South of Scotland Standard for Community Benefits from Onshore Wind

Introduction and background to the BiGGAR Report

South of Scotland Enterprise (SOSE) has been working in the context of a series of energy policy updates and consultations by the Scottish and UK Governments.

This includes the Scottish Government's updated Onshore Wind Policy Statement and Sector Deal and UK Government consultations on "non-price factors" in the bidding process for Contracts for Difference and potential community benefit from electricity transmission network infrastructure.

The process of responding to these various policy initiatives identified a gap in our understanding of the scale, nature and impact of voluntary community benefit payments associated with existing onshore wind projects in the South.

SOSE has been keen to ensure that our feedback to both Governments reflects the reality on the ground, while also advocating in favour of approaches to community benefit which recognise communities' needs.

The subject has often been raised with us by communities themselves – either where existing models are not working as well as they had hoped or where communities are seeking support from Local Energy Scotland and/or SOSE around negotiations with single or multiple developers.

In 2023, therefore, SOSE commissioned BiGGAR Economics to undertake a baseline assessment of the contribution of community benefit from onshore wind to the South, estimate the potential future quantum of community benefit up to 2058, and assess the level of adherence to the Good Practice Principles for Community Benefit from Onshore Wind.

Key findings

- In 2022, there were 850 installed wind turbines in the South of Scotland with a total installed capacity of 1,891 MW, a little over a fifth of the Scottish total;
- In 2022 onshore wind farms provided £4.3million in community benefit funding to communities in the South of Scotland;
- The total value of funding provided since 1996 was £30.9million;
- It is estimated that by 2033 wind farms in the South of Scotland could be generating nearly £12million per year in community benefit funding;
- By 2058 this could increase to nearly £70million per year;
- The cumulative value of this over the next 35 years could be as much as £897million, almost 30 times as much as the total value of community benefit funding received up to 2023; and
- Adherence to the Good Practice Principles, which recommend a community benefits value equivalent to at least £5,000 per installed MW per year, varies widely across the South of Scotland.

The report also posed six questions:

- How can greater adherence to good practice be encouraged without compromising the underlying flexibility of the current approach?
- How can a more strategic approach to investment be encouraged to help create a legacy for communities?
- What does a fair balance between societal and local priorities look like and how could this be achieved?

- What steps could be taken to encourage the prioritisation of collective wellbeing over individual benefit in community benefit negotiations?
- How can the expertise of communities with experience of negotiating effective benefit agreements be leveraged to support less experienced communities?
- What more could be done to help communities benefit from the wider supply chain and labour market opportunities associated with wind farm developments?

SOSE's response

The ethos underpinning this work is the recognition that community benefit is community-controlled finance.

SOSE's interest is therefore in supporting communities to deliver the lasting legacy that communities and developers aspire to, and which is reflected in the Scottish Government's Good Practice Principles.

SOSE is also a proponent of the Community Wealth Building (CWB) approach to economic development.

CWB seeks to transform our local and regional economic systems to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates. [3]

Community Wealth Building can deliver more and better jobs, business growth, community-owned assets and shorter supply chains creating greater resilience and supporting net zero ambitions.

CWB is founded on five principles and SOSE believes that community benefit can align with the finance pillar, which the Scottish Government defines as:

"Ensuring that flows of investment and financial institutions work for local people, communities and businesses."

Having understood both the baseline for community benefit in the South, and robustly examined the estimates of its future potential, SOSE felt it was critical to learn from the lived experience of communities who already receive community benefit, or who are preparing for future negotiations, to learn from them in terms of potential future improvement.

Therefore, of the six questions posed on the report, we decided to prioritise:

- How can greater adherence to good practice be encouraged without compromising the underlying flexibility of the current approach?
- How can a more strategic approach to investment be encouraged to help create a legacy for communities?
- What more could be done to help communities benefit from the wider supply chain and labour market opportunities associated with wind farm developments?

Feedback from communities

As of October 2025, SOSE has held five engagement sessions involving around 40 communities. Sessions were held in partnership with Local Energy Scotland, who provided information on Community Shared Ownership, while SOSE provided an overview of the BiGGAR economics work and invited comment from communities on their experiences of community benefit.

SOSE received detailed feedback covering four broad themes:

- Consistency of developer approaches to Community Benefit, also balanced by the need for local flexibility.
- How best practice could be acknowledged and shared – perhaps through a Charter for developers or a South of Scotland Standard for Community Benefit.
- Up-front investment (at the appropriate time for the project) to build capacity and enable communities to plan for the long term.
- Legal agreements to protect Community Benefit funding through changes in ownership.

SOSE also received valuable feedback on the obstacles to taking up community shared ownership options;

- Access to finance
- Management of risk
- Governance complexities
- Managing long-term, large-scale investment

A South of Scotland Standard

The feedback SOSE has received leads us to believe there is a significant opportunity to invite onshore wind developers who are active in the South to sign up to a South of Scotland Standard for Community Benefit.

SOSE proposes this is founded on the principles outlined below, which themselves build on the existing Good Practice promoted by the Scottish Government but are intended to be an achievable and reasonable ask of developers.

The concept of a Standard respects the status of community benefit as a voluntary agreement between developers and communities and separate from regulatory processes.

It does, however, provide a greater degree of certainty and confidence, fully acknowledging that many developers and communities already meet (and in some cases exceed) these principles.

A South of Scotland Standard – key principles

1. Commitment to the highest standards of community engagement from the first point of contact. Recognising there are existing good practice principles, committing to follow these, in particular but not limited to; clearly separating conversations on the details of a development proposal from conversations on community benefit; commencing consultation at the earliest available opportunity; establishing the most effective points of contact and communication methods for the community; co-ordinating consultation and engagement where multiple developers are active in a community to minimise pressures on volunteer time.
2. A standard and consistent approach to Community Benefits payments which commits to a minimum of £5,000 per installed megawatt per year, index-linked for the life of the project. Developers can and do elect to offer a higher payment per MW and, in that context, a negotiated lower level of uplift may apply.
3. Transparency and accountability: developers active in the South commit to including their Community Benefit agreements in the national register, and communities commit to annual reporting against their local action plan(s).
4. Commitment to local flexibility: recognising that communities will adopt the approach to investing Community Benefit which best suits their own needs, full expenditure of an annual allocation may not be the best way to deliver transformational change. Agreements should

allow communities the flexibility to, for example, carry over unspent funds, contribute to core project and staff costs if they so wish and allow for the review of inclusions and exclusions if circumstances change to the extent that they risk obstructing the delivery of community ambitions.

5. Investing in building communities' capacity: as the quantum of community benefit increases the need to invest in communities' capacity to plan future investment also increases. While it is anticipated that communities will negotiate the fund management option that best suits their circumstances, commitment of seed funding at financial close is critical to building the capacity communities often need to plan large-scale, long-term investments that deliver lasting legacy.
6. Contractual security: wherever possible, community benefit agreements should have a contractual basis, to protect their status through any potential future changes in ownership and to allow the agreement itself to be used as collateral by the recipient communities should that be necessary in delivering their objectives.
7. Barriers to shared ownership: every shared ownership offer which isn't taken up is a potential loss to the South. SOSE and developers therefore commit to working in partnership with communities and local & national partners to establish whether the barriers to shared ownership identified by communities can be overcome. If this is not possible, we will consult with partners and communities to pilot alternative approaches to retaining this wealth within the region.
8. Retrospectivity: We recognise there are a large number of existing agreements in place across the South of Scotland, some of which have been in effect for years and have delivered significant community benefit already. While it is not the intention of these principles to undermine existing agreements, local circumstances, priorities and volunteers will change over time. It may therefore be desirable, where there is mutual agreement, to review existing agreements to ensure they are still able to facilitate communities' achieving their ambitions.
9. Publicity and reporting: we propose a charter mark for developers who agree to endorse these principles, made available for them to use along side their own branding, and to publish an annual update showcasing examples of best practice across the South of Scotland.