

# DTAS Consultation Event Findings

*Key themes and findings from DTAS Member event on held on 4<sup>th</sup> March 2025. Includes results from post-event survey.*

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In order to get direct feedback from members on the Scottish Government’s consultation on updating onshore and offshore community benefit funds (CBF), DTAS hosted an event inviting members to share their views. Two core themes were discussed: 1) distribution and equity and 2) decision making and use of CBF. There was a total of 20 attendees representing 20 organisations. This event was an opportunity to gather more in-depth views and to specifically discuss consultation questions not covered in our membership survey. This report outlines the main findings by theme and related consultation questions.

### Theme 1: Distribution and Equity

Core question: Should CBF be distributed more equitably on a national and/or regional scale? How should this be done?

General comments from both discussion groups highlighted concerns regarding the equity of CBF distribution. Common issues included:

#### Benchmark Value:

- One respondent pointed out that different developers are setting vastly different benefit rates, from as low as £2.3k per MW to upwards of £7k per MW. This inconsistency creates an unfair system where some communities receive significantly more than others
- Another attendee highlighted a 60MW solar development offering only £250 per MW in community benefit, far below the guideline of £5,000 per MW. Battery storage is considered part of generation for consent but excluded from CBF by developers.

- Some suggested that there should be an increased £ per MW benchmark, as high as £12.5k per MW.
- A 900MW ScotWind site was raised as it is expected to generate £6 million per year for community benefits based on the £5,000 per MW guideline.
- Inflation should have raised the £5,000 per MW guideline to at least £8,000.

#### **Offshore Developments:**

- There was also concern that offshore wind developments, which generate higher profits, should be held to a higher benefit standard. One member suggested that a national social benefit fund could be developed, requiring developers to contribute a standardised amount per MW to ensure a fairer distribution, particularly in the context of offshore wind.

#### **Distribution and areas of benefit:**

- Many participants, noted that while some communities directly receive funding, others that provide essential services (e.g., schools, hospitals, and infrastructure used by CBF-receiving communities) do not receive proportional funding. This raises the question of whether a blended approach—direct funding to impacted communities alongside a regional fund—could ensure greater fairness.
- Many highlighted that the role of community councils as CBF distributors often causes or exacerbates inequity and difficulty with fund access. Community councils are often going into abeyance meaning communities are unable to access these pots of money.
- There were mixed views around CBF distribution based on community council maps, with some citing it was a simple and effective way to determine areas of benefit and others citing difficulties that arise when communities are marginally excluded and can lead to inequitable distribution.
- One DTAS member pointed out that some communities have excess funds they struggle to spend, while others receive none, creating regional imbalances.
- Being in a windfarm area can hinder access to other funding as funders assume communities can rely on CBFs.
- Communities that host essential services but do not receive CBF suffer from an unfair distribution model.
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#### **Other renewables technology:**

- One DTAS member discussed developments in hydro and tidal energy, raising concerns about private estates monopolising grid connections without sharing benefits.
- One development trust highlighted that other renewable energy developments, such as pump and battery storage, are not required to provide CBFs, despite their impact on local communities.
- Broad agreement emerged that including these projects in CBF frameworks would create a fairer system and ensure that all affected communities' benefit.

### **Lack of consistency:**

- Communities near multiple developments can be eligible to receive large sums of CBF annually but struggle with fund fragmentation. The administrative burden of applying to these various funds, and the challenge of securing small grants makes funding for large-scale projects difficult. Rising capital costs exacerbate this issue.
- CBFs were discussed as being small, restrictive, and oversubscribed.
- Funds should be managed locally rather than by councils.

### **Fund Use**

- Some communities prefer direct financial support (e.g., electricity bill payments) over central development projects, especially due to the cost-of-living crisis. One member launched an initiative using £250k from a windfarm fund to reduce local electricity costs.
- Another event attendee noted that while people want compensation for high local energy costs, many CBFs have rules preventing direct support for fuel bills.
- There was a wider point tapped into that community benefit funding is masking an injustice of systemic energy injustice in the UK.
- There were advocates for community ownership of renewables, noting that community-run projects yield significantly higher benefits.

### **Regional vs. Direct Funding**

- Some proposed a blended approach where direct funds go to impacted communities while regional funds supplement public services.
- There was concern over managing national offshore wind funds, with no clear oversight.

- Community-owned wind projects can yield £170,000 per MW per year—34 times higher than commercial projects.
- Some voiced concerns that a national or regional model could dilute funds for the most impacted communities, reducing their ability to mitigate disruptions.

### ***Related Consultation Questions:***

- **OFFSHORE: Who should receive benefits from offshore wind development?**
  - Consideration should be given to directly impacted communities as well as those providing essential services to them.
  - Offshore wind benefits were considered easier to distribute into national or regional funds since they cause less direct disruption
  - However, coastal and island communities experiencing visual impacts, particularly those reliant on tourism, argued for compensation.
  - A blended model of direct community benefits alongside a regional/national approach could be considered.
- **OFFSHORE: Should a regional/national approach be used to address the geographical dispersal of development?**
  - The discussion revealed concerns about fairness in distribution and the need for standardisation.
  - A regional approach, particularly for offshore developments, could prevent situations where some areas receive significant funds while others receive little or none.
  - It was also agreed that national offshore funds would be easier to distribute because there aren't the same disruptions caused directly to communities.
- **ONSHORE: Do improvements need to be made to how eligible communities are identified?**
  - Participants noted that the current system assumes wind farm communities have sufficient funds, which can make it harder for them to access other funding sources.
  - Better coordination is needed to avoid over-saturation in certain areas while others receive no funding.
- **ONSHORE: Should there be better coordination of community benefit arrangements in overlapping geographic areas?**
  - A regional or national coordinating body could help ensure fair distribution and prevent competition between communities for limited funds.

- A more coordinated and coherent approach is needed to ensure fair distribution, especially in areas with overlapping wind farm developments.

## **Theme 2: Decision-Making and Use of CBFs**

### **Core questions: Who should decide how offshore wind community benefits are used? How can the impact of CBFs be maximised?**

Participants in both breakout rooms discussed the challenge of decision-making structures, there was common acknowledgement that current structures are often lacking community control, disproportionately developer-led, and lack long-term strategic thinking.

Concerns were raised about adding unnecessary bureaucracy. A model like the Norwegian Sovereign Fund was suggested for offshore wind, investing in long-term initiatives rather than distributing piecemeal funding. Similarly, learning could be taken from the good practice undertaken by the Irish Government in their approach to CBF, especially around recognising capacity in local communities.

Several key recommendations were made:

- Ensuring proper governance structures, including trained boards with financial accountability.
- Encouraging strategic investments in infrastructure, housing, and language preservation, rather than short-term fixes.
- Creating a formal network for communities to share best practices and avoid duplicated efforts.
- Expanding funding eligibility beyond charities to include local businesses that can generate community wealth.
- Standardising rules around what projects CBFs can support, ensuring that communities aren't limited by developer-imposed restrictions.

### **Other themes discussed included:**

#### **Governance Models and Best Practices:**

- Developing a community board to manage CBFs across five development trusts, ensuring local democratic oversight.
- Offshore wind CBF distribution will be challenging. Suggested a model like Norway's sovereign fund for long-term investment.

- Preferences of Foundation Scotland over local authorities for managing funds, although another bureaucratic layer is a concern.
- Decision-making should be as close to communities as possible, avoiding reliance on local authorities.
- Windfarms spanning multiple community council areas complicate funding applications for development trusts.
- Development trusts were discussed as the best fund managers. DTAS should provide communities with guidance on contingency and legacy funds. This point was echoed, with one member stating that community wealth opportunities are created by development trusts. Any fees accrued from distribution can cover DT core costs.
- One attendee suggested allowing small local businesses to apply for CBFs to help generate community wealth.
- Formalising Community Anchor Organisations could be a potential way to have certified development trusts to manage community benefit funds. Some agreed that minimum governance and administrative standards would help more development trusts to independently manage funds.

### **Consultation and Transparency**

- Regular community consultations (formal every few years, informal frequently) are key to ensuring funds address community needs. Requires dedicated staff to measure social impact.
- Early consultations and conversations between developers and community is a strong start to implementing transparency in arrangements.
- Developers and fund managers often dictate fund use, creating inconsistencies. Restrictions on capital projects, especially for affordable housing, make matching and blending funds difficult. Rising costs worsen this issue.
- Communities benefit from knowledge-sharing networks. Volunteer-run boards are essential but face significant pressure. Governance is crucial to managing growing funds effectively.

### **Equity and Sustainability**

- Rural areas with concentrated developments bear disproportionate burdens without guaranteed benefits.
- Concerns arose on the sustainability of volunteer-led organisations managing large sums.

- Pumped and battery storage schemes, despite generating significant revenue, often pay no community benefits. Developers should be held accountable.
- Rural areas feel pressured by industrialisation without corresponding infrastructure investment.

### **Standardisation and Developer Engagement**

- Some developers engage more actively with communities, whereas others are hands-off. Needs to be more political pressure for developers to engage with communities.
- In some instances, Scottish Renewables are beginning to discuss CBFs, providing communities some leverage to impose standards.

### ***Related Consultation Questions:***

- **OFFSHORE: How can decision-makers ensure they reflect community needs?**
  - Regular, structured community consultations with both formal and informal engagements from the beginning of the planning process.
  - Ensuring decision-making bodies have a broad representation of local groups.
  - Focus on strategic investments that address long-term economic and social issues rather than small-scale, one-off projects.
- **OFFSHORE: Who should have a formal role in decision-making?**
  - A mix of local decision-making (through development trusts) and oversight from national or regional bodies for larger funds.
  - Some participants believed development trusts should take a certain role in decision-making.
  - A governing body, such as DTAS, could set and oversee minimum standards for CBF governance to ensure transparency.
  - Other participants advocated for independent bodies to act as fund managers while communities retain control over spending priorities.
- **ONSHORE: How can the Good Practice Principles ensure good governance?**
  - Establish clear governance codes, like the SCVO Good Governance Code.
  - Similarly, enacting minimum standards for organisations such as Community Action Plans and Local Place Plans was another suggestion.



- Require periodic impact assessments to measure the effectiveness of funds.
- Encourage collaboration between communities for shared infrastructure projects.
- **ONSHORE: How can the Good Practice Principles ensure CBFs meet community needs?**
  - More flexible funding criteria that allow for strategic projects like housing, infrastructure and energy initiatives rather than short-term projects.
  - Standardised requirements across different funds to prevent mismatched eligibility criteria.
  - Promote early and ongoing engagement between developers and affected communities to align funding with local expectations and priorities.

In sum, the discussions highlighted key challenges around fairness, governance, and long-term sustainability of CBFs. While there is broad support for community-led decision-making, there is also a recognition that better coordination and standardisation could ensure more equitable distribution and use of funds. Offshore wind particularly presents an opportunity to introduce a more structured approach, potentially through a regional or national fund, while still ensuring local decision-making remains central.

# Post-Event Poll Key Findings

After the event a short form was sent to participants with the goal of gathering their opinions on some more specific consultation questions and statements. The form received 10 responses, almost half of all event attendees.

*Q1: How much do you agree with the following statement: "A Just Transition means that all communities in Scotland should benefit from our abundant renewable energy potential through access to CBFs regardless of proximity to developments."*

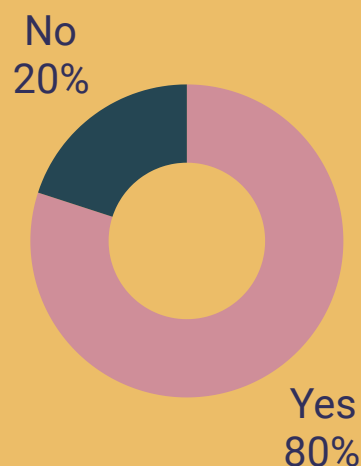
*1 Strongly agree – 10 strongly disagree.*

Responses to this question were hugely varied, with almost all respondents selecting a different level of agreement, giving an average rating of 5.4, almost exactly in the middle.

*Q2: How should offshore community benefits funds be distributed? Respondents could select multiple answers from the following list: 'Communities closest to developments, regionally, nationally'.*

The most mentioned allocation of CBF was communities closest to developments (70% of answers), this was often coupled with some form of regional allocation (mentioned by 60% of respondents). National distribution was the least mentioned, only 20%.

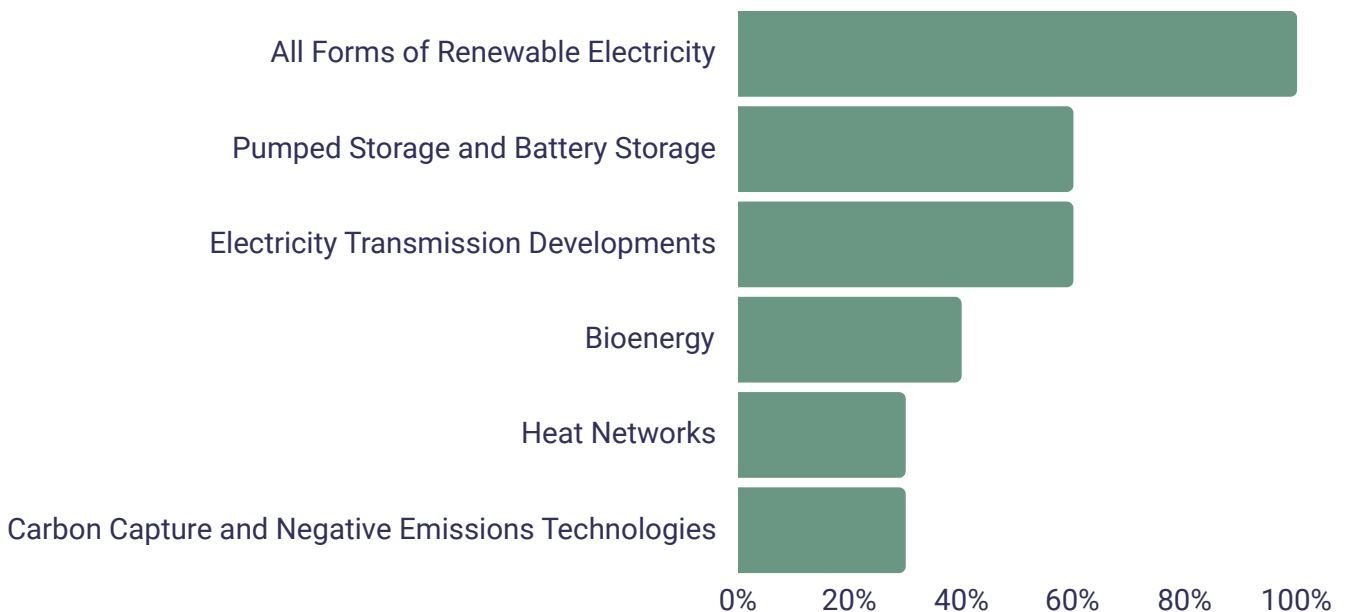
*Q3: Do you think that the Good Practice Principles should continue to recommend a benchmark value for community benefit funding?*



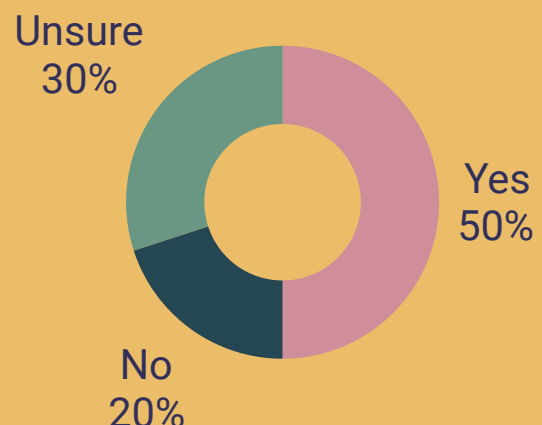
# Post-Event Poll Key Findings

*Q4: Should onshore Good Practice Principles be extended to cover: All forms of renewable electricity, Bioenergy, Heat Networks, Pumped and Battery Storage, Carbon Capture and Negative Emissions Technologies, Electricity Transmission Developments. (Multiple answers allowed).*

All respondents answered that 'All forms of renewable electricity' should be included in the GPP. 60% mentioned pumped and battery storage, which was frequently mentioned during the event itself, with many representing highland communities set to host exponential number of developments in the coming years.



*Question 5: Do you think communities should be offered shared ownership opportunities from offshore wind developments?*



# Post-Event Poll Key Findings

*Q6: What communities should be offered shared ownership opportunities from offshore wind? (multiple answers allowed).*

**60%** mention a regional approach, often in combination with national and/or local (communities closest to development) distribution.

**40%** state that communities closest to developments should be offered SO. This is often in combination with a regional approach.

**20%** state that SO should be offered on a national basis.

## Final comments in the poll highlighted:

- A blended approach is necessary – local, national, regional
- Offshore wind specifically suited to a more national and regional distribution
- Need for mechanisms to ensure communities closest to developments continue to receive the most benefits and retain local control
- Need for accurate benchmarks that are consistently reviewed and meet community need.