- Battery storage
- Heat networks
- Bioenergy
- Carbon capture, Utilisation and Storage (CCUS)
- Negative Emissions Technologies (NETs)
- Electricity transmission
- 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.

It would be beneficial for all technologies that result in development within ‘host’ communities to be considered for inclusion, noting differing impacts and regulatory frameworks (UK/Scottish), and opportunities and impacts may arise from each, e.g. BESS are likely to produce few local jobs or supply chain opportunities, but have a high perceived impact/risk at present; Local Heat Networks are likely to deliver a high level of direct local benefits and jobs / supply chain opportunities; large scale solar PV development may take highly productive agricultural land out of production.

In this context, policy consideration could be given to addressing CB payments via the ‘rent’ realised by landowners. For example, do landowners receive a disproportionate share of revenue from a renewable energy project, despite contributing little in terms of productive input as compared to developers? To what degree could capturing a portion of these ‘rents’ and redistributing them to local communities enhance equity and legitimacy, and how might shifting costs to landowners increased resistance and tougher negotiations to recoup lost income through higher baseline rents/costs?

Question 2 - 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

Many of the GPPs will be relevant and transferable to new and emerging technologies, and it is important that these are included as soon as possible, noting the rate of potential consenting for e.g. BESS and solar farms. It would be important to evaluate whether these principles should be standardised across all technologies or tailored to specific ones / types, e.g. considering:

- Consistency and Clarity
- Streamlined Processes
- Shared Learning and Case Studies
- Tailored of Principles
- Community Views, Needs and Expectations
- Relative Impacts and Risk

It should be kept in mind that many of these technologies and developments will be linked with one another, and therefore increasingly create clusters of development that impact communities and local infrastructure. Of particular note are above ground technologies, BESS, solar, and transmission that attract a great deal of community comment and concern in relation to risk (BESS) and visual impact and land take (BESS and solar).

Mitigation and benefits could be linked directly to the technology type, e.g. heat network developments supporting home insulation, training, or supply chain development linked to that technology; solar developments supporting agricultural productivity measures or local growing initiatives.

Question 3 - 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.

Communities should be identified where infrastructure and development create impacts, and as per previous responses regional delivery could be viable where:

- Demonstrable community engagement and then consultation has taken place or there is an established local vehicle.
- Needs are clearly understood and mapped.
- There is a demonstrable and sustainable legacy.

As with previous responses and examples, this is particularly relevant where clustering of development occurs or is likely to. The East Lothian Community Benefits SCIO is an example of a proposed county-wide approach which may be viable because East Lothian is a relatively small geography.

Question 4 - 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.

See earlier responses, feedback from communities and developers suggests that early engagement is key, and often the beginning of the consenting process is a good time to start this. Again, where clustering of development is or is likely to take place guidance should clearly set out how and when developers can and should work together. It must be acknowledged that communities will have varying capacities to deal with, e.g. multiple developments / approaches and this must be acknowledged and support provided, e.g. continued/increased support for CARES/fellow support bodies should be ensured.

Question 5 - 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.

See earlier responses in section 1. It is important that community benefit schemes have good standing within the community and with developers in terms of being transparent, linked to agreed and consulted upon aims and objectives, are properly resourced and well managed and do not rely only on community good will (e.g. there are dedicated staff or resources), and are regularly evaluated. GPPs and other guidance / support (e.g. CARES) can promote good practice in this area.

Question 6 - 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.

See earlier responses, regularly reviewed guidance on the operation a potential of schemes would be welcomed to ensure best value is achieved. A linked aim should be to foster innovation, development, and shared practice in this area, see also earlier responses in relation to linking to local need and plans, e.g. regional strategies, local economic strategies, LDPs, place and community plans.

Case studies of both excellent and unsatisfactory delivery of community benefits should be shared with developers and communities.

Clear differentiation between mitigation measures e.g. funding for local staff to facilitate engagement around or management of community benefits, and true additional benefits should be made.

Question 7 - 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.

Repowering would be a new project, and benefit should be reassessed per current rates and / or guidance.

Change in ownership of a project where the capacity or scale doesn't change should not involve a reassessment. However, the new owner would be required to provide the same level of benefit and commit to replicate the agreed-upon arrangement with the community in cases of shared ownership.

Repowering opens opportunities to reassess community benefit packages and approaches based on evinces of delivery and need, but also introduces new options with regard to community ownership, again noting Cowal Community Energy, a coalition of four development trusts, who are submitting a bid to Forestry & Land Scotland for repowering the 30MW Cruach Mhor windfarm in Glendaruel
<https://www.scotsman.com/news/communities-unite-to-take-over-scottish-windfarm-from-energy-giant-5023255>

Question 8 - 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, see earlier comments in relation to clustering of developments, noting that facilitation and coordination is a mitigation and not a benefit.

In East Lothian “East Lothian Community Benefits” has been established by the Association of Community Councils, a SCIO that through emerging agreements proposes to handle a proportion of renewable energy development CBs locally. This appears to be attractive both to developers and communities because it has the potential to provide a single point of contact for negotiations and delivery. It proposes to distribute funding or support projects that benefit the wider areas vs directly impacted communities and could help overcome the cluster effect of some communities being in receipt of multiple CBs from multiple developments. This group have noted that it is important to understand the scale of the CBs on offer, the timeline to realisation, and the conditions that may be attached. Organisations such as this would welcome clear guidance and support in building capacity and identifying need and priorities.

Direct support, guidance / best practice and positive and negative case examples would be beneficial in this context.

Question 9 - 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.

We would suggest that publishing and reporting on CBs should be a mandatory requirement and not just guidance. This would enhance transparency and good practice. We note that at the CBs register was recently launched (Nov 24), so its population with new projects and existing/previous should be prioritised, overseen by a governing body with a monitoring role.

The Edinburgh and South East Scotland region has developed a community benefit register (for a range of projects to use), which is most useful for the delivery of low level and incidental community benefit, but could be used as part of a solution to linking CB offers / funds with community need

<https://www.esescommunities.org>

Question 10 - 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.

See earlier responses in Section 1 as all are relevant to onshore developments. Notable differences are the proximity of developments to communities / populations who will engage differently and take different views as to impact and risks. Also relevant are the differing opportunities for local enterprises

and supply chains to benefit from smaller scale onshore developments. This suggests that it may be more effective to provide a greater level of support, capacity building, and coordination for areas of onshore development (a mitigation, not a benefit).

Question 11 - 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
 No
 Don't know

Also see answer to Q12.

Question 12

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

The benchmark could be broadly the same as this has proved to be a transparent method of securing ongoing benefit. However, it may be necessary to consider some developments / technologies differently, e.g. those that relate to transmission (grid infrastructure) or production (hydrogen), technology that has particular local benefits (heat networks), or technologies / development that have or are perceived to have greater local impact e.g. in terms of risks, visually impact, or land take. Any established benchmark(s) should be subject to regular review. Further research and market assessment is required in this space.

See also earlier responses in relation to complexity in the offshore environment, this may exist with different onshore technologies.

It should also be noted that the present rate was set in 2014 so a review is warranted. Additional clarity should be provided regarding any indexation of payments / benefits.

- 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.

Developers argue that the different technologies have different capacity factors and business models, and that CB must reflect the economic reality of projects and not disadvantage Scottish projects over those located elsewhere in the UK. Communities will be interested in the scale of local impact (positive and negative) and clustering effects, e.g. there may be differing views based on e.g. above or below ground infrastructure, perceived risk, or land take.

A more proportionate value would be one that considers cumulative impacts of energy developments in a locality, the perceived risk those developments bring, and the development's ability to deliver benefits in its own right, e.g. can a solar PV array deliver biodiversity benefits that a wind turbine development cannot, what is the impact on agricultural land and land take of a solar array over a turbine development?

Question 13 - 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.

Per the response to similar question in Section 1:

Community benefits from renewables (all types) should be viewed through a just transition lens to ensure they address existing and emerging inequalities and do not introduce new inequalities or disparities.

GPPs have the potential to positively impact various groups by promoting community engagement and economic development. However, careful implementation and monitoring are essential to ensure that benefits are equitably distributed and that vulnerable populations truly gain from renewable energy developments, see earlier comments regarding transparent engagement, scale of projects / funding, and capacity / capacity building.

Rural, coastal, and island communities are often host to renewable energy projects due to their location / natural resources. The Good Practice Principles should encourage developers to provide community benefits that will lead to investments in long term sustainable local priorities. Local demographics, protected characteristics, and need should be considered closely.

Gender-based accounting is a method of tracking, quantifying, and analysing how benefits and costs from a project are distributed among different gender groups and can by extension be applied to other protected characteristics to promote social justice. In Scotland's renewable energy sector, this approach could be used to ensure that community benefit schemes not only generate economic gains but also address social inequalities, key points include:

- **Data Collection and Benchmarking:** Gathering and disaggregating data by gender (and other characteristics) to set measurable and benchmarked targets for equitable benefit sharing.
- **Impact Assessments:** Integrating gender impact assessments in project planning to highlight and mitigate differential impacts on protected characteristics.
- **Transparency:** Producing regular reports to monitor and adjust community benefit schemes, ensuring accountability.
- **Inclusive Capacity Building:** Designing targeted training and upskilling programmes to improve participation in green jobs from specific groups.
- **Just Transition:** Informing policies that tackle occupational segregation and mandate best practices so that the renewable energy transition is fair and inclusive.

In this context, programmes can more effectively address social justice and structural biases.

The above concepts extend to local businesses, for example capacity building in local enterprises / supply chains may be required, see activity of <https://www.forthandtayoffshore.co.uk/> a collaboration between local authorities, ports, and offshore developers that supports capacity building innovation, and skills development. For example, whilst local enterprises may experience increased demand for services during the construction and operation of renewable energy projects, small local businesses might face challenges in terms of capacity to deliver or if large external contractors are favoured for project-related

or ongoing work due to capacity or cost. Renewable energy developers should engage with local authorities, enterprise agencies, and community wealth building structure to ensure local procurement is prioritised, e.g. through capacity building or weighting.