

Developing Local Partnerships for Onshore Wind in England

Government response

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Introduction

Onshore wind can contribute to electricity bill savings and increasing the UK's energy security. It is one of the cheapest generating technologies, can be constructed quickly and can provide tangible benefits for local communities. In the first quarter of 2023 onshore wind broke the 15GW¹ mark for installed capacity in the UK, the most of any renewable technology. It accounts for a quarter of all electricity generated from renewables and around 10%² of the UK's total electricity generation per year. The government has set out the ongoing role onshore wind can play in achieving the UK's net zero and decarbonisation targets through the British Energy Security Strategy and Powering Up Britain.

The government supports onshore wind through its Contracts for Difference Scheme, the main mechanism to support new low carbon energy projects. Onshore wind secured 1.7GW of capacity³, including 1.4GW of mainland onshore wind projects, in Allocation Round 5. The last two auction rounds have secured around 3.2GW of cheap, clean onshore wind capacity, which will boost our energy security and help the UK achieve fully decarbonised electricity by 2035, subject to security of supply.

Government is also clear that communities hosting onshore wind should directly and tangibly benefit from the development, to unlock a net zero dividend. Government provided best practice guidance⁴ for engagement between communities and developers, and it endorsed Renewable UK's Community Benefits Protocol for Onshore Wind in England⁵, developed in 2013, which expects developers to offer packages or in-kind benefits of £5,000 per megawatt of installed capacity, per year, for the operational lifetime of the project (typically 20-25 years). Community benefits reward communities directly for hosting the energy infrastructure the country needs, especially for the short-term disruption during construction.

Onshore wind enjoys some of the strongest public support for deployment of any energy infrastructure. The Department for Energy Security & Net Zero (DESNZ) attitudes tracker consistently shows that onshore wind enjoys strong public support, including instances where it is built close to respondents. General support is high, with four in five people supporting it⁶. Support is reduced when projects are local but remains still strong: only 12% would oppose onshore wind in their local area, compared to 43% who would support it⁷. But the government recognises the importance of demonstrating community support for the development of wind farms.

Through the development of a wind farm, developers and communities can be said to enter into a partnership, which is formed of two distinct but closely related areas. The first is through scoping, development, and planning, where the developer is expected to engage early with the community and community representatives, be transparent in their proposals, and listen to and act on their concerns and suggestions. Secondly, the partnership also includes how the

⁵ https://www.renewableuk.com/page/CBP

¹ Energy Trends 6.1 - <u>https://www.gov.uk/government/statistics/energy-trends-section-6-renewables</u>

² DUKES 6.1 - <u>https://www.gov.uk/government/statistics/renewable-sources-of-energy-chapter-6-digest-of-united-kingdom-energy-statistics-dukes</u>

³ <u>https://www.gov.uk/government/publications/contracts-for-difference-cfd-allocation-round-5-results</u>

⁴ <u>https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind</u>

⁶ DESNZ, Public Attitudes Tracker (March 2023)

⁷ DESNZ, Public Attitudes Tracker (September 2023)

community is enabled to benefit from agreeing to host an onshore wind project, such as through financial packages that make payments directly, or in kind, to local communities.

Government committed to consult on local partnerships as part of the British Energy Security Strategy. The consultation on Developing Local Partnerships for Onshore Wind in England⁸ ran from 11 May to 7 July 2023. Government sought views on improvements that could be made to the existing system of community engagement and community benefits, specifically, on two proposals outlined in the consultation:

- Formally embedding the existing best practice principles of community engagement and benefits, published by government and updated in December 2021, into planning practice guidance⁹; and
- Working with Renewable UK to update the Community Benefits Protocol for Onshore Wind in England, endorsed by government in 2013, to account for emerging or innovative models of community benefit schemes.

Separately, in September 2023, the government updated the National Planning Policy Framework (NPPF) for England following a recent consultation¹⁰. These changes strike the right balance to ensure that local authorities can respond more flexibly to suitable opportunities for onshore wind while respecting the views of their local communities. The government continues to believe that decisions on onshore wind are best made by local representatives who know their areas. This will ensure decisions are underpinned by democratic accountability. The changes included:

- Adjusting the policy so that local authorities can more flexibly address the planning impact of onshore wind projects as identified by local communities and take a more balanced approach considering the views of communities as a whole, on which we intend to publish further guidance. The government is also open to novel ways to demonstrate community consent, building on best practice and using new digital engagement techniques;
- Amending planning tests for proposed onshore wind developments to make clear that suitable locations can be identified in a number of ways. For example, through Local Development Orders, Neighbourhood Development Orders and Community Right to Build Orders, rather than solely through an area's development plans which can take a number of years to be produced and adopted. Government hopes this will mean sites are identified more quickly, speeding up the process of allocating sites for onshore wind projects.

As part of this update, government also made clear the benefits of re-using existing onshore wind and other renewable sites. The update indicates that significant weight be given to this when local planning authorities are considering applications for the repowering and lifeextension of existing sites, and that local planning authorities should approve these types of proposals if impacts are or can be made acceptable. Government also updated the NPPF to clarify that plans should maximise the future repowering and life-extension of renewable and

⁸ <u>https://www.gov.uk/government/consultations/developing-local-partnerships-for-onshore-wind-in-england</u>

⁹ Planning Practice Guidance, Renewable and Low Carbon Energy <u>https://www.gov.uk/guidance/renewable-and-low-carbon-energy</u>

¹⁰ <u>https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-</u>policy

low carbon energy sources such as onshore wind sites, provided adverse impacts are addressed appropriately.

Wider planning reforms are currently underway, being led by the Department for Levelling Up, Housing and Communities (DLUHC). Planning reforms are being delivered through the Levelling-up and Regeneration Act 2023 and through reviews of national planning policy. This government response does not pre-empt the outcomes of wider planning reforms, nor the outcome of any supporting government consultations.

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Consultation responses

In total, government received 76 responses to this consultation. The consultation was available on GOV.UK and responses were received through Citizen Space and via email. Separately, government held three stakeholder engagement workshops on 28 and 29 June to discuss the consultation, with a summary of these sessions also provided in the government response. Government would like to thank all stakeholders that responded to the consultation and engaged through the workshops, with detailed and insightful views that have aided policy development. The government response is not intended to capture every single view expressed in submissions to the consultation, but rather summarise the key themes and main messages.

Government received responses from a variety of stakeholders, broken down as follows:

- Industry developers, operators, suppliers, legal and consultancy 27 responses (36%).
- *Local government* including local authorities or associations and town or parish councils 16 responses (21%).
- *Public and commercial representation* including charities, advocacy groups and industry bodies or trade associations 16 responses (21%).
- Private citizens 9 responses (12%).
- Community energy groups 4 responses (5%).
- Academia 3 responses (4%).
- Consumer retail goods 1 response (1%).

Summary of responses

Engaging the community when an onshore wind project is being proposed

1. Do you agree with the proposal to embed the principles of best practice engagement into planning guidance?

Around three quarters of respondents to this question agreed that government should embed best practice principles of engagement into planning practice guidance, with a very small amount disagreeing. The rest of the respondents were either not sure or did not answer. Respondents commonly referred to the importance of communities being involved at an early stage of the project so they can contribute in shaping the design and having their concerns addressed by developers. Respondents felt there should be a clear and transparent approach to engagement, to help ensure that communities and developers have consistent expectations of the process. Respondents also commonly mentioned that engagement should not be prescriptive or one-size-fits all, but bespoke and flexible to suit each individual community and project.

There were also some potential concerns raised within responses. Some respondents considered that embedding the best practice principles formally within planning practice guidance should avoid creating additional barriers to deploying onshore wind in England. Respondents mentioned local planning authorities would need additional support or resources if embedding the principles led to planning applications becoming more onerous or burdensome to assess. Some respondents also made a point around equitable treatment of renewable technologies and other low carbon developments, namely that best practice principles should either apply to all types or none.

Less common themes within the responses included encouraging alignment of best practice across the UK and the need for best practice principles to set a minimum standard for engagement. Others felt there should be a method to ensure compliance and monitoring, and some respondents mentioned the need for extra support for communities so they can engage with potential opportunities for shared or community ownership of local developments. The government notes that support for communities and opportunities for shared/community ownership was commonly referenced in responses to questions across the consultation.

2. What other ways are there to improve community engagement when onshore wind developers consult with the local community?

3. Are there other methods of engagement between developers and local communities that should be considered best practice?

Respondents provided very similar responses to Questions 2 and 3. Respondents commonly expressed the need for developers to ensure widespread outreach into all parts of the community, using approaches that could target different groups within the community. This included better use of parish, town or community councils and existing community forums or hubs to help ensure sufficient engagement across communities. Respondents also noted opportunities for the local community or schools to visit existing sites, and engaging with local

businesses who may also be impacted and/or could provide services to the development, could also improve engagement or be considered best practice. Another predominant theme was that developers should hold regular events and provide regular updates to communities, particularly making use of local community spaces, existing forums or central local facilities. A number of respondents also felt communities and developers could improve engagement and communication using independent facilitators or moderators, or a single point of contact such as a community liaison or champion.

Another key theme from responses focused on developers ensuring diverse engagement methods that are both in-person and online, which should be flexible and bespoke for each community. This could combine traditional leafletting and local exhibitions with representative door-knocking, enhanced digital resources or engagement (such as websites or via social media), virtual spaces or visualisations (such as virtual reality) and the use of focus groups, workshops or working groups.

Respondents also commonly expressed that engagement should start early and continue for the lifetime of the development. Similarly to Question 1, respondents felt communities should be provided with sufficient information and adequate opportunities to input into the project so they can influence how it is developed and have their concerns addressed.

Some respondents also noted that better communications around the climate crisis and the role of renewable technologies could improve engagement, such as through regional or national campaigns from trusted sources. A few respondents felt there was a need for more information to help communities engage with local developments.

4. What are the main barriers to effective engagement between local communities and developers?

There were a number of common themes in response to this question. Firstly, respondents felt a key barrier was reaching all parts of the community to ensure representative views are captured across the local area. Many respondents noted the challenges in reaching those disengaged with the process who may be supportive or neutral of a project. Respondents felt broader methods of engagement and more effective communication could address this, particularly when trying to engage harder-to-reach groups.

Respondents also mentioned that the time of day/year and location could be significant barriers, for example for rural communities who may be more remote, and developers should account for age and demographic of a community when planning their engagement. Respondents felt engagement should be as accessible as possible with developers providing clear information to communities.

There was also frequent reference to a potential lack of trust in developers by communities, or the need for developers to build trust to work closely with local communities. Some respondents felt communities needed to be confident their concerns were being addressed and were being listened to by developers. Nonetheless, some responses also indicated the risk of over-engagement with communities, particularly in areas that are particularly well-suited to onshore wind developments, and the potential apathy that could build within communities.

Lastly, responses frequently mentioned a potential lack of awareness in communities around net zero and the role onshore wind can play as a barrier. Respondents referenced the role government could play in providing clear, transparent policy signals and supportive messaging to help increase knowledge and support within communities and address negative preconceptions, misconceptions, or misinformation around onshore wind development. Respondents felt independent facilitators or trusted intermediaries working with developers and communities on a project could also be used to help address this.

Several respondents also considered the lack of support on offer for communities to help engage with local developments or administer community benefits as a barrier, as community groups will often be local volunteers who may not have sufficient time, resources, or legal and technical expertise.

5. How can effective community engagement help to gain community support for onshore wind?

Respondents frequently mentioned that effective community engagement should take place early in the development process. These respondents noted that early engagement could help build trust and lead to long-lasting and mutually beneficial relationships between the onshore wind developer and the local community. Respondents mentioned that earlier engagement enabled onshore wind developers to provide accurate information and upskill the community about technical aspects of the project in its early stages, thereby addressing potential misconceptions and leading to more focussed discussions. The respondents also said that early engagement enabled communities to register their concerns sooner, although many respondents highlighted that this was only effective if these were listened to, fed back on, and resulted in tangible changes as part of an iterative design process. By enabling communities to feel involved in decisions, respondents noted that effective early engagement could empower communities and give them a sense of ownership, potentially leading to greater support.

Another common theme from responses was that effective engagement should be inclusive. Respondents mentioned that this would allow wider and alternative views to be captured during consultation and through feedback. Others noted that representative engagement could enable a more accurate depiction of the balance between those who were in favour and those who were in opposition. Some respondents reflected that engagement with key, respected local organisations could also help to gain support, for example community enterprises and local supply chain companies. However, a small number of respondents highlighted that some members of a local community will not want to be involved in an engagement process, and that demonstrating unanimous support is often not possible.

It was commonly noted that effective engagement could help to gain support by demonstrating how communities will directly benefit from a proposal. These could be benefits accrued either via a community benefits fund (such as community ownership, investment in local projects or electricity bill discounts) or benefits because of construction and operation (such as through local employment or improvements to infrastructure). Some respondents also noted that demonstrating broader benefits such as contributing to net zero, climate change mitigation, and reducing reliance on expensive fossil fuels, could also help gain support.

6. Are there ways community support for onshore wind can be defined?

Respondents focused on setting out different approaches to measure local support of a project, although there was little consensus on how effective these methods were. While some suggested that forms of local polling, voting or referendums could be introduced, others

considered that these methods would be impractical or carry risks of misrepresenting the levels of support or opposition to a project. Similarly, while a small number of respondents suggested that the absence of objections should be taken to indicate support, it was more commonly noted that eliminating all objections or demonstrating unanimous support was unrealistic. Some respondents felt that evidence of support from local organisations or community representatives would be a better measure, rather than considering the number of individuals who were in favour or opposition.

There were other areas of potential complexity that respondents highlighted when it came to defining support. Some respondents felt that defining the affected community, while important, was problematic and challenging. Some respondents mentioned that only the immediate local community should be included when considering who is affected by a project, whereas others felt that a much broader definition should be taken. Many respondents also felt that it was not possible to define community support at all due to the circumstantial nature of local communities.

Responses frequently highlighted existing mechanisms within the planning system that could be used to help define support. Common themes included public consultations as part of routine planning processes, letters of support and objection, petitions, the application of material considerations, commitments in local and neighbourhood plans, or councils declaring climate emergencies.

Respondents also commonly noted that evidence of best practice engagement was a good indication of support, including aspects such as early engagement, ensuring representation, responding to feedback, and transparency of proposals. Some respondents also suggested that the delivery of local benefits could be taken to indicate support, with a common theme of shared or community ownership. However, some respondents considered that this would be challenging as community benefits are legally an immaterial consideration in a planning decision.

Policy response

Responses to this section support that the best practice principles of engagement, as published by government and updated in December 2021, should be embedded into planning practice guidance. The government therefore intends to update planning practice guidance to take forward this option.

Feedback to this consultation has been clear on the types of engagement and behaviours that communities would expect of developers. Respondents commonly referred to the need for early engagement, community involvement to shape the design of a project and address their concerns, sufficient outreach into the local community and ensuring developers use a range of different engagement methods. The government recognises these are key to building trust between developers and communities, with engagement needing to be bespoke and suited to the individual circumstances of the community. These principles already form the basis of the government's best practice guidance on community engagement, which further supports our proposal to embed this within planning practice guidance.

The government recognises the importance of considering the views of local communities in the appropriate siting of onshore windfarms in England, and embedding best practice principles into planning practice guidance could further support this important safeguard. There are already strong protections in place for communities, such as the requirement for

developers to engage communities before a planning application is submitted. The Levelling-Up and Regeneration Act 2023 makes the power to prescribe such mandatory pre-application engagement permanent, enabling communities to continue to have meaningful early engagement about onshore wind proposals.

In addition, our planning framework ensures projects will only go ahead where it has been demonstrated a community supports the proposal. However, the government has noted the views of respondents that there is a lack of clarity as to how to define community support and some projects in England have stalled as a result. The government is determined to address these issues. Therefore, as part of recent changes to the NPPF, government has included updated measures to ensure local planning authorities look at the views of the whole community, rather than a very limited number of objections, when considering community support for a planning application. This includes addressing the planning impacts identified, and we intend to shortly update guidance on best practice. The responses received to Questions 5 and 6 of this consultation will help inform the updates to that guidance.

Community benefits from onshore wind

7. Do you agree with the proposal to update the existing Community Benefits Protocol for community benefits from onshore wind to reflect innovative and emerging schemes, like energy bill discounts? If so, in what ways should the Protocol be updated?

Almost three quarters of respondents to this question agreed that government should update the Community Benefits Protocol to reflect innovative and emerging schemes, with a small number disagreeing. The rest of the respondents were either not sure or did not answer.

Of those in favour, there was consensus that the Protocol should remain flexible. Respondents mentioned this would enable innovation and allow for local needs and preferences to be taken into account, both at the time of the benefits being agreed and to enable changes across the lifetime of the project to reflect emerging needs.

There was also consensus that the Protocol should continue to stipulate a value for community benefits to be paid by onshore wind developers. However, while some respondents thought that the existing value of £5,000 per megawatt of installed capacity per year should be maintained, some respondents felt this could be updated. Some respondents felt that the value was too high, whereas others felt that the value was too low. Some suggested alternatives to a fixed value, such as a proportion of annual revenue.

While some respondents mentioned the Protocol should be updated to focus on the provision of local electricity bill discounts, it was a more common view that local electricity bill discounts would not be appropriate in all instances and that the Protocol should instead reflect the range of benefits that can be offered. For example, responses suggested referencing direct and inkind benefits such as shared ownership, home energy efficiency upgrades, fuel poverty schemes and other local net zero initiatives. Some respondents felt the Protocol should be updated to instruct developers to provide support to the community, given the financial, legal, and technical barriers that may inhibit communities from spending benefit funds in a timely and efficient manner.

Of the small number of respondents who disagreed with proposals to update the Protocol, the predominant reason was because they did not want to see the provision of local electricity bill discounts mandated as a community benefit. A small number also felt the Protocol did not need updating as it was currently working well. A few respondents did not agree with the proposal on the basis they did not want to see further onshore wind built.

8. How is the current system for community benefits from onshore wind working? Can it be improved and, if so, how?

The majority of respondents mentioned the current system could be improved. However, most of these respondents noted that it was difficult to tell whether the current system was working because of the limited deployment seen in England since 2015, and therefore there were no recent examples of community benefits being provided. A small number of respondents felt the current system was working well and did not need improving.

There were a number of different themes referenced in responses. It was frequently mentioned that the current system relied on communities having the resources to participate in and deliver community benefits funds. As with other questions in this consultation, respondents commonly

noted that communities often have limited time, knowledge, skills or expertise to design, maintain and administer a community benefits fund. Respondents felt this often resulted in community benefits funds being misunderstood, underspent, or not released in a timely manner, and that more should be done to inform and support communities. Some respondents felt that better initial engagement from developers would enable communities to have greater input into the decision-making process.

Some respondents noted that the provision of community benefits in-cash was commonplace under the current system and that more could be done to facilitate community benefits in-kind. Respondents mentioned a range of benefits in-kind including ownership options, energy bill discounts, and direct investment in local net zero initiatives such as home energy efficiency upgrades or the installation of electric vehicle charge points.

Some respondents felt there were limited mechanisms for monitoring and compliance under the current system and that more could be done to ensure consistency, although there was little consensus as to how this could be achieved. Some respondents suggested that the provision of benefits should be made mandatory, although as many respondents suggested that flexibility should be maintained. While some respondents felt that community benefits should be considered a material consideration in planning decisions, it was a more common view that immateriality should be maintained. Some respondents suggested that an ombudsman be created, and a significant proportion of respondents recommended that a register of community benefits should be created to encourage transparency.

Some respondents also mentioned that the current system of community benefits paid on a project-by-project basis was inefficient, and a more strategic approach should be taken that pooled money between projects and across technologies to allow for more impactful regional spending. However, a small number of respondents felt the current system should focus more on the provision of benefits to those in the immediate vicinity of the wind farm.

9. What community benefits packages are currently being offered by onshore wind developers and are the packages being offered sufficient? Are there other ways the host community should benefit?

Most respondents felt they were unable to provide a holistic view to this question due to the high volume of existing schemes and large variety of benefits packages, however many respondents did have positive experiences or views about specific community benefit models or case studies they were aware of.

However, a small number of respondents felt community benefits packages were insufficient, with a large variety of reasons given. Some referenced the geographical extent of the benefits, such as spreading benefits over too large an area that results in diminishing returns, or not covering a broad enough area to include all those that might be affected by the development. Some said that community benefits are not clearly outlined early enough in the project, such as during the consultation phase of a planning application. Some respondents also mentioned that benefits do not directly address issues raised by the community such as visual impact. Others said that more innovative models were typically not offered, and commonly referenced shared ownership as a more effective model to deliver community benefits.

10. Are there new or innovative types of community benefits that could be offered from onshore wind developers, such as local electricity bill discounts? Are there

alternative approaches to facilitating the provision of innovative community benefits from onshore wind that should be considered?

Respondents to this question cited a broad range of examples, however most respondents said that ensuing flexibility was important to enable continued innovation in the types of packages that could be delivered.

One of the most common examples referenced was reducing energy bills, in which respondents had a variety of views on how to achieve. Some suggested existing energy bill discount schemes could be replicated more widely. Others suggested that current bill discount models could be innovated or improved further, for example by combining with community ownership models. However, respondents also had criticisms of bill discounts models. Some criticised models that require residents to change to a specific energy supplier to receive the bill discount. While others felt that while smaller suppliers were more likely to participate in bill discount models, respondents felt they were also more likely to charge extra for energy than their larger competitors.

Some respondents further criticised local bill discounts as potentially encouraging inefficient energy use. These respondents referenced other ways of using community benefits to lower energy bills, such as through supporting the installation of insultation, heat pumps or smart meters. Similarly, several respondents suggested community benefits funds should be used for local environmental or net zero initiatives, such as electric vehicle charging points, solar panels on municipal buildings or cycling infrastructure. Respondents felt that these types of measures would be more effective, could be more easily targeted at vulnerable households and would be less burdensome to administer.

Respondents also noted other ideas including training local people to build skills relevant to the energy industry, investment in local community infrastructure and compensation for perceived loss of house value associated with developments. Some respondents suggested that a centralised approach would enable better co-ordination and monitoring of community benefits.

11. What challenges do communities and onshore wind developers face when designing and implementing community benefits?

There were five key themes identified in response to this question.

Firstly, respondents mentioned it can be difficult to ensure that community benefits packages are reflective of the broad views and needs of a whole community. Respondents felt that while over the course of a project proposal and planning application the local community will have been consulted, this often means a very specific subsection of the community who have a strong interest in the development, the time to attend meetings/feed into consultations and the skills required to do so effectively. Respondents also felt that intractable opposition within communities may result in benefits packages always being unsatisfactory to certain parts of the community. Additionally, respondents noted that the composition and demographic of a community can change over time, which could lead to presently adequate and well-suited community benefits packages becoming outdated as the community changes.

Secondly, respondents raised concerns over the geographical boundaries of a community benefit package and whether they are sufficiently sized or flexible to compensate affected communities for the perceived impacts of onshore wind developments. For example, it was observed that a radial distance from a development in some situations may be suitable (for

example, a hilltop project with visual and noise impacts in a surrounding circular mile), but may be inappropriate in another (for example, a development situated under the crest of a hill that has greater visual or noise impact in one particular direction). Another theme often raised was instances in which residents from nearby urban or semi-urban communities may have very different interactions with the development than those in the immediate surrounding rural communities. Additionally, it was noted by some respondents that projects which overlap multiple municipal boundaries can experience problems relating to competing political priorities, contested resource allocation and administration of benefits packages.

Thirdly, transparency and a lack of oversight of community benefits packages was also frequently referenced. Respondents felt it can be challenging to know whether a developer's commitment on community benefits are followed through with, particularly given the complexity of some schemes. Respondents suggested this may be exacerbated by limited resources in local planning authorities that may constrain them taking a more active role in community benefits.

Fourthly, the complexity of the information related to both onshore wind developments and potential community benefit packages, and the high (and sometimes prohibitive) burden this place on local communities in their ability to engage was also commonly referenced by respondents. Additionally, respondents felt the long timescales involved may lead to the composition and demographic of a community changing substantively, potentially resulting in even optimally informed groups and individuals not able to oversee the lifecycle of a project.

Lastly, respondents raised concerns around the administration of community benefits and the difficulties in ensuring this is done efficiently and effectively to retain as much of the resources as possible from the benefit fund.

Policy response

Responses to this section support that the Community Benefits Protocol should be updated to reflect innovative and emerging schemes. The government intends to work with the onshore wind industry and other stakeholders to take forward this proposal, with the intention of publishing the updated Protocol by Summer 2024.

An overriding theme throughout consultation responses was the need to retain flexibility within the provision of community benefits for onshore wind in England. While the government intends to set out in the Protocol a range of different benefits on offer to communities, such as local energy bill discounts, shared ownership, home energy efficiency measures, community infrastructure projects or nature projects, we will not seek to incentivise or mandate specific types over others. There is no one-size-fits-all approach to local communities and government expects developers to work with local people to deliver the types of community benefits best suited to their individual circumstances.

The government also recognises that different onshore wind projects will have different economic capabilities and business models, and therefore flexibility should be maintained to ensure projects can continue to be financially viable and provide innovative, proportionate benefits. However, government will continue to monitor community benefits to ensure fairness, consistency and best practice is being delivered.

It is critical that the planning process remains a robust system through which communities can raise any concerns with proposed onshore wind projects. The proposals on community

benefits will remain separate to the planning process, will not be a material consideration in planning decisions, and not secured through those decisions. Engagement regarding impacts and benefits is a matter between the developer and the local community. We are aware renewable developers currently offer a range of community benefit schemes on a voluntary basis, including providing funding for environmental enhancements, job schemes and energy bill discounts.

Given the developments in policy since 2013 when the government endorsed the Protocol, the government recognises the need for clearer signals to be provided to the onshore wind industry and local communities of what should be expected as part of a community benefits process. This includes what best practice looks like in terms of engagement and the development of community benefit packages. Therefore, alongside seeking to work with the onshore wind industry to update the Protocol, the government intends to take ownership of the Protocol and publish it as official government guidance on GOV.UK. The government believes this would provide the whole of the onshore wind industry with clear expectations on community benefits, provide greater certainty for communities and would help align with approaches taken by the devolved administrations.

Government will work with the onshore wind industry and other stakeholders to evaluate best practice and methodology in the valuation of community benefit packages. The £5,000 per megawatt per annum figure was initially devised in the context of generous subsidies on offer to onshore wind projects via the Renewable Obligations Scheme (RO). While the RO is no longer available to new projects, government considers that the cost reductions in technology seen in the last decade, alongside onshore wind's continued eligibility for the Contracts for Difference Scheme, means it is reasonable to retain the value as it stands. But government remains open-minded to updating the recommended valuation for industry.

The government recognises the challenges communities face in negotiating and administering a community benefits package. Respondents were clear that communities are often volunteers, without the prerequisite technical, financial or legal skills to effectively engage in and deliver a community benefits process. To help deliver the best possible outcomes for local people, the government intends to set out in the Protocol the types of additional support that developers exhibiting best practice behaviour could provide to communities. For example, this could include helping to establish a new communities to access the relevant legal, financial and technical advice, supporting communities to identify opportunities for long-term local benefits, or assisting in producing guiding principles for how widely the benefits should be shared across the community.

Transparency, monitoring and compliance were also key themes highlighted in responses throughout the consultation. Alongside setting out the full range of benefits on offer to communities in the Protocol, government intends to provide supporting information and case studies to help streamline the community benefits process, and signpost to expertise and good examples of already active schemes. This could include details such as case studies of community action plans, where to seek impartial advice in relation to setting up a benefits fund or example criteria that can be used for the release of grant funding from developers to communities. Government believes access to this type of information would help increase transparency of the process and the types of benefits on offer to communities, providing greater confidence to engage with developers. Government intends to also set out the expectations on developers as projects change over time, such as when an existing project is repowered or sold.

Government also intends to consider the merits of a mechanism for developers to formally sign up and endorse the updated Protocol to further enhance trust and transparency for communities. While one objective of the updated Protocol is setting out government's clear expectations on community benefits to the industry, government also wants to increase public confidence in the process. This will benefit those in the onshore wind industry who are on the ground interacting with communities and responding to their concerns.

Finally, the government intends to consider establishing a public Community Benefits Register that captures the details of packages developed for onshore wind and other low carbon energy infrastructure in England. Government is already considering the creation of such a register for community benefits which are delivered through the construction of transmission network infrastructure¹¹, and notes that community benefits schemes may also be delivered by other low carbon generating technologies such as nuclear and solar.

Given the ongoing work around community benefits for transmission network infrastructure, government will consider how to align its advice regarding best practice in community engagement and the administration of community benefit funds. Government is aware there will be differences between transmission and generation technologies in terms of valuation and certain aspects of community engagement which cannot be reconciled into a single, comprehensive policy due to the differences in the nature of the infrastructure. However, where there are crossovers or similarities regarding how communities work with developers to deliver a community benefits packages, government will consider aligning advice to ensure simplicity.

Government has also noted respondents frequently raised the value of community or shared ownership. The government recognises that locally owned projects can support jobs and growth, build stronger communities and enable places to directly benefit from clean, affordable, locally sourced energy. To empower local people, government announced on 11 August 2023 that a new £10 million fund to kickstart projects such as small-scale wind farms and rooftop solar partnerships, as well as battery storage, rural heat networks, electric vehicle charging points, and fuel poverty alleviation schemes. But government considers community energy and community benefits to be separate, if related, concepts.

¹¹ <u>https://www.gov.uk/government/consultations/community-benefits-for-electricity-transmission-network-infrastructure</u>

Analytical annex

- 12. Do you agree with the impacts that have been identified? Please provide data and evidence to support this. If not, explain why with supporting evidence.
- 13. Do you think there are other impacts that have not been identified? If yes, what other impacts are there that have not been included? Please provide supporting evidence.

The majority of respondents to this question were either unsure or did not provide an answer. However, out of those that did respond, most agreed that the correct impacts had been identified. Some thought that they partially or mostly had been, with a small number of people suggesting that the correct impacts had not been identified. Government has made minor additions to the analytical annex (Annex A) to reflect responses to the consultation.

Respondents identified a variety of additional impacts, however a few themes were commonly raised. This included the impact of meeting the UK's net zero obligations through the building of onshore wind sites, therefore contributing towards a global effort to averting major impacts of climate change.

A significant number of respondents also suggested that the biodiversity gains from the 10% net-gain development rule should be taken into account when considering the impact of onshore wind developments.¹² Respondents felt this was particularly significant in the context of onshore wind, as developments will often be located on land that may already have relatively high levels of biodiversity. Therefore, a requirement to further increase this by 10% would lead to an overall higher net-gain in biodiversity than would a development on a less biodiverse site such as brownfield land.

Finally, respondents noted the supply chain and broader economic benefits (e.g. jobs and investment) that are associated with onshore wind developments in the UK, which many respondents framed as a 'levelling up' opportunity. Additionally, some respondents considered that the delivery of community benefits may improve the economic attractiveness of a local community, which could incentivise additional external investment in the area.

¹² The 2021 Environment Act stipulates that certain types of infrastructure developments must improve the biodiversity on its site by 10%.

Stakeholder engagement workshops

Government also held workshops with different stakeholder groups on 28 and 29 June 2023 to discuss the local partnerships consultation and explore certain topics in more detail, such as the provision of local energy bill discounts. Government would like to thank those that attended the sessions for an engaging and insightful discussion. The summaries are not intended to capture every single view expressed rather the key themes and messages.

Local government (including planning department representatives) (9 attendees)

Attendees expressed views that communities still hold pre-conceived notions of the impacts of onshore wind deployment and often it is a vocal minority that are in opposition to a development or is overly politicised within town or parish council. Attendees expressed that the role of government could help here, with a positive, supportive narrative to help improve knowledge of onshore wind, drive community acceptability and reduce its politicisation at local levels.

Attendees also discussed further guidance for local authorities, either practical advice for parish councils (of which some local authorities have already published) or to deliver a consistent funding methodology for community benefits. For the latter, some also expressed views that communities may be wary of being undersold on community benefits or that benefits are being used to 'buy' consent. Attendees also expressed that communities are volunteers, often without the necessary resources or capabilities to fully engage with a community benefits process.

Attendees also discussed the role of planning authorities in community engagement and benefits. They found that communities will sometimes want the planning authority to help design benefits packages, such as by acting as a neutral arbiter between the two parties. However, planning authorities typically do not have dedicated teams to assist communities, would likely need to be entirely separated from planners to ensure neutrality, resulting in potentially significant resource implications. Guidance was also raised here, either to help arbitrate between communities and a developer, or on how benefits should be geographically spread across an area. While the government's view is that community benefits should continue to be immaterial to a planning decision, there was a discussion on whether there is a potential case to change, however there was no clear consensus.

Attendees also expressed views that onshore wind should be treated the same as other renewable or low carbon technologies in terms of pre-engagement requirements and community benefits expectations, which would also reduce the resource burden on local authorities when considering a planning application. On engagement, some also expressed views they did not feel there is an expectation that developers should go beyond typical community engagement, and should make better use of web resources, embedding themselves with the community further and more engagement with local groups. Generally, attendees expected developers should engage far in advance of any application.

Domestic electricity suppliers (8 attendees¹³)

Attendees were overall not supportive of local bill discounts. Attendees considered these measures to be short-term solutions and strongly preferred using community benefit packages

¹³ It should be noted the majority of attendees were from those considered to be the more 'traditional' domestic energy suppliers rather than those considered 'green' suppliers.

to deliver long term net zero and decarbonisation measures such as insulation and energy efficiency, heat networks, and flexibility services or technologies.

Attendees expressed that a large-scale rollout of bill discounts linked to local renewable developments would be practically and logistically challenging. To deliver discounts to specific communities, developers would need individual bilateral agreements with most suppliers to share consumer data and information. Alternatively, government would need to establish a central registration system, potentially managed by an existing administrator within the energy system (i.e. Ofgem, Elexon) to ensure consumer data could be recorded accurately and discounts attributed accordingly.

Attendees expressed that investment and additional resources would be required for suppliers to deliver bill discounts to specific consumers, with changes needed to internal system architecture and billing systems. Attendees suggested any delivery of bill discounts would need to be as broad and flexible as possible to account for different business models and allow innovation. Existing government schemes such as the Warm Homes Discount and Energy Company Obligation require different architecture to allow suppliers to integrate within their specific business models. Attendees expressed that any regional or individual bill discounts would be highly challenging to deliver, including further complexities for those on pre-payment meters or non-metered connections. Overall, attendees felt delivering a large-scale rollout of bill discounts linked to local generation projects would be a costly scheme to implement.

Onshore wind industry (39 attendees)

Attendees expressed there are still industry concerns that community benefits are seen as 'bribing' communities or 'buying' consent, however they have found trust has been built with communities with good case study examples. Developers tend to split planning and community benefit functions within their organisation to also foster trust. Overall, industry considered early engagement to be vital, ensuring communities feel they have been sufficiently engaged and that developers make a long-lasting contribution to local communities.

Attendees discussed that the design, delivery and administration of community benefit funds is highly challenging, with a significant administrative and legal burden on communities. Attendees recognised that communities often lack the resources and capabilities to fully engage, however developers suggested the process could be eased if communities had clear priorities for what funds could be used for, for example through community action plans. They also felt communities were still unclear as to what community benefits were on offer to them. Attendees also felt government should provide more positive messaging around onshore wind and renewables.

Attendees discussed experiences of communities being sceptical or having a lack of trust in local planning authorities, particularly in relation to community benefits. Attendees suggested that developers will often prefer no involvement from local authorities in administering benefits packages, and developers want to ensure funds do not replace funding for local services. Developers also noted England has limited consistency in who can administer packages or provide support to communities, whereas Scotland utilises community councils.

Like the local government workshop, there was no clear consensus as to whether there was a case to change the immateriality of community benefits to a planning application. While some could see clear benefits to making material, others felt there could be significant legal complications, would set unhelpful precedents for other types of technologies and may slow deployment by adding further considerations to a planning decision. Attendees felt that

onshore wind projects are already delivering tangible, long-term benefits packages to communities given the mature and well-established system currently in place.

Attendees discussed that delivering community benefits funds is currently challenging given inflationary pressures and increased supply chains costs. Community benefits are typically accounted for upfront within project finances but can be difficult to accommodate depending on load factors or network charges a project will accrue. The Community Benefits Protocol for England expects developers will offer communities £5000 per megawatt per year for the operational lifetime of a project, and attendees felt this is now expected across communities and is well understood within the industry with a preference to retain as is.

Finally, attendees did not consider delivering bill discounts via benefit packages as a priority and had a strong preference for longer term decarbonisation measures like insulation and energy efficiency. Attendees highlighted that developers or operators that are providing bill discounts have typically established an 'in-house' function and developed their business model around it. To replicate this across the industry would require investment, resources and new I.T. systems or software platforms alongside significant data management. Attendees expressed there has been experiences of low pick-up rate among consumers to previous schemes, particularly when needing to change suppliers. Attendees also expressed challenges in reaching consumers on pre-payment meters that may require direct payments from developers to consumers.

Conclusion and next steps

Onshore wind is a cheap, mature and efficient renewable technology that is an important part of the energy mix with a key role to play in delivering on the UK's climate goals. The government has made changes to the National Planning Policy Framework (NPPF) in England to ensure that local authorities can respond more flexibly to suitable opportunities for onshore wind while respecting the views of their local communities. The government also wants communities to benefit from hosting onshore wind and has sought through this consultation to improve the existing system of engagement and benefits.

Government intends to embed the best practice principles of engagement within planning practice guidance, strengthening the link between pre-application consultation and best practice. This will allow developers to demonstrate they have engaged the community early in the process, endeavoured to reach as many people as possible, and designed projects in response to feedback and concerns raised by communities.

Government also intends to work with the onshore wind industry and other stakeholders to update the Community Benefits Protocol for England and intends to take ownership of it and publish as official government guidance on GOV.UK. The updated Protocol intends to reflect the full range of benefits communities could receive, including local energy bill discounts, which government intends to publish by Summer 2024. As part of these changes, government intends to set out the instances where developers could provide further support to communities to help design, agree and administer a community benefits package. Government also intends to provide further information, guidance and case studies to support communities engaging in a community benefits process, and to consider establishing a Community Benefits Register that can capture details of community benefits packages for onshore wind in England. Finally, government intends to explore the merits of a mechanism for developers to formally sign up and endorse an updated Protocol to enhance trust and transparency for communities.

It is intended that the outcomes of this consultation will help communities better participate in, engage with, and benefit from onshore wind developments in their local area. These measures, taken together with the onshore wind changes to the NPPF announced in September 2023, will fulfil the commitment in the British Energy Security Strategy to deliver local partnerships for onshore wind in England.

ANNEX A: Updated analytical annex

Updated analysis following consultation responses on the impacts associated with the measures proposed.

Assessment of Impacts

Analysis by the Department for Energy Security and Net Zero (DESNZ) has identified several potential benefits and costs to the consumer arising from the proposal to embed principles of best practice into planning practice guidance and to update the current Community Benefits Protocol for Onshore Wind England. Some of the benefits and costs discussed below do not represent an absolute benefit or cost to society because they are a transfer of revenue between consumers and businesses.

Potential Benefits and Costs

This section outlines the potential impacts of government's proposed approach to embed principles of best practice into planning practice guidance and update the current Community Benefits Protocol. Overall, we expect the proposed changes would improve engagement with local communities, which may facilitate improvements in planning applications and more deployment, and improve the delivery of community benefits by enabling developers to make investments that better suit the needs of the community. The following points summarise the types of costs and benefits identified.

Costs

Familiarisation costs: Planning authorities, local communities and developers could incur time costs to familiarise themselves with the new principles or best practice.

Policy development and implementation costs: Government and industry bodies are likely to incur costs to develop the principles of best practice and update the industry led guidance on community benefits.

Administration costs: Developers may incur costs to administer the benefits. Government is proposing to update the Protocol to consider new types of community benefit models, which could increase administration costs.

Transfer from all electricity consumers: Additional administration or familiarisation costs to developers could result in a transfer from all electricity consumers to developers. This is because developers may pass on costs via bid prices in the Contracts for Difference Scheme, where subsidies are paid by electricity consumers via their electricity bills.

Benefits

Improved delivery of community benefits to local communities: Updating the Community Benefits Protocol will enable developers to use innovative community funding models, which may better meet the individual needs of particular local communities more than existing models.

Spill-over benefits: There may be spill-over benefits to third parties of updating the Community Benefits Protocol. For example, third parties who are not in the local community hosting onshore wind infrastructure may benefit from local investments funded through innovative funding models enabled by updating the Protocol.

Enable onshore wind deployment with local community support: Embedding principles of best practice into planning practice guidance could improve developer engagement with communities. Ensuring a transparent and effective way of engagement with local communities could facilitate planning applications by demonstrating developers have taken account local views or suggestions, enabling faster application processing. This would reduce costs for developers and planning authorities, and/or lead to more successful applications that would enable more onshore wind deployment.

As recognised by many of the respondents, any increase in onshore wind deployment would contribute to increasing the broader economic benefits: emissions reductions in line with Net Zero targets and reducing the UK's dependence on imported fossil fuel, coupled with creating more opportunities for growth in terms of jobs and investment.

This government response is available from:

www.gov.uk/government/consultations/developing-local-partnerships-for-onshore-wind-inengland

If you need a version of this document in a more accessible format, please email <u>onshorewind@energysecurity.gov.uk</u>. Please tell us what format you need. It will help us if you say what assistive technology you use.