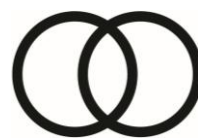


Community Wealth Building Framework from Renewables: a summary for South of Scotland Enterprise



CLES
the national organisation
for local economies

Executive Summary

Background

Energy, and the benefits which can flow from it, has remained a highly discussed topic in Scotland for many years. Whether from hydro power in the 19th century, to the oil and gas boom of the 70s and 80s through to the present day and renewables, energy is a hot topic.

This is particularly true for the South of Scotland. A report by BiGGAR economics in 2023 highlighted that an estimated almost £900m will flow to the region in community benefits over the next 35 years and on average £12m will be flowing annually by 2033.¹

Further reporting by BiGGAR economics for Highland and Moray Council into the wider economic impact of renewable developments² proposed taking a community wealth building approach to delivering socio-economic and community benefits from renewable energy developments, to strengthen the opportunities for communities. This has ignited South of Scotland Enterprise's interest in the development of a community wealth building framework for renewable energy developments and the benefits which flow from these.

The following summary sets out the policy context, the local context the framework operates within, the development of the framework and concludes with recommendations.

Policy Context

Energy is reserved to the UK Government so there is a limit to the role the Scottish Government can play in this context. However, there has been a recent public consultation from the Scottish Government around community benefits from both onshore and offshore net zero energy developments, as part of a review of the good practice principles, which asks questions around who should decide which communities receive benefits, whether regional or national approaches to benefits should be considered, and how the funds can meet the needs and wants of communities.³ The current voluntary standard in Scotland for community benefits is for £5,000 per megawatt to flow to communities closest in geography to the onshore wind development. According to BiGGAR Economics, the average is due to increase to £4,800 per megawatt in forthcoming years⁴ – which shows there is inconsistency of approach and there is room for improvement. The South of Scotland has an opportunity in the coming years to realise a significant economic benefit from onshore wind development. In particular, this will come from the flow of community benefit payments to local communities but can also be delivered through other means.

¹ Onshore Wind Community Benefits Study (2023) South of Scotland Enterprise. [Link](#).

² Developing a new model to maximise local economic benefits from development in Moray and Highland (2024) BiGGAR Economics. [Link](#).

³ Community Benefits Consultation. Scottish Government. [Link](#).

⁴ Developing a new model to maximise local economic benefits from development in Moray and Highland (2024) BiGGAR Economics. [Link](#).

- Commit to support local young people with apprenticeships at each development.
- Pay real living wage to all subcontractors
 - Commit to paying real living wage to all subcontractors through contracts.

Land and assets

- Commit to green development practices
 - Where possible ensure developments take place in a climate friendly way and the damage to local nature is minimised.
- Work with communities to understand local need around land
 - Recognising developers do not always own the land they use, where practical, investigate access arrangements with local landowners or on other landowner sites.
 - Collaborate with local communities to identify local needs and priorities around land and support utilisation of development land to help meet these if appropriate
- Support local infrastructure
 - Investigate using Local electricity discount schemes (LEDS) to provide an annual discount on the electricity bills for residents of communities living near renewable energy developments.
 - Investigate whether local broadband networks could be upgraded – if required by communities.
 - Investigate whether local walking and cycling routes can be developed – if required by communities.

Finance

- Commit to reporting on payment of community benefits to a national register
- Increase community benefits payments in line with inflation
 - Community benefits should be set to an inflation-linked benchmark, which developers must meet or exceed. This should be set as a percentage of the project's gross revenue, with a minimum 'floor' which the local community would be guaranteed.
- Enable community capacity building
 - Ensure communities are remunerated for their time participating in discussions and negotiations at the rate of the real living wage for a time bound period once financial investment decision has been made.
 - Support paid roles for communities through funding if required by communities.

