

# MAXIMISING COMMUNITY OUTCOMES FROM WIND ENERGY DEVELOPMENTS



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# Contents

Foreword

Executive Summary and Recommendations

1. Introduction	8
2. Policy context in Northern Ireland	14
3. Community engagement	22
4. How do communities benefit from wind farm development?	29
5. Community ownership	33
6. Emerging trends in the nature and scale of community benefit provision?	39
7. How does the provision of community benefits in Northern Ireland compare with the rest of the UK?	42
8. Good practice towards engaging and working in partnership with communities	47
9. Conclusion	57

Appendix One

# Foreword

Northern Ireland and the rural west in particular has one of the greatest wind energy resources in Europe. How does this resource benefit the local communities which host wind farms? This report explores how people living in rural communities can engage and benefit from onshore wind energy development. Recommendations are made based on good practice evidenced in other countries.

In particular I wish to thank Graeme Dunwoody who has carried out this research in recent months for the Fermanagh Trust. Graeme's research has involved the completion of a comprehensive analysis of onshore wind farm developments and how they relate to communities. We are confident the research findings can make a helpful contribution to the debate on how onshore wind energy and meeting the ambitious government targets for renewable energy can go hand in hand, while ensuring local communities are actively engaged and benefit directly from these developments.

Many thanks to all those who have assisted with the research. We greatly appreciate the involvement of people from across the region and also in Scotland. The engagement and support from local communities here in Fermanagh, from the broader community and voluntary sector, from individual wind farm developers and NIRIG, and the various government departments has been most helpful. The support of the Building Change Trust has also been greatly appreciated by the Fermanagh Trust.

**Lauri McCusker**

**Director  
The Fermanagh Trust**

# **Executive Summary and Recommendations**

The development of renewable energy is of benefit to everyone helping meet ambitious climate change targets and generating substantial new economic activity.

People are entitled to see some return and benefit directly from the natural environmental assets as renewable energy development draws on collective resources and impacts on communities. This report examines the issues and puts forward recommendations of how, in relation to wind energy, we can share the harnessing of our resources, while preserving the integrity of our assets.

Ambitious government targets have been set for the deployment of renewable energy in Northern Ireland. The Strategic Energy Framework (2010) states that Northern Ireland will seek to achieve 40% of its electricity consumption from renewable sources by 2020. Electricity generated from onshore wind farms has been identified as the most established, large-scale renewable source in Northern Ireland and will play a key role in achieving this target.

There is currently 378MW of installed renewable generation in Northern Ireland, of which 355MW is from large scale wind. However, in order to meet the Northern Ireland Government target of 40% of electricity consumption from renewable sources by 2020, more renewable sources will need to be connected to the electricity network. It is estimated that between 1400MW to 1800MW of renewable generation installed capacity, depending on the energy mix in the future, will need to be connected to the network in order to meet this target. These figures show the scale of the likely future deployment of renewable energy. Given that onshore wind energy is expected to account for the majority of future renewable energy generation by 2020, it is evident that this is likely to have a significant impact on communities in counties Antrim, Derry/Londonderry, Fermanagh and Tyrone.

The implementation of the renewable energy plans for Northern Ireland present challenges for host communities, including a range of environmental issues and will have significant impact on rural communities. These communities currently face a wide range of issues in relation to poverty, disadvantage and isolation.

Taking these factors into account, this report identifies the opportunities that exist for communities to engage with commercial onshore wind energy development. In doing so, the research highlights the opportunities for the provision of community benefits associated with wind energy development and models of community ownership. Good practice towards engaging with communities is also considered.

## **Key Findings**

Commercial wind farm developments present significant opportunities for affected communities which host them through the provision of community benefits. Community benefits are viewed as key components of the way in which communities can engage with wind energy development. In the context of wind energy, community

benefits tend to be contributions made by a developer to communities which host a development. Whilst these can provide new opportunities for local communities, it is important to recognise that the nature and scale of community benefit provision differs between sites and between developers.

Effective community engagement is critical to working with local communities. This involves implementing a well designed proactive programme. Community engagement should not be solely focused on the planning process but throughout the life cycle of the project.

Community benefits from wind farms in the UK typically take the form of voluntary annual financial contributions from developers into a community fund. These funds can be used to help support local infrastructure projects, local activities and community groups.

Whilst community funds may be of some benefit to communities which host wind farms, it is important to recognise that greater economic and social opportunities may be made available through community ownership. There is a growing interest in the community ownership of wind farm developments and there appears to be an increasing number of developments which incorporate some form of ownership.

A number of different models of community ownership exist including: full ownership; part ownership; community/developer joint venture; and the co-operative model. However achieving community ownership in commercial wind farm development is challenging and requires much commitment from communities. Nevertheless, community ownership presents substantial financial opportunities, which can be far greater than those provided by community funds.

Community ownership can help contribute to the long-term sustainable future of communities and help address issues such as fuel poverty. The case studies of community ownership in this report show that it is possible for communities and developers to work together to achieve outcomes which benefit all stakeholders.

In addition to discussing the options available to communities, the report also investigated the provision of community benefits at approved wind farms (i.e. those that have received planning permission and are operational, consented, or under construction) in Northern Ireland. Based on the evidence gathered, a number of key findings were raised:

- The higher levels of payments into community funds in Great Britain, have generally not been achieved at approved wind farms in Northern Ireland. In Great Britain for example, amounts attaining and exceeding £2,000/MW per annum have increasingly been achieved. Only one of the fourteen community funds identified by this research in Northern Ireland was found to offer £2,000/MW per annum
- In Great Britain average levels of payments being paid into community funds have been found to be increasing through time but in Northern Ireland there appears to be a mixed picture. Whilst some wind farms have seen higher

levels of payments in recent years, substantially low levels of payments are still being made into community funds for recently approved wind farms

- In Great Britain, there are numerous examples of wind farms where developers have taken very innovative approaches towards the provision of community benefits, and have incorporated community ownership into the development. In Northern Ireland, there are no instances of community ownership in a commercial wind farm development, or similarly innovative approaches

Northern Ireland will see a major expansion in the number of wind farms over the next ten years. It is proposed these wind farms are clustered in the same areas which already currently host wind farms.

In Northern Ireland, there is little consideration given to maximising the opportunities for communities to benefit from onshore wind energy development in comparison to Great Britain. In Scotland and Wales, the devolved governments take a very proactive approach and recognise the important role which communities have to play in renewable energy development. This is evident in both national and local government policies.

At national level, for example, the Scottish Government will create a community benefits register which will detail community benefits agreed with renewable energy developers in Scotland. The new community benefits register will be open from April 2012. The register will help communities to make a comparison with similar developments to inform negotiations. The creation of a register is one of a number of pro-active steps taken by the Scottish Government.

The Scottish and Welsh Governments have also developed plans to develop renewable energy on forestry sites owned by each government. These plans will be beneficial to the devolved governments ambitions to meet their renewable energy targets, and also present significant opportunities for private developers and affected communities, who will receive substantial financial benefits. Recent plans published by the Department of Agriculture and Rural Development in Northern Ireland and the Forestry Service, in relation to the potential of forestry sites for renewable energy initiatives are encouraging.

At a regional level, a number of councils in Scotland and Wales have developed guidance/policy towards the issue of community benefit and how to engage with commercial wind energy development. This guidance helps to inform both private developers and local communities.

There is an increasingly joined-up approach in Scotland and Wales towards renewable energy development, which includes the Government, the private sector and communities working closely together. Northern Ireland could learn from this approach to help ensure it reaches its renewable energy targets and builds on the principles of sustainable development.

## **Recommendations**

### Communities

1. A not for profit organisation to take the lead role in establishing good practice guidance including a policy on community engagement and promoting a toolkit on community benefits. This should include a protocol on working with local communities during and after the project development process and, in particular, exploring and negotiating community participation and community benefits with communities and other stakeholders. Such guidance / policy could also be applied to other forms of renewable energy development.
2. All local communities to take an active role in relation to a wind farm development being considered in their community exploring the range of community benefits which can be provided.
3. Local community based organisations to examine and where possible develop and implement wind farm developments based on one or more of the community ownership models outlined in this report.

### Developers

4. Community Benefit Funds - local communities should be offered by developers a minimum initial payment of £2,000 per MW of installed capacity and a minimum annual payment of £2,000 per MW of installed capacity and that payment is index linked (amounts to be agreed between developer and local community representatives). This should apply to all new wind farms including those in the planning system or yet to be commissioned. In relation to community benefit funds - a percentage of the total annual funds to be utilised for local community projects, and a percentage to go specifically towards tackling fuel poverty in the area. This would establish a clear link between the wind farm and energy costs.
5. Community Ownership - has been shown to help increase levels of acceptance. Given the likelihood of clustering of wind farms especially in the rural west and the impact of further installations and associated grid infrastructure, developers should consider offering some form of community ownership as part of a community benefits package at their sites.
6. Community Engagement - large scale commercial developers should develop clear protocols on effective community engagement for wind farm developments. This engagement should be based on models of good practice and include post construction relationships re: educational benefits etc.

### Local Councils

7. Local Councils to formally establish guidance protocols (based on good practice) which provide a framework for engagement by developers with the Councils and local communities. The protocols would ensure that as a result of harnessing renewable energy resources, social and economic problems including



fuel poverty can be alleviated and help towards sustaining and developing rural communities can be given.

### Government

8. Department of Enterprise, Trade and Investment to actively support local communities and their potential, positive role in implementing wind farm projects and the contribution they make in the development of a low carbon society. The implementation of this policy should address the need for active community involvement in shaping Northern Ireland's community energy agenda. Policies ensuring effective support mechanisms need to be in place, such as a local energy assessment fund.
9. The Department of Agriculture and Rural Development to ensure models of good practice, as evidenced in Scotland and Wales, are followed in relation to both engaging and working in partnership with rural communities and the private sector when developing wind farms on land managed by the Forestry Service. A coordinated proactive approach can be seen in Scotland, where the government has developed plans in which the private sector and communities can work together to benefit from renewable energy development.
10. The Department of Enterprise, Trade and Investment to develop a public register of community benefits from wind farm projects similar to that currently being established by the Scottish Government. This public register would encourage greater transparency, helping communities to make a comparison with similar developments to inform negotiations.
11. A Government Department to take the lead role in developing a more coordinated approach involving the government, the private sector and communities towards wind farm developments, which builds upon principles of sustainable development.

# 1 Introduction

## 1.1 Research Context

Ambitious government targets have been set to increase the level of renewable energy production in the UK. The Strategic Energy Framework (2010) states that Northern Ireland will seek to achieve 40% of its electricity consumption from renewable sources by 2020. Electricity generated from onshore wind farms is the most established large scale renewable energy source in Northern Ireland and has been identified as playing a key role in achieving this target.<sup>1</sup> Currently, there are a large number of wind projects in the planning system in Northern Ireland and if the level of development continues, it will have a significant impact upon the environment and those affected communities.

The Draft Onshore Renewable Electricity Action Plan 2011-2020, published in October 2011, shows that there is currently 378MW of installed renewable generation in Northern Ireland, of which 355MW is from large scale wind. However, in order to meet the Northern Ireland Government target of 40% of electricity consumption from renewable sources by 2020, more renewable sources will need to be connected to the electricity network. It is estimated that between 1400MW to 1800MW of renewable generation installed capacity, depending on the energy mix in the future, will need to be connected to the network in order to meet this target.<sup>2</sup> Although barriers exist to the future deployment of wind energy, including issues surrounding grid infrastructure and planning, these figures help to show the scale of the likely future deployment of renewable energy. Given that onshore wind energy is expected to account for the majority of future renewable energy generation by 2020, it is evident that this is likely to have a significant impact on communities in Northern Ireland.

Although commercial wind energy developments can sometimes be met with resistance, they have the potential to present significant economic and social opportunities for communities which host them. In Northern Ireland, rural communities currently face a wide range of challenges in relation to poverty, disadvantage and isolation. It is therefore important to explore commercial wind energy development and the opportunities to help tackle these challenges and help make a positive contribution to sustaining rural communities.

Some of the opportunities associated with onshore wind energy development which exist for communities are in the form of community benefits. Community benefits tend to be contributions, which are provided by developers to communities which host wind energy developments. Whilst a range of different 'benefits' are provided, existing research has identified that community benefits from wind farms in the UK typically take the form of voluntary, annual, financial contributions from developers

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<sup>1</sup> Department of Enterprise, Trade and Investment (2010) Strategic Energy Framework for Northern Ireland – 2010. Available at: [http://www.detini.gov.uk/strategic\\_energy\\_framework\\_sef\\_2010\\_-\\_3.pdf](http://www.detini.gov.uk/strategic_energy_framework_sef_2010_-_3.pdf) (accessed 17/01/2012)

<sup>2</sup> Department of Enterprise, Trade and Investment (2011) Draft Onshore Renewable Electricity Action Plan 2011-2020. Available at: <http://www.nigridenergysa.co.uk/wp-content/uploads/2011/10/Draft-OREAP-Oct-2011.pdf> (accessed 17/01/2012)

into a community fund.<sup>3</sup> However previous research draws on information gathered mainly from Great Britain, and, therefore, there is a lack of information regarding the provision of community benefits specific to Northern Ireland.

Recently, the issue of community ownership of renewable energy developments has received increased attention. In Great Britain, there have been growing numbers of wind farm developments which have already incorporated or plan to incorporate some form of community ownership. In Northern Ireland to date, there are no such examples of community ownership of a large scale, wind farm development. Community ownership in Great Britain has been shown to offer significant economic and social opportunities to stakeholders, and communities have played a significant role in such developments.

The importance of the role of communities in renewable energy development and the potential of communities to benefit from renewable energy development is becoming increasingly recognised. The UK Renewable Energy Strategy recognises that everybody has a role to play in achieving the renewable energy ambitions. It recognises that communities can play an important role in supporting renewable energy in their local area. This can be achieved through the involvement of individuals and communities in the formal planning process and through broader support for and involvement in developing renewable energy. The Strategy also notes that renewable energy developers have a key role in building local support for their projects, by making sure that there is effective engagement with local communities and by sharing some of the benefits from renewable deployment with host communities.<sup>4</sup>

In Great Britain, local communities are playing an increasingly significant role in renewable energy development. This is seen particularly in Scotland and Wales where governments at both a local and national level have introduced a range of measures to inform and help communities to benefit from renewable energy development. However, many of the pro-active approaches taken by stakeholders in Scotland and Wales have to date been largely absent in Northern Ireland. It is important to explore these opportunities further so the potential of Northern Ireland's future renewable energy development is fulfilled for everyone.

## **1.2 Aims and Objectives**

The introduction highlights a number of key factors, including the likelihood of high levels of future deployment of wind energy; the challenges rural communities face; a lack of research into the provision of community benefits in Northern Ireland; the economic and social opportunities that may exist from community ownership of a commercial wind farm that have been absent from Northern Ireland, and the increasing recognition of the role of communities in renewable energy development.

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<sup>3</sup> Cowell, R., Bristow, G., Munday, M., and Strachan, P. (2008) Wind Farm Development in Wales: Assessing the Community Benefits, a research project for the Welsh Assembly Government, Cardiff.

<sup>4</sup> HM Government (2009) The UK Renewable Energy Strategy. Available at: [http://www.decc.gov.uk/assets/decc/what%20we%20do/uk%20energy%20supply/energy%20mix/renewable%20energy/renewable%20energy%20strategy/1\\_20090717120647\\_e\\_@@\\_theukrenewableenergystrategy2009.pdf](http://www.decc.gov.uk/assets/decc/what%20we%20do/uk%20energy%20supply/energy%20mix/renewable%20energy/renewable%20energy%20strategy/1_20090717120647_e_@@_theukrenewableenergystrategy2009.pdf) (accessed 17/01/2012)

Taking these factors into account, this report aims to explore the opportunities that exist for communities to engage with commercial onshore wind energy development by examining the following:

**1. Undertake an analysis of community benefits provided by wind energy developers in the UK**

Investigate the range of options that may be available to communities as a result of commercial onshore wind energy development. Examine how community benefit provision in Northern Ireland compares with the rest of the UK.

**2. Investigate the potential of community ownership models and identify good practice towards the provision of community benefits**

Identify models of community ownership which currently exist and potential opportunities these may present for local communities. Explore case studies to identify approaches taken by developers towards existing community benefit provision.

**3. Investigate the approach taken by government, the wind industry and the voluntary sector in engaging and working in partnership with local communities**

The research will also consider the role of Government in Northern Ireland, in addition to good practice followed by a range of stakeholders in Great Britain towards engaging and working in partnership with communities.

### **1.3 Methodology**

The research included a combination of a desktop study, a questionnaire survey and stakeholder engagement. Desktop research used a wide range of sources including publications and web sources from a wide variety of stakeholders. A questionnaire survey was distributed to members of Northern Ireland Renewables Industry Group (NIRIG) in order to gather more information on the provision of community benefits in Northern Ireland. NIRIG is a joint collaboration of RenewableUK and Irish Wind Energy Association and represents the renewable energy industry in Northern Ireland. Finally, key stakeholders from the public, private and voluntary sector were engaged with through a series of meetings and conference calls.

### **1.4 Applications for Wind Farm Developments**

Northern Ireland is considered to have one of the greatest wind energy resources in Europe<sup>5</sup>. Based on the most up to date information at the time of writing (08/11/2011), a total of 56 wind farm applications had been approved by the Planning Service in Northern Ireland (this number included three single turbine applications

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<sup>5</sup> Department of Enterprise, Trade and Investment (2011) Wind Mapping. Available at: <http://www.detini.gov.uk/deti-energy-index/deti-energy-sustainable/energy-sustainable-7.htm> (accessed 20/12/2011)

and three applications which have been superseded).<sup>6</sup> A significant number of these wind farms are not yet operational. There were a further 47 proposed wind farms in the planning system in Northern Ireland (this number includes five single turbine developments).<sup>7</sup> All wind farm applications except one are found to be in counties Antrim, Derry/Londonderry, Fermanagh and Tyrone (Figure 1). See overleaf.

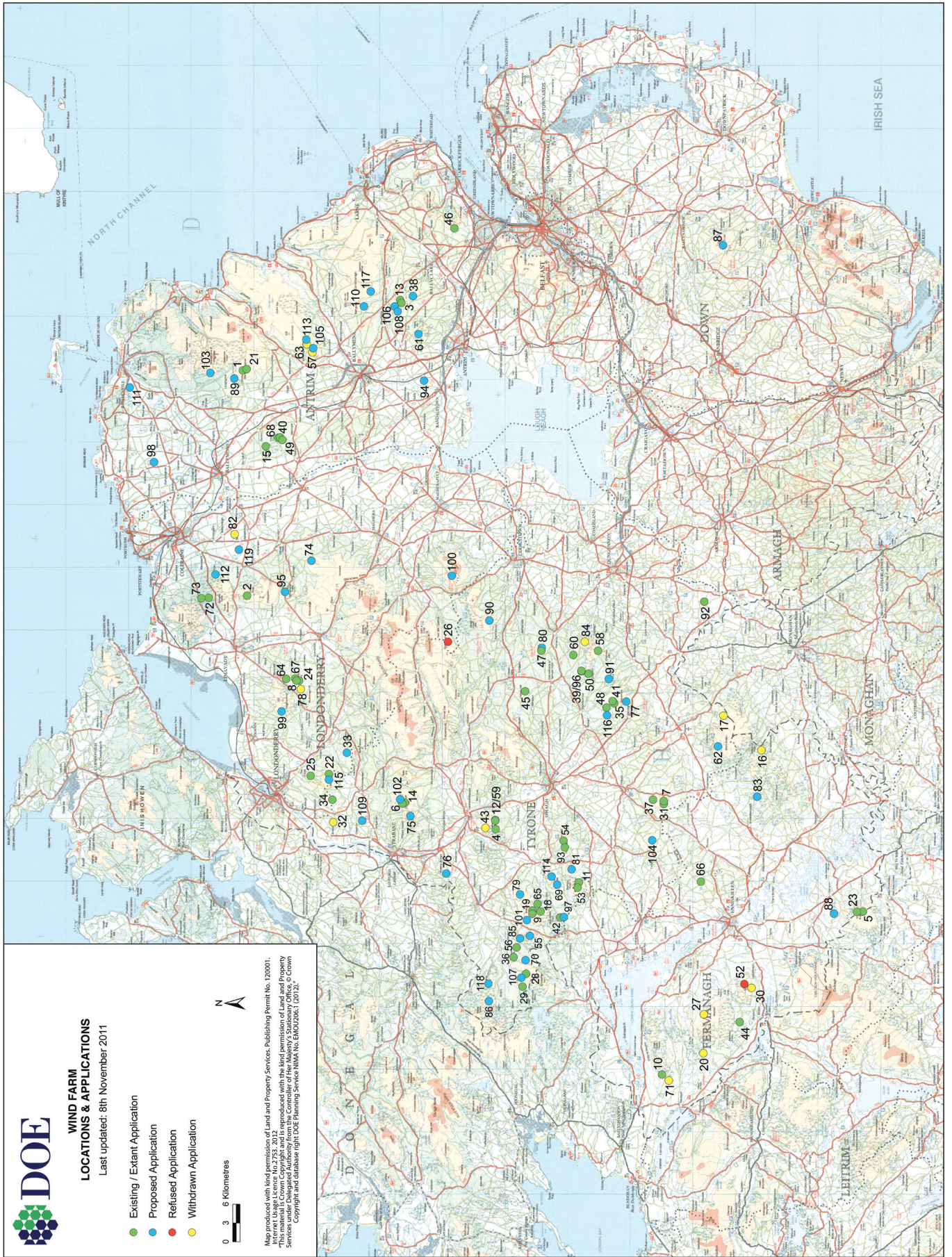
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<sup>6</sup> Department of Environment (2011) Northern Ireland Wind Farm Data (last updated 08/11/2011)

<sup>7</sup> Ibid.



Figure 1: Map Outlining Wind Farm Locations and Applications in Northern Ireland





## **1.5 A Comparison of Planning Consent Rates in Northern Ireland**

The UK Renewable Energy Roadmap published in July 2011 analyses planning consent rates across the UK. The Roadmap covered wind projects submitted to planning since 2007. Consent rates in the UK were found to vary from around 60% in Scotland and Wales, to 80% in Northern Ireland and 54% in England.<sup>8</sup>

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<sup>8</sup> Department of Energy & Climate Change (2011) UK Renewable Energy Roadmap. Available at: <http://www.decc.gov.uk/assets/decc/11/meeting-energy-demand/renewable-energy/2167-uk-renewable-energy-roadmap.pdf> (accessed 20/01/2012)

## 2 Policy Context in Northern Ireland

### 2.1 Introduction

Government plays a critical role in both the development of renewable energy policy and in shaping the implementation of this policy. This section of the report looks at Government policy in Northern Ireland, with a particular focus on working with communities impacted by wind farm developments. The NI Executive work must be seen in context of wider national and European Union (EU) targets.

In meeting these broader targets the overall NI Executive and a number of government departments have an important role to play in shaping and overseeing relevant policy, including the Office of the First Minister and Deputy First Minister (OFMDFM), The Department of Enterprise, Trade and Industry (DETI), The Department of the Environment (DOE) and the Department of Agriculture and Rural Development (DARD). The areas of work of the government departments range from:

- Sustainable development
- Energy policy
- Renewable energy
- Rural development
- Environment and planning

### 2.2 National and International Targets

The EU is making great attempts to reduce its greenhouse gas emissions and has set a number of challenging targets for Member States which include a target of cutting greenhouse gases by a minimum of 20% by 2020.<sup>9</sup>

The importance of the role of renewable energy is widely recognised in helping to achieve these ambitious targets. The 2009 Renewable Energy Directive has set the UK a challenging target to achieve 15% of its energy consumption from renewable sources by 2020.<sup>10</sup> At present, the UK and therefore Northern Ireland energy policy is driven by Europe, and helps to demonstrate the important role we have to play as part of an international effort.

The UK Renewable Energy Strategy published in 2009 set out a plan for how the UK would achieve the EU target of 15% of energy from renewables by 2020, and includes a range of actions to help facilitate, incentivise and support the use of renewables by government, businesses, communities and individuals.<sup>11</sup>

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<sup>9</sup> Department of Enterprise, Trade and Investment (2011) Draft Onshore Renewable Electricity Action Plan 2011-2020. Available at: <http://www.nigridenergysea.co.uk/wp-content/uploads/2011/10/Draft-OREAP-Oct-2011.pdf> (accessed 17/01/2012)

<sup>10</sup> Department of Energy and Climate Change (2011) Renewable Energy. Available at: [http://www.decc.gov.uk/en/content/cms/meeting\\_energy/renewable\\_ener/renewable\\_ener.aspx](http://www.decc.gov.uk/en/content/cms/meeting_energy/renewable_ener/renewable_ener.aspx) (accessed 20/12/2011)

<sup>11</sup> Department of Enterprise, Trade and Investment (2011) Draft Onshore Renewable Electricity Action Plan 2011-2020. Available at: <http://www.nigridenergysea.co.uk/wp-content/uploads/2011/10/Draft-OREAP-Oct-2011.pdf> (accessed 17/01/2012)



More recently in 2011 the UK government and devolved administrations have published the UK Renewable Energy Roadmap. This sets out practical actions needed to tackle the barriers to the deployment of renewables, which will allow the level of renewable energy consumption to increase in line with the UK's targets for 2020 and beyond. It is anticipated that there will be a four-fold increase in the level of renewable energy consumption by the end of the decade.<sup>12</sup> Another important government publication is The UK National Renewable Energy Action Plan. This outlines a 'lead scenario' which shows that it is possible to achieve the UK's 15% target by 2020.

### **2.3 Sustainable Development**

The OFMDFM recently launched the Sustainable Development Strategy 2010 and from this the Sustainability Development Implementation Plan 2011 – 2014. The Sustainable Development Strategy 2010 is an overarching strategic document for the NI Executive and has implications for all Departments in terms of each Departments work.

The Foreword to the Strategy by the First and Deputy First Minister states:

'We need everyone to play their part. We have consulted extensively in developing this document and listened to the views of stakeholders, but that is not enough. We need stakeholders (individuals, community groups, businesses and organisations) to take steps in driving delivery. We are now looking to those stakeholders, and to those working inside and outside of Government, to contribute to the attainment of the targets set within our Implementation Plan and support the priority areas for action. It is only by involving everyone that significant progress will become a reality.'<sup>13</sup>

In relation to the role of local communities and community organisations, the Strategy states:

'A key element of this Strategy is that it is inclusive and reaches all sections of society and fosters sustainable communities.

We want every community to feel involved in bringing forward and delivering this Strategy so that it is relevant to everyone and not seen as a remote government initiative.

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<sup>12</sup> Department of Energy and Climate Change (2011) Renewable Energy. Available at: [http://www.decc.gov.uk/en/content/cms/meeting\\_energy/renewable\\_ener/renewable\\_ener.aspx](http://www.decc.gov.uk/en/content/cms/meeting_energy/renewable_ener/renewable_ener.aspx) (accessed 20/12/2011)

<sup>13</sup> Northern Ireland Executive (2010) Sustainable Development Strategy. Available at: [http://www.ofmdfmi.gov.uk/sustainable-development-strategy-lowres\\_2\\_.pdf](http://www.ofmdfmi.gov.uk/sustainable-development-strategy-lowres_2_.pdf) (accessed 20/10/2012)

We recognise that the third sector has a wealth of experience in working throughout society on social, economic and environmental issues and we want to harness that experience by working in partnership and cooperation.’<sup>14</sup>

In terms of the private sector the Strategy states:

‘A major feature of this Strategy is the realisation of the full potential of economic opportunities associated with the evolving sustainable development agenda.

Social and environmental concerns have sometimes been viewed as being in conflict with commercial drivers in the business sector. Equally, there is a view that enterprise and development can be seen as damaging to communities and the wider environment.

Such a one-dimensional view does not stand up to scrutiny. Society can deliver the prosperity needed to make the progress that we aspire to, and should do so in a way, which balances the development of a prosperous fair and equal society with long-term sustainability.

This multi-dimensional view is rapidly gaining widespread acceptance within the private sector. This new perspective is creating new opportunities to progress sustainable development against a background of cooperation between government and the private sector and civil society.’<sup>15</sup>

The Strategy successfully highlights the interconnectedness and the benefits of all sectors working together:

‘To successfully achieve a peaceful, fair and prosperous society we need to involve the private and voluntary/community sectors and civic society, as well as government, in partnership. This will need processes that will facilitate stakeholder involvement in development and implementing our key programmes and strategies in a sustainable way. By taking this approach, we will better understand the different perspectives and needs of wider society, as well as the local issues that affect particular sectors and groups’.<sup>16</sup>

‘The move towards a ‘sustainability focused’ society – with a shared and better future – depends upon collaboration between partners in different sectors, each of whom possesses different but potentially complementary skills, experiences and attributes.’<sup>17</sup>

The Fermanagh Trust fully supports the approach outlined in the Strategy.

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<sup>14</sup> Northern Ireland Executive (2010) Sustainable Development Strategy, page 9. Available at: [http://www.ofmdfmi.gov.uk/sustainable-development-strategy-lowres\\_2\\_.pdf](http://www.ofmdfmi.gov.uk/sustainable-development-strategy-lowres_2_.pdf) (accessed 20/10/2012)

<sup>15</sup> Ibid, page 10.

<sup>16</sup> Ibid, page 30.

<sup>17</sup> Ibid, page 30.

## **2.4 The Draft Programme for Government**

The Draft Programme for Government was circulated for consultation in November 2011. The actions set out in the draft programme include a number of plans and priorities including<sup>18</sup>:

- Encourage industry to achieve 20% of electricity consumption from renewable electricity and 4% renewable heat by 2015
- Ensure 90% of large-scale investment planning decisions are made within 6 months and applications with job creation potential are given additional weight
- Invest in social enterprise growth to increase sustainability in the broad community sector
- Establish the new 11 council model for Local Government by 2015
- Introduce and support a range of initiatives aimed at reducing fuel poverty across Northern Ireland including preventative interventions
- Deliver a range of measures to tackle poverty and social exclusion

Each of these actions is relevant to the development of onshore wind energy and the potential impact on rural communities.

## **2.5 Energy Policy in Northern Ireland**

In Northern Ireland, The Strategic Energy Framework (SEF) 2010 recognises the importance of maximising renewable energy sources amongst a backdrop of concerns, including energy security and a heavy reliance on fossil fuels. The Framework sets out four main energy goals:

- Building competitive markets
- Ensuring security of supply
- Enhancing sustainability
- Developing our energy infrastructure

The SEF states that Northern Ireland will seek to achieve 40% of its electricity consumption from renewable sources by 2020. It recognizes that achieving this target will be challenging for government departments, the private sector who are involved in supplying and distributing electricity, and energy consumers who will see the construction of new renewable installations and power lines.<sup>19</sup>

The SEF recognizes the challenges in onshore wind farm developments in terms of public acceptance:

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<sup>18</sup> Northern Ireland Executive (2011) Draft Programme for Government 2011-2015. Available at: <http://www.northernireland.gov.uk/draft-pfg-2011-2015.pdf> (accessed 19/01/2012)

<sup>19</sup> Department of Enterprise, Trade and Investment (2010) Strategic Energy Framework for Northern Ireland – 2010. Available at: [http://www.detini.gov.uk/strategic\\_energy\\_framework\\_sef\\_2010\\_3.pdf](http://www.detini.gov.uk/strategic_energy_framework_sef_2010_3.pdf) (accessed 17/01/2012)

‘Electricity generated by onshore wind farms is the most established, large-scale source of renewable energy in Northern Ireland. Wind farms will play a vital role in meeting the new renewable electricity target. There will, however, continue to be concerns around planning and the infrastructure required to deal with increased wind generation.’<sup>20</sup>

The Draft Onshore Renewable Electricity Action Plan 2011-2020 (DETI) includes an assessment of the generation scenarios for onshore wind developments. The results of the assessment noted by the Plan were as follows:

‘In terms of onshore wind, the results of the assessment conclude that in order to manage or limit potential adverse effects, the preferred option would be to allow onshore wind developments to continue, where possible, to cluster in existing areas of development, before moving into new areas where there is little or no existing onshore wind development. However, although there is capacity for additional onshore wind in these current areas, there is potential for significant adverse cumulative effect to occur once development reaches a certain level in these clusters.’<sup>21</sup>

In addition to the patterns of where wind farm applications are found in Northern Ireland, this assessment helps to highlight that certain areas in Northern Ireland may potentially be more affected than others from future, onshore wind energy deployment. It is important to note the draft document gives no indication of how local communities should be engaged or need to be engaged in this process. This is in stark comparison to the way these issues are being addressed by the Scottish and Welsh governments.

## **2.6 Planning**

The document ‘Wind Energy Development in Northern Ireland’s Landscapes’ (SPG)<sup>22</sup>, identifies landscape characteristics that may be sensitive to wind turbine development. This document, when read together with the guidance notes to PPS 18 provides supplementary planning guidance on the landscape and visual analysis process, and the indicative type of development that may be appropriate across Northern Ireland.

Planning Policy Statement, PPS 18 ‘Renewable Energy’ sets out the Department’s planning policy for development that generates energy from renewable resources which requires planning permission. In the Introduction to PPS 18, it is stated:

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<sup>20</sup> Ibid, page 14.

<sup>21</sup> Department of Enterprise, Trade and Investment (2011) Draft Onshore Renewable Electricity Action Plan 2011- 2020, page 21. Available at: <http://www.nigridenergysea.co.uk/wp-content/uploads/2011/10/Draft-OREAP-Oct-2011.pdf> (accessed 20/01/2012)

<sup>22</sup> Northern Ireland Environment Agency (2010) Wind Energy Development in Northern Ireland's Landscapes Supplementary Planning Guidance to Accompany Planning Policy Statement 18 'Renewable Energy'. Available at [http://www.planningni.gov.uk/index/policy/supplementary\\_guidance/spg\\_other/wind\\_energy\\_development\\_in\\_northern\\_irelands\\_landscapes\\_spg\\_for\\_pps18-2.pdf](http://www.planningni.gov.uk/index/policy/supplementary_guidance/spg_other/wind_energy_development_in_northern_irelands_landscapes_spg_for_pps18-2.pdf) (accessed 19/01/2012)

‘The varied nature of renewable energy technologies presents the potential to develop an indigenous renewable energy industry and provides a range of opportunities to support the Northern Ireland economy including:

- Direct and indirect employment opportunities during the construction and operational phases;
- Revenue to the owners of the land on which they are built;
- Employment in the manufacture of components and services;
- Opportunities for rural diversification, the alternative agricultural use of land and employment in the production of biomass crops;
- A beneficial route for the utilisation of residues and wastes that might otherwise be difficult or expensive to dispose of; and
- An improved source of electricity in remote locations.’<sup>23</sup>

There is no mention of community benefits.

The document goes on to state: ‘Development that generates energy from renewable resources will be permitted provided the proposal, and any associated buildings and infrastructure, will not result in an unacceptable adverse impact on:

- (a) Public safety, human health, or residential amenity;
- (b) Visual amenity and landscape character;
- (c) Biodiversity, nature conservation or built heritage interests;
- (d) Local natural resources, such as air quality or water quality; and
- (e) Public access to the countryside.’<sup>24</sup>

Again, any adverse impacts on communities are not reflected in the policy. However, the policy does state: ‘The wider environmental, economic and social benefits of all proposals for renewable energy projects are material considerations that will be given significant weight in determining whether planning permission should be granted.’<sup>25</sup>

It should be noted, however, that PPS 18 provides a presumption in favour of development in order to meet government targets on renewable energy and greenhouse gases emissions.<sup>26</sup> The Best Practice Guidance to PPS 18 does reiterate that a developer should show the ‘Overall economic and social benefits attributed to the scheme’ and as well as landscape, built and natural heritage, habitat impact, etc,

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<sup>23</sup> Department of the Environment (2009) Planning Policy Statement 18 ‘Renewable Energy’, page 2. Available at:

[http://www.planningni.gov.uk/index/policy/policy\\_publications/planning\\_statements/planning\\_policy\\_statement\\_18\\_renewable\\_energy.pdf](http://www.planningni.gov.uk/index/policy/policy_publications/planning_statements/planning_policy_statement_18_renewable_energy.pdf) (accessed 19/012012).

<sup>24</sup> Ibid, page 8.

<sup>25</sup> Ibid, page 8.

<sup>26</sup> Ibid, page 9.

‘size, scale and layout and the degree to which the wind energy project is visible over certain areas’.<sup>27</sup>

Importantly the Best Practice Guidance to PPS18 also states: ‘The planning system exists to regulate the development and use of land in the public interest. The material question is whether the proposal would have an unacceptable detrimental effect on the locality generally, and on amenities that ought, in the public interest, to be protected’.<sup>28</sup>

In relation to education benefits of wind farms, the Best Practice Guidance to PPS 18 states:

‘The educational potential of wind energy developments should also be considered. For example, there may be scope for an interpretive centre on alternative energy resources to be located at accessible location in proximity to a wind energy development. It would be helpful if established long distance walking routes/amenity rights-of-way were identified and mapped to enable an assessment both of the extent to which recreational pursuits can be accommodated and facilitated either within or adjacent to wind energy developments.’<sup>29</sup>

In the Best Practice Guidance to PPS 18, community groups are not listed as departmental consultees, nor are consultation documents required with the planning permission application for wind energy.<sup>30</sup>

## **2.7 Community Planning**

The implementation of new community planning powers in the new 11 Local Authorities to be established in 2015 will provide a potential mechanism for effective area based considerations and more effective local input into the range of issues raised in this research. As outlined in the Community Planning Consultation paper:

‘Community planning would enable councils to work in partnership with a range of other sectors, for example public bodies, businesses, and community and voluntary organisations. This would facilitate the delivery of services in their districts to provide a joined-up approach to meeting the needs and aspirations of local communities.’<sup>31</sup>

It is interesting to note community planning has been in place in Scotland and England for a number of years. The increased involvement of communities in wind farm developments particularly in Scotland appear to mirror the implementation of the community planning powers by local authorities there. Though the community

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<sup>27</sup> Department of the Environment (2009) Best Practice Guidance to Planning Policy Statement 18 ‘Renewable Energy’, page 11. Available at:

[http://www.planningni.gov.uk/index/policy/policy\\_publications/planning\\_statements/planning\\_policy\\_statement\\_18\\_renewable\\_energy\\_best\\_practice\\_guidance.pdf](http://www.planningni.gov.uk/index/policy/policy_publications/planning_statements/planning_policy_statement_18_renewable_energy_best_practice_guidance.pdf), (accessed 19/01/2012)

<sup>28</sup> Ibid, page 12.

<sup>29</sup> Ibid, page 30.

<sup>30</sup> Ibid, pages 31 to 34.

<sup>31</sup> Department of Environment (2010) Local Government Reform: Policy Proposals, Consultation Document, 30<sup>th</sup> November 2010, page 38. Available at:

[http://www.planningni.gov.uk/index/news/news\\_consultation/local\\_government\\_reform\\_-\\_consultation\\_document.pdf](http://www.planningni.gov.uk/index/news/news_consultation/local_government_reform_-_consultation_document.pdf) (accessed 20/01/2012)

planning powers are due to be implemented in 2015, inertia cannot be allowed to take place until then, action is now needed.

## **2.8 Rural Development**

The Renewable Energy Action Plan 2010 also provides an interesting insight into the increasing significance government is giving to the issue of renewable energy in rural areas:

Specifically Recommendation 4: ‘Exploiting opportunities relating to energy security by displacing fossil fuel derived energy with Renewable Energy within the agricultural and forestry sectors – with a view to growing the demand and having a positive impact on energy security and carbon footprint.’<sup>32</sup>

The Rural Development Energy Action Plan taken together with the Forestry Service plans: ‘A Delivery Plan for the Implementation of the Forestry Act (Northern Ireland) 2010’ and the ‘Forestry Service Business Plan 2011 / 2012’ sets out some of the Departments plans in relation to renewable energy.

## **2.9 Summary**

The overarching Sustainable Development Strategy 2010 outlines the need to work together in real and effective partnerships with local communities as an equal partner. The subsequent strategies outlined however give little consideration to the effective engagement of local communities or their potential role in contributing to sustainable development. Community planning in 2015 offers a mechanism of how this may be addressed in the medium term. In the short term the Government Departments highlighted above may find value in Chapter 8 of this report which highlights good practice elsewhere.

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<sup>32</sup> Department of Agriculture and Rural Development (2010) Renewable Energy Action Plan 2010, page 9. Available at: [http://www.dardni.gov.uk/renewable-energy-action-plan-2010.11.030\\_renewable\\_energy\\_action\\_plan\\_2010\\_final.pdf](http://www.dardni.gov.uk/renewable-energy-action-plan-2010.11.030_renewable_energy_action_plan_2010_final.pdf) (accessed 20/01/2012)

### 3 Community Engagement

The manner in which local communities engage with and gain from wind power developments in the UK has tended to focus on three key issues<sup>33</sup>:

- The nature and openness of engagement with local communities during the planning process
- Direct financial contributions – a community fund of some kind; and/or
- Opportunities for community ownership or ‘dividend’

This chapter of the report considers the importance of having an effective community engagement process and the benefits of this. It will also look at community engagement in Northern Ireland and highlight good practice in England and Wales, and further a-field.

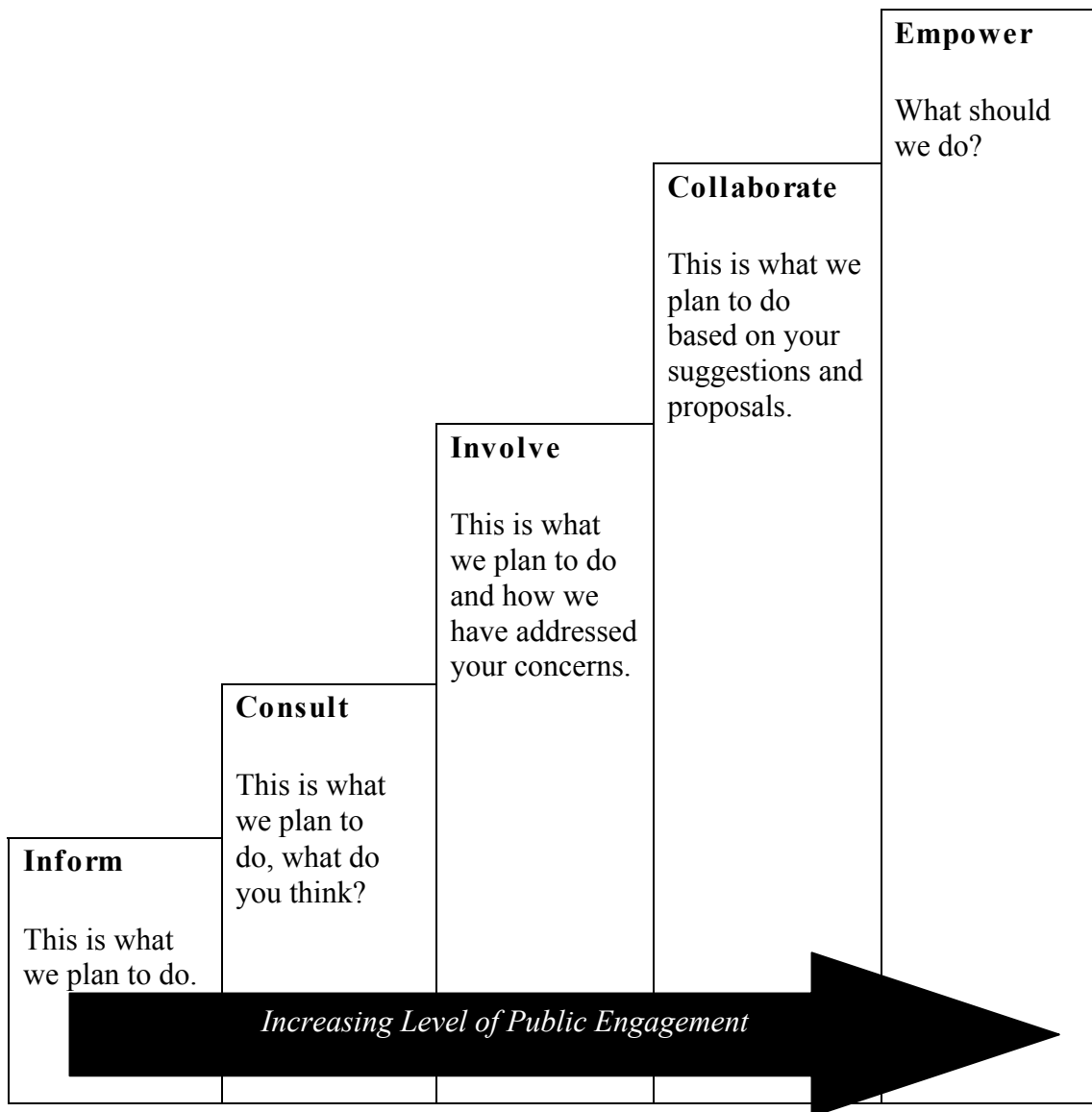
Effective community engagement is centred on a well designed proactive programme which seeks out and responds to community issues. Community engagement, therefore, involves working with all relevant stakeholders to inform, listen to and consider views in order to develop the best possible initiative and ensure the proposed development is successful and welcomed by the community. Community Engagement should not be a pr exercise. In a simplified format, different levels of engagement can be characterised. See Figure 2 overleaf:

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<sup>33</sup> Centre for Sustainable Energy & Garrad Hassan (2005) Community benefits from wind power: A study of UK practice & comparison with leading European Countries, a report to the Renewables Advisory Board & the DTI. Available at: <http://www.cse.org.uk/pdf/pub1049.pdf> (accessed 17/01/2012)



**Figure 2: Different Levels of Community Engagement**



Compiled with data from The Protocol for Public Engagement with Proposed Wind Energy Developments in England.<sup>34</sup>

### **3.1 What does Effective Community Engagement Involve?**

It has been noted that ‘Supporting effective engagement is not, therefore, about being in favour or against a particular proposed development. It is about trying to make sure that: (a) decisions made in the planning system are well informed, evidence-based and

<sup>34</sup> Centre for Sustainable Energy, BDOR and Peter Capener (2007) The Protocol for Public Engagement with Proposed Wind Energy Developments in England, a report for the Renewables Advisory Board and DTI. Available at: <http://www.cse.org.uk/pdf/pub1079.pdf> (accessed 18/01/2012)

timely as possible, and; (b) any development that is permitted reflects an understanding of local interests and opportunities for positive local gain'.<sup>35</sup>

The Protocol for Public Engagement for Proposed Wind Energy Developments in England outlines five principles of effective engagement:

- Access to information
- The opportunity to be consulted and make representations
- The opportunity to contribute ideas
- The opportunity to actively take part in developing proposals and options
- The opportunity to receive feedback and to be kept informed

Effective community and public engagement between a developer, the local community, local government and statutory organisations can help improve proposals for a development as they will:

- Reflect an understanding of local issues and concerns
- Project much more accurately the potential impacts and benefits
- Local communities can help shape the development
- Local communities can be part of the decision making process about their continuing relationship with the development once operational

### **3.2 Examples of Policy Frameworks for Community Engagement**

In recent years, the planning system in England has been reformed to make it more flexible and responsive and more focused on sustainable development. England's planning policy on renewables, as stated in Planning Policy Statement 22, clearly endorses effective public engagement in renewable energy policy development and in renewable energy project proposals.

As part of this process, the government has outlined its principles for community involvement in the various planning statements and guidance documents. These principles include:

- The front loading of involvement – opportunities for early community involvement and a sense of ownership of local policy decisions
- Using methods of involvement which are relevant to the communities themselves
- Clearly articulating opportunities for continuing involvement as part of a continuous programme, not a one-off event
- Transparency and accessibility
- Planning for involvement. Community involvement should be planned into the process

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<sup>35</sup> Ibid, page 7.

In addition to Government, the wind industry in England has also outlined an approach towards engaging with communities. A Community Benefits Protocol has been produced which outlines the commitment by the members of RenewableUK to deliver benefits to communities that live near onshore wind farms of 5MW and above (installed capacity).<sup>36</sup> The Protocol, however, is only applicable to England. Currently, in Northern Ireland, at the time of writing, no similar document has been produced by the wind industry.

The Canadian Wind Energy Association (CWEA) suggests a number of approaches to both informing and consulting the public. These include facilitated workshops and working with a local Community Advisory Committee, which provides a voice for the local community.

The CWEA states that a well-designed, community engagement programme is a proactive exercise in seeking out and responding to community issues. While recognising the goals of the developer and the stakeholders can be very different, ‘the overall goal is to develop the best possible project and ensure wind energy developments are welcomed in the community’.<sup>37</sup>

### **3.3 Community Engagement in Northern Ireland**

The policy framework which exists in Northern Ireland is focussed on seeking planning permission. Liaison with communities by developers in Northern Ireland follows a very standard approach, which is based around providing information on the proposed development. This is generally done prior to submitting planning permission by:

- Circulating letters / information packs to householders and local organisations
- Calling at homes in the vicinity of the proposed vicinity
- Calling / meeting local councillors
- Holding an exhibition in a local venue to show the plans

The focus is, therefore, on the pre planning application phase. In cases where local community benefits funds have been established, the relationship between a development and the local community is centred on the local groups seeking grants from the developer or an intermediary annually. Outside this process, there is, at best, a limited relationship between the wind farm and the local community in which the development is located – in terms of a local or accessible point of contact to arrange educational visits, etc.

Best Practice Guidance to PPS 18 for instance outlined in Chapter 2, notes how the educational benefit of wind energy developments should also be considered i.e. scope for an interpretive centre on alternative energy resources to be located at an accessible location in proximity to a wind energy development, such developments are not common features at many wind farms.

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<sup>36</sup> RenewableUK (2011) A Community Commitment: The Benefits of Onshore Wind. Available At: <http://www.bwea.com/pdf/publications/CommunityBenefits.pdf> (accessed 10/01/2012)

<sup>37</sup> Canadian Wind Energy Association. Wind Energy Development – Best practices for Community Engagement and Public Consultation, page 5. Available at: <http://www.canwea.ca/pdf/canwea-communityengagement-report-e-final-web.pdf> (accessed 18/01/2012)

The new Community Planning powers which Local Government is due to implement as part of the reform of Local Government in 2015 provides an appropriate vehicle to oversee community engagement in the future. Effective community planning has the potential to lead to increased levels of engagement and public impact. Effective levels of engagement are outlined in the Protocol for Public Engagement with Proposed Wind Energy Developments in England (Appendix 1). It is essential, however, that this issue is not left in abeyance until 2015 and action is taken by DETI, DOE and District Councils now.

The Protocol for Public Engagement with Proposed Wind Energy Developments in England highlights the process for adopting a Community Engagement Protocol. In summary, this includes a role for all stakeholders<sup>38</sup>:

- Role of developers - to prepare and apply a coherent engagement plan in partnership with planners and local councils with reference to community involvement
- Role of local authorities - to support the development of the developer's engagement plan. This needs to take place while making clear that involvement in this process is not an indication of support for any application
- Role of communities - to ensure these protocols are implemented, there are clear responsibilities at community level, which include openness, transparency, constructive dialogue and clear communication lines. This process also needs to take place, while making clear that involvement in the process is not an indication of support for any application

Stakeholders in Northern Ireland should take into consideration the issues raised here in their future activities. This includes community infrastructure support organisations like The Fermanagh Trust, who have an important role in advising and supporting local rural groups. There is a tradition of community organising in Northern Ireland and each rural community is generally represented by one or more community development associations, which is helpful in having immediate points of contact for community engagement.

### **3.4 Good Practice Model**

The Nant y Moch Wind Farm is to be located east of the A487 between Tal-y-bont village and the Nant y Moch reservoir north of Aberystwyth, Ceredigion, Wales. The wind farm is a SSE Renewables initiative. The community engagement process, which the company has established in conjunction with the local community includes:

- Appointing a bilingual, locally-based Community Liaison Officer

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<sup>38</sup> Centre for Sustainable Energy, BDOR and Peter Capener (2007) The Protocol for Public Engagement with Proposed Wind Energy Developments in England, a report for the Renewables Advisory Board and DTI. Available at: <http://www.cse.org.uk/pdf/pub1079.pdf> (accessed 18/01/2012)

- Working closely with a Community Liaison group established with representation from local communities and key stakeholders
- Forming and approving the ‘Community Engagement Plan.’ The Plan sets out the methods, timing and transparency of SSE Renewables to consult with the local communities, interested parties and the wider public throughout the lifecycle of the development;
- Establishing a dedicated website to keep all stakeholders informed <http://nantymochwindfarm.com/>

Though this proposed wind farm is one of the largest onshore wind farms planned in the UK, the process and procedures adopted by SSE Renewables clearly outlines how effective community engagement can take place.

### **3.5 The Benefits of Effective Engagement**

Much analysis has taken place into why the wind energy sector has been unable to move quicker on the transition to a low carbon economy. The long planning process is often blamed for the delay. When one looks at the decision-making process, there are three distinct parties to the process – the private developers, Government and local communities. The current process, from the initiation of a wind farm project through to a final decision, can often take 6+ years. In terms of community engagement, the potential appears to exist for each of the three distinct parties to redefine their relationships for the benefit of all parties. Effective community engagement offers the potential to build local support of wind power.

Recent research carried out by proper engagement with local residents would be ‘a radical departure from the current planning process’ Barry and Ellis (2010) outlines the importance of involving people;

‘We are beginning to understand how the inevitable transformation of our energy economy will impact on virtually every aspect of our carbon-based society, yet we have not conceived of how to include people whose lives will be affected in the decisions which will lead to those changes. That is not just the confirmation of an important political principle (i.e. those who suffer laws and policies should have some part in their making) but also for eminently practical reasons. We believe we are *more*, not *less* likely, to get people supporting the types of changes needed if we include them in the decision making process’.<sup>39</sup>

The research concluded that and would increase the likelihood of gaining political support.<sup>40</sup>

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<sup>39</sup> Barry, J. and Ellis, G. (2010) Beyond consensus? Agonism, republicanism and a low carbon future. In: Devine-Wright, P. (ed) (2010) Renewable Energy and the Public: From NIMBY to Participation. London:Earthscan, pages 29-42.

<sup>40</sup> Ibid.

### **3.6 Summary**

In Northern Ireland currently, key engagement centres on the relationship between the Industry and Government. Effective community engagement or involvement is not a feature of any government action plans. This is very different to England, Scotland and Wales where the role of communities is considered to be extremely important. There may be historical reasons why the ‘public service’ and the wind industry here have not prioritised community engagement. With local authorities being given new community planning guidelines this will no longer be the case. In the meantime, it is essential that community engagement processes are an integral part of all stakeholders’ strategies. It is essential that this issue is not left in abeyance until 2015 and action is taken by DETI, DOE, DARD and District Councils now.

#### **Recommendation**

Community Engagement - large scale commercial developers should develop clear protocols on effective community engagement for wind farm developments. This engagement should be based on models of good practice and include post construction relationships re: educational benefits etc.

# 4 How do communities benefit from wind farm development?

## 4.1 Types of Community Benefits found in the UK

Communities can benefit from wind energy development through the provision of community benefits. Community benefits in the context of wind energy tend to be a contribution made voluntarily by a developer to communities which host a development. Previous research has noted that there is no standard approach towards the nature or scale of community benefits by wind energy developers in the UK.<sup>41</sup> Nevertheless, there is a range of community benefits which can commonly be identified with wind energy development in the UK. These can be broadly categorized as follows:

1. Local contracting and jobs
2. Benefits in kind
3. Community funds
4. Community ownership (sometimes referred to as local ownership)

Whilst these are the broad categories of community benefits provided in the UK, other benefits do exist which do not fit neatly into these categories. For example this may include land rental to owners, educational visits and school support and potential involvement of local people in the development process. However, it is obvious that questions can be raised surrounding the extent to which people in the local community perceive these as a benefit. Equally, various local people may have different views about what actually is considered to be a benefit. Additionally, it is also important to recognise that some of the potential benefits are difficult to influence or enhance for a community close to a wind farm. Examples of this include the location of where wind turbine components are manufactured and ownership of the land on which a wind project is built.<sup>42</sup>

The four main categories of community benefits will now be discussed:

1. Local contracting and jobs

Significant sums of money are involved in the construction and operation of a wind farm. However, the extent to which the local community benefits from the

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<sup>41</sup> Centre for Sustainable Energy & Garrad Hassan (2005) Community benefits from wind power: A study of UK practice & comparison with leading European Countries, a report to the Renewables Advisory Board & the DTI. Available at: <http://www.cse.org.uk/pdf/pub1049.pdf> (accessed 17/01/2012)

<sup>42</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf) (accessed 10/01/2012)

investment made by the wind farm developer is dependent on a range of factors. These include, whether locally based contractors are employed during these activities and where the components of the wind farm are made.

## 2. Benefits in kind

It may be the case that wind farm developers may provide or pay directly for improvements to local infrastructure. They may include, for example, in-kind improvements to community facilities, roads, environmental improvements, tourist facilities or support to community energy projects.

## 3. Community funds

A common form of community benefit provision is the provision of a community benefit fund. A number of different ways exist for developers to link payments from the wind farm to these funds. This could be done through the following<sup>43</sup>:

- An annual payment per megawatt (MW). This could be for every year or for some years of the project
- A lump sum payment when the project starts operating or at some point thereafter
- An amount linked to the revenue generated by the project
- Or finally, a combination of some or all of the above

It has been recognised that payments are offered in relation to the predicted profitability of the wind farm development. This can, therefore, result in a different sum being offered into the community fund by the same company for the same scale of development at different locations.<sup>44</sup> Community funds may support a range of local activities and are often provided over the lifecycle of a wind farm (typically a 25 year lifecycle). Examples of this may include providing funding towards community facilities, schools, and helping to provide education about environmental issues. Indeed some funds may support sustainable energy projects, which may encourage energy efficiency measures and raising levels of awareness. There are a number of different ways in which community funds can be administered and this may vary across wind farm developments. Local charitable trusts, community foundations and social enterprises are examples of some of the organisations which are engaged to administer community funds.

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<sup>43</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergYAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergYAToolkit.pdf) (accessed 10/01/2012)

<sup>44</sup> Scottish Borders Council - Achieving Community Benefits from Commercial Windfarms in the Scottish Borders: A Toolkit for Communities and Windfarm Developers.



#### 4. Community ownership

Community ownership is quite common place in European countries such as Germany and Denmark. However, implementation of community ownership schemes in the UK has been more challenging. Nevertheless, there have been a growing number of wind projects involving some form of community ownership in the UK and a number of models of community ownership currently exist. Community ownership can offer significant social and economic opportunities to communities and will be explored in greater detail later on in this report.

#### 4.2 Case Studies

The following examples outline how developers might engage with communities through the provision of community benefits.

##### Altahullion (Co. Derry / Londonderry, Northern Ireland)

Altahullion Wind Farm is comprised of 20 turbines, with an installed capacity of 26MW and was commissioned in 2003. The wind farm was developed by RES Ltd and B9 Energy Services Ltd. In the pre-application stage of the wind farm a local community group made a request for tourist work to be included as part of the development of Altahullion. The wind farm developers reacted to this request by putting in place a number of measures. For example, a car park was created on site and visitors are able to use a footpath which leads to a turbine which had previously been identified as a tourist turbine. The wind farm owner provided information boards and the RSPB and the local council provide information on the wind farm and environmental issues. Annual school visits are also run by RES Ltd to the wind farm.<sup>45</sup>

A community fund is in place at the wind farm which contributes to local activities. The fund is divided between three local community groups which are all registered charities. These groups were selected due to their proximity to Altahullion and after consultation with the local community and their representatives. In relation to the management of the community fund, arrangements for the community fund have been formalised in an agreement between Altahullion Wind Farm and the three community groups involved.<sup>46</sup>

##### Burton Wold (Northamptonshire, England)

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<sup>45</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What we do/UK energy supply/Energy mix/Renewable energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf) (accessed 10/01/2012)

<sup>46</sup> Department of Environment (2007) Draft Planning Policy Statement 18: Renewable Energy. Available at: [http://www.planningni.gov.uk/index/policy/policy\\_publications/planning\\_statements/pps18-draft-renewable-energy.pdf](http://www.planningni.gov.uk/index/policy/policy_publications/planning_statements/pps18-draft-renewable-energy.pdf) (accessed 17/01/2012)

Burton Wold is comprised of 10 turbines, with a capacity of 20MW and was commissioned in March 2006. The wind farm was developed by Your Energy. Through consultation with the local community, a community benefit scheme was established, which was designed to support energy efficiency and options for smaller-scale renewable energy projects. A community fund was set up to support these projects, as well as education initiatives. Once the wind farm was built, the community received a lump sum of £40,000 and then £10,000 per annum over the lifecycle of the wind farm. The fund is available to residents and community groups who can apply for grants and interest-free loans, which can be used to make energy efficiency improvements to their homes or premises, or to help promote energy efficiency education.<sup>47</sup> The community benefits fund is administered by Kettering Borough Council.<sup>48</sup>

#### *Farr Wind Farm (close to Inverness, Scotland)*

Farr Wind Farm is a large project which comprises of 40 turbines (92MW) and was commissioned in May 2006. The wind farm was developed by RWE npower renewables. A community benefit fund was established as a result of the wind farm to help local community projects in the areas of Strathnairn and Strathdearn. Strathnairn Community Benefit Fund Ltd and Strathdearn Community Charitable Trust administer the community fund. Both of these organisations were established by members of the local community. This helps to ensure that local representatives are able to make decisions about how the fund is allocated. In 2009, the Strathnairn Community Benefit Fund Ltd made 56 grants amounting in total to £86,070 across a range of different grant types. Examples of grants included further education and training grants for students, renewable grants and home heating grants. In 2009, the Strathdearn Charitable Trust made 13 grants totalling £21,550 to a variety of causes, which included helping to make improvements to local infrastructure.<sup>49</sup>

### **4.3 Summary**

The four categories of community benefits outline the approaches taken by developers. This ranges from local people being involved in the construction of a wind farm to local people owning a stake in a wind farm. The three case studies highlight different examples from benefits in kind to how communities benefit from a range of financial contributions.

### **Recommendation**

All local communities to take an active role in relation to a wind farm development being considered in their community exploring the range of community benefits which can be provided.

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<sup>47</sup> RenewableUK (2011) A Community Commitment: The Benefits of Onshore Wind. Available At: <http://www.bwea.com/pdf/publications/CommunityBenefits.pdf> (accessed 10/01/2012)

<sup>48</sup> Community Viewfinders (2007) Northumberland Protocol for Community Benefits from Wind Farm Developments, Final Report for the Northumberland Renewable Energy Group.

<sup>49</sup> RenewableUK (2011) A Community Commitment: The Benefits of Onshore Wind. Available At: <http://www.bwea.com/pdf/publications/CommunityBenefits.pdf> (accessed 10/01/2012)

## 5 Community Ownership

Community ownership in the UK, to date, has not been as widespread as in other European countries. Indeed, achieving community ownership in wind farm development can be challenging. Key challenges can include the regulatory environment, planning and legislative issues, the ability to access finance during the development process, time and commitment from the community, and often communities lack the technical experience or ‘know-how’ to progress a project. However, despite these challenges, in recent years, there have been a growing number of wind energy developments which incorporate some form of community ownership.

Indeed, the potential of community ownership is becoming increasingly recognised by the UK Government. The Office for Renewable Energy Deployment (ORED) is responsible for ensuring renewable energy targets are met. This includes unblocking barriers to the delivery of renewable energy. As part of this work the ORED is investigating ways to provide opportunities for communities to benefit through the promotion of community owned renewable energy schemes.<sup>50</sup>

Community ownership is recognised as presenting large, economic, social and environmental opportunities for local communities. The associated financial opportunities that arise can have a hugely positive impact for local communities, helping to sustain community infrastructure and enhance the lives of local people. The case studies that will be discussed in this chapter help to highlight the substantial financial benefits and the impacts that these can have on local communities. It is clear from these case studies that the financial opportunities from community ownership can be significantly higher than those presented by community funds. A range of benefits associated with community ownership have also been noted including<sup>51</sup>:

- Higher levels of social acceptance of wind energy
- The development of new local knowledge and skills
- Enhancing social and technical and social innovation
- Benefits resulting from the social interaction and cooperation and interaction which is needed to develop such a project
- Basing local incomes on a sustainable use of local resources
- Increasing stakeholders knowledge of energy and environmental issues

A notable benefit highlighted here is the relationship between community ownership and higher levels of social acceptance of wind energy. It has been recognised that

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<sup>50</sup> Department of Energy and Climate Change (2012) Office for Renewable Energy Deployment (ORED) Available at: [http://www.decc.gov.uk/en/content/cms/meeting\\_energy/renewable\\_ener/ored/ored.aspx](http://www.decc.gov.uk/en/content/cms/meeting_energy/renewable_ener/ored/ored.aspx) (10/01/2012)

<sup>51</sup> Cowell, R., Bristow, G., Munday, M. and Strachan, P. (2008) Wind Farm Development in Wales: Assessing the Community Benefits, a research project for the Welsh Assembly Government, Cardiff.

social acceptance is potentially a serious barrier to achieving renewable energy targets.<sup>52</sup> However empirical studies have been carried out which demonstrate the contribution of community ownership models of wind farms to social acceptance.<sup>53</sup> This is important to take into consideration given the likelihood of high levels of future wind energy development in Northern Ireland.

There are a number of different models of community ownership which exist and which will now be described:

1. Full ownership
2. Part ownership
3. Community/developer joint venture
4. Co-operative

## 5.1 Full Ownership

It is possible for a community to fully own a wind farm. However, given the high capital costs which are likely to be involved with full community ownership, it is more likely that this will take place for smaller scale developments. A case study of full community ownership is the Isle of Gigha.

### *Isle of Gigha (Argyll and Bute, Scotland)*

In 2002, a community buy-out of the Isle of Gigha took place from a private landowner. In order to take ownership of the island, the community raised over £4 million, much of which came as a result of grant funding. The island is managed by the Isle of Gigha Heritage Trust, which consists of elected members of the local community. The Trust has attempted to regenerate the economy on the island and to reverse issues of depopulation and under investment on the island. In 2003, the Trust established a community-owned wind farm to help generate an income which could be reinvested on the island. The wind farm is comprised of three refurbished 225kw turbines costing £440,000. The money was raised through grant funds, loan and equity finance, with loans being repaid within 7 years. The wind farm generates a gross annual income of approximately £150,000. This money is reinvested into a capital renewal fund to replace the turbines at the end of their lifetime and to pay for their maintenance. This results in a net income of between £75,000 and £100,000 being available every year for the community, and a fourth turbine is planned.<sup>54</sup>

## 5.2 Part Ownership

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<sup>52</sup> Wustenhagen, R., Wolsink, M. and Burer, M.J. (2007) Social acceptance of renewable energy innovation: An introduction to the concept. *Energy Policy*, 35(5), pp. 2683-2691.

<sup>53</sup> World Wind Energy Association (WWEA) (2011) WWEA highlights Community Power. Available at:

[http://www.wwindea.org/home/index.php/images/stories/index.php?option=com\\_content&task=view&id=309&Itemid=40](http://www.wwindea.org/home/index.php/images/stories/index.php?option=com_content&task=view&id=309&Itemid=40) (accessed 10/01/2012)

<sup>54</sup> The Southern Uplands Partnership (2011) A Study of Community Energy Benefits in the Southern Uplands. Available at: <http://www.sup.org.uk/PDF/SUPCommunityEnergyBenefitsResearch-Rev2.0.pdf> (accessed 17/01/2012)

This may involve a community group being able to own one or more of the turbines in a wind farm development. This requires significant fundraising, financial responsibility and management from the community group.<sup>55</sup> However, the financial benefits and impact this can make to a community is highlighted at Earlsburn, Scotland.

### Earlsburn (Stirling, Scotland)

The wind farm is comprised of 15 turbines (37.5MW) and was developed by Falck Renewables. Part of the development includes a community ownership scheme which was established with Fintry Renewable Energy Enterprise (FREE). This enabled the village (consisting of approximately 300 houses) to take a different approach to community benefits. Fintry viewed the wind farm as an opportunity which could bring benefits to all members of the community, with the potential to have an influence on energy use behaviour and attitudes within the area.

Fintry devised their own proposal for the ownership of an additional turbine, requesting that ownership would be available to all people in the village and not simply limited to those who could afford to invest. The proposal Fintry put forward was, therefore, for an additional 'community' turbine at the site, which brought it up to 15, which would be uniquely owned by the village and the revenue generated going into a community fund. With the support of Renewable Development Company (who put forward the original proposal for the Earlsburn Wind Farm along with Falck Renewables), the proposal for the wind farm was successful and planning permission for an additional turbine was granted<sup>56</sup>.

A financial package was agreed with Falck Renewables, where the company agreed to pay the full initial cost of the additional turbine and the village will pay this back over the first 15 years of operation.<sup>57</sup> The Fintry Development Trust was set up to manage the revenue received from the operation of the turbine and in the first three years of the turbine operating gained an income of approximately £230,000. Fifty-eight per cent of households surveyed in the village between September 2008 and January 2009 had benefited from free insulation measures on offer. Those people receiving cavity wall and/or loft insulation on average will save £600 on their annual fuel bills. This amounts to a total increase in annual disposable income of £91,352 for the community, and if energy savings as a result of changes in behaviour are included, the increase in annual disposable income for the community is thought to be £180,000.

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<sup>55</sup> Community Pathways (2011) Summary: Models for community benefits or shared ownership of commercial renewable energy projects. Available at: <http://www.communitypathways.org.uk/approach/models-community-benefits-or-shared-ownership-commercial-renewable-energy-projects> (accessed 09/01/2012)

<sup>56</sup> RenewableUK (2011) A Community Commitment: The Benefits of Onshore Wind. Available At: <http://www.bwea.com/pdf/publications/CommunityBenefits.pdf> (accessed 10/01/2012)

<sup>57</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf) (accessed 10/01/2012)

Improvements made to households energy efficiency, significantly reduce the number of households in fuel poverty in the local area.<sup>58</sup>

In addition to the benefits experienced by the Fintry community, Falck Renewables provides £35,000 (which increases annually with the RPI) on a yearly basis into the Earlsburn Wind Farm Community Benefit Fund. The fund is available to applicants from Denny & District, Carron Valley & District and Cambusbarron community council areas.<sup>59</sup>

It is also important to recognise, that once all costs have been repaid by the Fintry community the financial benefits will increase significantly. Taking into account future fluctuations in factors such as wind speeds and electricity prices, it is estimated that Fintry will receive a profit in the region of £400,000 to £600,000 per annum once all costs have been repaid.

### **5.3 Community/Developer Joint Venture**

In these circumstances, a ‘special purpose vehicle’ is created from members of a community group with a developer to form a company which will own and operate the development. This allows both the community and the developer to have equity stakes in the development. Significant investment, time and management are required from the community.<sup>60</sup> However, the benefits can be substantial as seen in Neilston Community Wind Farm.

#### *Neilston Community Wind Farm (East Renfrewshire, Scotland)*

The proposed Neilston Community Wind Farm is comprised of four wind turbines (anticipated wind farm size 8.2MW) and was granted planning permission in early 2011 with construction to commence shortly. Neilston Development Trust (a social enterprise) has formed a 49.9% / 50.1% joint venture with the developer Carbon Free Developments Limited (‘Carbon Free’). Carbon Free has taken full responsibility for the development and planning process, and will help the community source the capital needed to fund the community’s investment in the wind farm. The developer undertook all of the risk involved in the planning process. The community did not have to invest any money unless planning permission was achieved, and then, only if it considered the wind farm to be an appropriate investment.<sup>61</sup>

It is expected that Neilston Community Wind Farm will generate up to £11 million in profits for community use over the life of the project. Neilston is a small town with 5,000 residents and in 2009 it became Scotland’s first Renaissance Town (a community-led programme empowering local people to contribute to the regeneration

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<sup>58</sup> RenewableUK (2011) A Community Commitment: The Benefits of Onshore Wind. Available At: <http://www.bwea.com/pdf/publications/CommunityBenefits.pdf> (accessed 10/01/2012)

<sup>59</sup> Ibid.

<sup>60</sup> Community Pathways (2011) Summary: Models for community benefits or shared ownership of commercial renewable energy projects. Available at: <http://www.communitypathways.org.uk/approach/models-community-benefits-or-shared-ownership-commercial-renewable-energy-projects> (accessed 09/01/2012)

<sup>61</sup> Carbon Free Developments (2012) Neilston Community Wind Farm: Overview. Available at: [http://www.carbonfreedevelopments.co.uk/neilston\\_overview.html](http://www.carbonfreedevelopments.co.uk/neilston_overview.html) (accessed 06/01/2012)



of their area). The Towns Charter is a manifesto for the community and proposes a 20 year vision for Neilston. The Charter identifies renewable energy developments as part of its sustainable future. The Neilston Community Wind Farm will, therefore, help to fulfil these ambitions.<sup>62</sup>

The joint venture model which was developed for the Neilston Community Wind Farm, was designed specifically to tackle the main reasons as to why community-led wind farms often fail. The reasons include a shortage of specialised development knowledge in a community and a lack of speculative capital needed to fund the development process.<sup>63</sup>

#### **5.4 Co-operative**

Co-operative businesses are owned and run by and for their members, giving members an equal say and share of profits. There are a growing number of renewable energy co-operatives in the UK with over 30 having registered since 2008.<sup>64</sup> The work of Energy4ALL is well known in the development of co-operatives for wind energy developments. Energy4All attempts to combine the ethics of a not-for-profit social enterprise with best business practice and has seven co-operatives with many other projects in development. To date Energy4All's main focus has been on wind power; however, it is currently working on projects involving other technologies.<sup>65</sup> Energy4All has established agreements with selected developers to offer communities a share in major commercial projects, and is working with local groups and landowners to develop small to medium sized projects that will be entirely community owned.<sup>66</sup> An example of a co-operative which Energy4All established is found at Deeping St Nicholas Wind Farm.

##### *Deeping St Nicholas (Lincolnshire, England)*

The wind farm comprises of eight 2MW turbines and became operational in 2006. As part of the consultation process for the wind farm, Wind Prospect Ltd (project developer) set up a community liaison group. Meetings were held both pre and post application. The wind farm site is popular with visitors and helps to serve as an educational tool for local schools.

Local people had the opportunity to invest directly in the wind farm. The Fenland Green Power Co-operative was established in association with Wind Prospect Ltd, and gives local people the chance to invest in wind farm developments in their area. The share offer for the wind farm raised £2.66 million. This enabled two operational

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<sup>62</sup> Carbon Free Developments and Neilston Development Trust (2011) Unique joint venture wind farm approved - up to £11 million for community projects. Available at:

<http://www.carbonfreedevelopments.co.uk/documents/Neilston.doc> (accessed 06/01/2012)

<sup>63</sup> *ibid.*

<sup>64</sup> Willis, R. and Willis, J. (2012) Co-operative renewable energy in the UK: A guide to this growing sector. Available at: <http://www.uk.coop/sites/default/files/RenewableEnergy.pdf> (accessed 10/01/2012)

<sup>65</sup> Energy4ALL (2012) Our History. Available at: <http://www.energy4all.co.uk/aboutus.asp?ID=ABT1&catID=1> (accessed 09/01/2012)

<sup>66</sup> Energy4All (2012) Community Solution: Co-operative Futures. Available at: <http://www.energy4all.co.uk/community.asp?ID=COM1&catID=2> (accessed 09/01/2012)

2MW wind turbines to be purchased at the site. Each shareholder invested an average of £2400 and now owns a stake in the wind farm.

In addition to the educational value and co-operative arrangements, the wind farm also helps to contribute to the Deeping Fen Wind Farm Trust. The Trust Fund initially received £30,000 and then £10,000 on an annual basis from the wind farm. The Trust Committee administers the fund. Grants are awarded to local projects, mainly those which encourage energy efficiency and conservation.<sup>67</sup>

## **5.5 Summary**

Community ownership in wind farm development can present substantial economic and social opportunities to help sustain communities. Although it can be challenging, community ownership in a commercial wind farm development can help contribute to the long term sustainability of communities. The large revenue streams generated can help communities tackle pressing issues such as fuel poverty.

Whilst the Isle of Gigha case-study helps to demonstrate a community-led approach, the other case studies in this chapter importantly show that it is possible for communities to work closely alongside private developers to achieve positive outcomes for all stakeholders. Many communities have adopted the Development Trust model as the most appropriate way to facilitate community ownership.

## **Recommendations**

Local community based organisations to examine and where possible develop and implement wind farm developments based on one or more of the community ownership models outlined in this report.

Community Ownership - has been shown to help increase levels of acceptance. Given the likelihood of clustering of wind farms especially in the rural west and the impact of further installations and associated grid infrastructure, developers should consider offering some form of community ownership as part of a community benefits package at their sites.

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<sup>67</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf) (accessed 10/01/2012)



## 6 Emerging Trends in the Nature and Scale of Community Benefit Provision?

As previously noted, there is not a standard approach taken to the nature and scale of community benefits. Previous case studies help to highlight agreed levels of community benefits at existing wind farms. Recent research has, however, shown that the level of community benefit provision has been increasing in the UK.<sup>68 69</sup> Several case studies will now be highlighted which show good practice in terms of the level of community benefit now being offered at some wind farms in England and Scotland. Whilst it cannot be expected that all future wind farms may offer the level of community benefit provision highlighted by these case studies, they do help to demonstrate some of the benefits that may be available to communities.

### Allt Dearg Community Wind Farm (South Argyll, Scotland)

The wind farm is being developed by Lomond Energy. The wind farm, which consists of 12 turbines (10.8MW), has been granted planning permission and is currently under construction. Lomond Energy is working in partnership with local landowners – including Ormsary and Stronachullion Estates. Lomond Energy has noted a number of local benefits exist for the project including:

- Community ownership of one wind turbine. This will help to secure a long term sustainable income in support of a major regeneration project
- Local jobs through the construction and operation support
- Improved public access to the site
- Sustainability is key to the long term socio-economic and environmental future of the Ormsary and Stronachullion Estates through self ownership generated revenues<sup>70</sup>

The benefits from this project help to demonstrate how wind energy development can be important to the long term sustainability of rural communities.

The high level of community benefit found at Allt Dearg is not an isolated case. Indeed, at the time of writing, Lomond Energy currently has a number of projects either in planning or in development which propose to offer community ownership of one turbine (as part of the wider development) to help support local projects to communities. Examples of these include Spurlens Rig Wind Cluster – a 6 turbine

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<sup>68</sup> The Pool in Scotland (2010) A guide for community groups on investing for community benefit, A report for Community Energy Scotland and the Scottish Community Foundation. Available at: <http://www.communityenergyscotland.org.uk/userfiles/file/Investing%20for%20Community%20Benefit/Investing%20for%20Community%20Benefit.pdf> (accessed 17/01/2012)

<sup>69</sup> Cowell, R., Bristow, G., Munday, M, and Strachan, P. (2008) Wind Farm Development in Wales: Assessing the Community Benefits, a research project for the Welsh Assembly Government, Cardiff.

<sup>70</sup> Lomond Energy (2011) Allt Dearg Community Wind Farm. Available at: <http://www.lomondenergy.co.uk/projects/allt-dearg.html> (accessed 31/12/2011)

development (12MW total capacity) proposed in the Scottish Borders<sup>71</sup> and Merkins Wind Farm – a 10 turbine development (25MW capacity) in West Dumbartonshire<sup>72</sup>.

*Dunbeath Wind Farm (close to Dunbeath, Scottish Highlands)*

At the time of writing, Dunbeath Wind Energy Ltd (a joint venture between RDC Scotland Limited and Falck Renewables) is proposing to develop a wind farm comprising of 22 wind turbines. A planning application has been submitted and each turbine is expected to have a maximum power output of a maximum of 3MW. The community benefits package offered to the local community is very extensive.

Similar to other projects in the Scottish Highlands, Falck Renewables have offered a community benefits package in two parts: a Revenue Benefit and a Performance Payment. The Revenue Benefit will comprise of an annual payment of £1,000 per MW installed per annum over the life time of the wind farm. Secondly, the Performance Payment will comprise of a payment based on the annual output of the wind farm. Whilst this would vary on a yearly basis, it is anticipated that this will average £1,000 per MW each year over the life time of the project.

In addition to this, a local co-operative is intended to be set up with the support of Energy4All. This would give local people the opportunity to buy a stake in the wind farm. Local people would be able to join the co-operative and be able to buy shares worth between £250 and £20,000. Profits generated from selling electricity from the wind farm would then be distributed to members through an annual dividend.

Falck Renewables also notes that it is keen to further enhance community benefits provided through the ‘gifting’ of two of the turbines within the existing project. It is anticipated that this would provide an additional benefit of £100,000 to £120,000 per annum averaged over the lifecycle of the wind farm to the local community. This is similar to a model currently adopted at Fintry. At Dunbeath, Falck Renewables will finance, construct, own and operate the two ‘community turbines’ for the benefit of the community. Annual payments to the community would then be calculated by taking revenues generated from the two turbines and subtracting the proportionate share of operating costs and financing costs<sup>73</sup>.

Falck Renewables currently have a number of other sites at the time of writing which also offer a high level of community benefit provision. Examples of these include Spaldington Airfield Wind Farm in Yorkshire and West Browncastle in South Lanarkshire, which either have been authorized or are under construction. At both of these sites a community fund will be established into which £2,000/MW constructed

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<sup>71</sup> Lomond Energy (2011) Spurlens Rig Wind Cluster. Available at: <http://www.lomondenergy.co.uk/projects/spurlens-rig.html> (accessed 31/12/2011)

<sup>72</sup> Lomond Energy (2011) Merkins Wind Farm. Available at: <http://www.lomondenergy.co.uk/projects/merkins.html> (accessed 31/12/2011)

<sup>73</sup> Falck Renewables (2011) Dunbeath. Available at: [http://www.falckrenewables.eu/attivita/elenco/dunbeath/community.aspx?sc\\_lang=en](http://www.falckrenewables.eu/attivita/elenco/dunbeath/community.aspx?sc_lang=en) (accessed 20/12/2011)

will be paid annually, and Falck Renewables discusses giving local people the opportunity to purchase shares in a co-operative associated with the wind farm.<sup>74</sup>

### M48 Wind Farm

There are a number of examples in the UK where developers are offering high contributions into community funds at the time of writing. One of these is the M48 Wind Farm being proposed by REG Windpower. If the wind farm is granted planning permission, £4,000/MW will be put aside for each year the turbines are operating.<sup>75</sup>

## **6.1 Summary**

At some wind farm developments in Great Britain, very high levels of community benefits have been provided or are currently being proposed. This is encouraging for communities which may host wind farm developments in the future.

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<sup>74</sup> Falck Renewables (2011) Spaldington Airfield. Available at:  
[http://www.falckrenewables.eu/attivita/elenco/spaldington-airfield/community.aspx?sc\\_lang=en](http://www.falckrenewables.eu/attivita/elenco/spaldington-airfield/community.aspx?sc_lang=en)  
(accessed 20/12/2011)

Falck Renewables (2011) West Browncastle. Available at:  
[http://www.falckrenewables.eu/attivita/elenco/west-browncastle/community.aspx?sc\\_lang=en](http://www.falckrenewables.eu/attivita/elenco/west-browncastle/community.aspx?sc_lang=en)  
(accessed 20/01/2012)

<sup>75</sup> REG Windpower (2011) Community benefits. Available at:  
<http://www.m48windfarm.co.uk/communitybenefits.html> (accessed 01/01/2011)

## **7 How Does the Provision of Community Benefits in Northern Ireland Compare with the rest of the UK?**

### **7.1 Provision of Community Benefits in Northern Ireland**

A combination of a desktop study and a questionnaire distributed to wind energy developers was used to identify community benefits associated with approved wind farms in Northern Ireland (those which have received planning permission and are either operational, under construction, or consented). It was possible to identify approved wind farms in Northern Ireland through the use of Planning Service data and RenewableUK's UK Wind Energy Database. Whilst there are a significant number of wind farm planning applications currently in the Northern Ireland planning system, the decision was taken to focus on projects that had already been approved in Northern Ireland. This would allow for more meaningful comparison against recent research conducted in the UK, which has focused primarily on approved wind farms.

A desktop study was initially conducted to gather data on community benefits associated with wind farms in Northern Ireland. However, a limited amount of information was found in the public domain. The level of information in relation to wind farm developments provided from developers websites and through sources such as company press releases varied between developers. Some developers provide more detailed information than others; particularly for more recent wind farm developments in planning. The questionnaire survey, which was distributed to large-scale, wind farm developers who are members of NIRIG, was, therefore, important to build up a more accurate picture of community benefit provision in Northern Ireland. NIRIG represents the majority of large-scale wind developers in Northern Ireland.

Information on community benefits for a total of 17 approved wind farm schemes in Northern Ireland was provided by developers at the time of completing the questionnaire. One of these schemes included a single turbine development.

### **7.2 Results**

Based on the information provided by developers in the questionnaire, a number of community benefits were found to be typically provided across the 17 approved wind farms:

- The developers highlighted the support wind farm development provides to local economies. This can be seen for example through the financial benefits from construction activities and ongoing maintenance of a wind farm. The responses highlighted the use of local contractors during construction and the use of locally manufactured content. Local people may be involved in the operation and maintenance of the wind farm
- All 17 wind farms rent land from landowners(s)
- Potential involvement in the development process by local landowners, groups or individuals

- Improvements to local community facilities are a benefit which often results from wind farm development. One developer noted that this would be a typical use of community funds
- The majority of wind farms had or will soon have a community fund in place. A range of different organisations were found to be used to help administer the funds. These included local funding bodies such as community foundations
- Other community benefits which were provided included developers carrying out improvements to the local environment and wildlife habitats, as well as educational visits and support for schools

Whilst other benefits provided included sponsorship of local groups and teams and the establishment of visitor/tourist facilities, these benefits were not widespread. It is important to note that none of the 17 wind farms offered the opportunity for local residents or businesses to invest or buy shares.

The results from the desktop study reinforced the results from the questionnaire of the type of benefits typically provided in Northern Ireland. However, a noticeable result from the questionnaire was that none of the 17 wind farms incorporated a form of community ownership. The desktop research in addition to the questionnaire, found no such evidence of an approved wind farm in Northern Ireland which had incorporated some form of community ownership.

The developers who completed the questionnaire provided a degree of information on the value of some of their community funds. In addition to this information, the desktop study also discovered the value of community funds at approved wind farms provided by developers who did not complete the questionnaire.

The value of community funds was found for a total of 14 wind farms all of which had been approved after the year 2000. The values for these community funds range from approximately £500/MW per annum to £2,000/MW per annum. Only one wind farm was found to pay £2,000/MW per annum into a community fund. Most of the values paid into community funds were much lower.

At eleven of the fourteen wind farms, values currently being paid into these community funds were found to range from approximately £500/MW per annum to £1000/MW per annum. Though at one of these sites, where the community fund was valued at £1,000/MW per annum, the developer noted that the amount was due to increase in the future.

The higher values found by this research being paid into community funds in Northern Ireland were for wind farms which have been approved in the last two years. However, three wind farms, which had been approved within the last two years were found to have community funds which receive from between approximately £600 to £750/MW per annum (when calculated over the 25 year life cycle of the wind farm).

Whilst it was not possible to produce an extensive list of all community benefits provided at each approved wind farm in Northern Ireland, the research does help to

highlight community benefits typically provided at wind farm developments in Northern Ireland.

### **7.3 How Does the Provision of Community Benefits in Northern Ireland Compare with the Rest of the UK?**

It would appear that many of the types of community benefits provided in Northern Ireland are consistent with those having been already identified in the UK by previous research.<sup>7677</sup> However it is important to note that there are no instances of community ownership in Northern Ireland. Examples of community ownership in Great Britain are highlighted in Chapter 5.

In relation to the provision of community funds, previous research has found that there was no standard level of payment or approach to community funds.<sup>78</sup> Evidence from Northern Ireland seems to support this notion that there is no standard level of payment for amounts being paid into community funds.

Some of the most recent research into the provision of community benefits has been carried out in Wales and produced for the Welsh Assembly Government in 2008.<sup>79</sup> The research, which assessed the provision of community benefits in Wales, attained information principally from onshore wind farms which were either commissioned, under construction or recently granted planning permission, but for which construction was yet to begin. This therefore enables a reasonably accurate comparison to be made with information gathered by this report into the provision of community benefits at approved wind farms in Northern Ireland.

The research noted that the majority of onshore wind farms in Wales provided some form of a community benefit fund. This was usually in the form of a sum per MW of installed capacity paid each year by the developer or operator to a local community body. The research noted that this type of provision has become normal and that average sums paid into these funds have increased from £1,000/MW per annum at the start of the decade commencing the year 2000, to sums attaining and exceeding £2,000/MW increasingly being achieved. However the research noted that since 1999, of the 12 projects that had been completed, four of these wind farms provide £2000/MW per annum or more and one wind farm provides £5,000/MW per annum into a community fund.<sup>80</sup> It is important to note that this research was published in 2008 and, therefore, it is likely a number of wind farms will have been completed since.

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<sup>76</sup> Centre for Sustainable Energy & Garrad Hassan (2005) Community benefits from wind power: A study of UK practice & comparison with leading European Countries, a report to the Renewables Advisory Board & the DTI. Available at: <http://www.cse.org.uk/pdf/pub1049.pdf> (accessed 17/01/2012)

<sup>77</sup> Cowell, R., Bristow, G., Munday, M, and Strachan, P. (2008) Wind Farm Development in Wales: Assessing the Community Benefits, a research project for the Welsh Assembly Government, Cardiff.

<sup>78</sup> Centre for Sustainable Energy & Garrad Hassan (2005) Community benefits from wind power: A study of UK practice & comparison with leading European Countries, a report to the Renewables Advisory Board & the DTI. Available at: <http://www.cse.org.uk/pdf/pub1049.pdf> (accessed 17/01/2012)

<sup>79</sup> Cowell, R., Bristow, G., Munday, M, and Strachan, P. (2008) Wind Farm Development in Wales: Assessing the Community Benefits, a research project for the Welsh Assembly Government, Cardiff.

<sup>80</sup> Ibid.

Other research was undertaken on a UK level in 2009 by the Scottish Community Foundation (SCF) into the provision of community benefits from wind farms. The SCF noted that whilst £2,000/MW per annum was an industry ceiling, it was becoming more normal for developers to provide this level. In Scotland, it was noted that in some cases community benefits have been set at a higher level.<sup>81</sup> Whilst the sums discussed here are towards the provision of community benefits in general, they do provide a good indication of the amounts that have been provided by commercial developers.

Reflecting on the existing research discussed above it would appear that:

- The higher levels of payments into community funds in Great Britain, have generally not been achieved at approved wind farms in Northern Ireland. In Great Britain for example, amounts attaining and exceeding £2,000/MW per annum have increasingly been achieved. Only one of the fourteen community funds identified by this research in Northern Ireland was found to offer £2,000/MW per annum
- In Great Britain average levels of payments being paid into community funds have been found to be increasing through time but in Northern Ireland there appears to be a mixed picture. Whilst some wind farms have seen higher levels of payments in recent years, substantially low levels of payments are still being made into community funds for recently approved wind farms

It should also be noted that there is no evidence of community ownership of a wind farm development in Northern Ireland which has been seen in Great Britain. It is also evident from case studies such as Allt Dearg, in addition to others such as Earlsburn, which were discussed in earlier chapters, that some approved wind farms have developed some very innovative approaches to the provision of community benefits in Great Britain. These case studies from Great Britain help to demonstrate a very high level of community benefit provision with substantial financial benefits for host communities. Based on the information gathered during this research, no evidence exists in Northern Ireland of similarly innovative approaches or a similarly high level of community benefit provision as seen in these case studies.

#### **7.4 Summary**

Many of the types of community benefits found in Northern Ireland are similar to those found in Great Britain, with the exception of community ownership. However there are notable differences in relation to the level of community benefit provision between wind farms in Northern Ireland and Great Britain.

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<sup>81</sup> The Pool in Scotland (2010) A guide for community groups on investing for community benefit, A report for Community Energy Scotland and the Scottish Community Foundation. Available at: [http://www.communityenergyscotland.org.uk/userfiles/file/Investing for Community Benefit/Investing for Community Benefit.pdf](http://www.communityenergyscotland.org.uk/userfiles/file/Investing%20for%20Community%20Benefit/Investing%20for%20Community%20Benefit.pdf)(accessed 17/01/2012)



## **Recommendation**

Community Benefit Funds - local communities should be offered by developers a minimum initial payment of £2,000 per MW of installed capacity and a minimum annual payment of £2,000 per MW of installed capacity and that payment is index linked (amounts to be agreed between developer and local community representatives). This should apply to all new wind farms including those in the planning system or yet to be commissioned. In relation to community benefit funds - a percentage of the total annual funds to be utilised for local community projects, and a percentage to go specifically towards tackling fuel poverty in the area. This would establish a clear link between the wind farm and energy costs.

## 8 Good Practice towards engaging and working in partnership with communities

The role of communities in renewable energy development is being increasingly recognised in Great Britain compared to Northern Ireland. Indeed, there have been some very proactive approaches taken by local and national government and the private and voluntary sectors in Great Britain towards engaging and working in partnership with communities in renewable energy development. This chapter will attempt to highlight some of these approaches, with particular reference to Scotland and Wales where it is clear that stakeholders take a very proactive approach to maximizing the potential outcomes that may result from the growing renewable energy sector.

### 8.1 Good Practice from Scotland and Wales

The Scottish Government recognizes the potential of renewable energy sources to contribute to economic growth and the opportunities for creating new employment and manufacturing particularly in rural areas. However, it also recognizes the importance of the role communities have to play:

‘The Scottish Government wishes to maximise the benefits for communities from renewable energy. We believe that there is so much more a community can gain from renewables projects, over and above the energy generated and financial benefits. For example: increased community cohesion and confidence, skills development and support for local economic regeneration.’<sup>82</sup>

The Scottish Government’s commitment to local communities is set out in its Supporting Economic Recovery: 10 Energy Pledges. Pledge 1 states:

‘We will support and accelerate the implementation of renewable energy, through our Renewable Energy Action Plan, in a way which promotes large scale, community based, decentralised and sustainable generation.’<sup>83</sup>

The Routemap for Renewable Energy in Scotland 2011 reflects on the challenge of meeting Scotland’s renewable energy ambitions. The Routemap has set targets for Scotland to meet at least 30% of overall energy demand from renewables by 2020 and has also set a target to deliver 500MW of community and locally-owned renewable energy by 2020. Scotland has already been a leader in the UK in relation to

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<sup>82</sup> The Scottish Government (2011) Renewable Energy for Communities. Available at: <http://scotland.gov.uk/Topics/Business-Industry/Energy/Energy-sources/19185/Communities> (accessed 16/01/2012)

<sup>83</sup> The Scottish Government (2012) Supporting Economic Recovery: 10 Energy Pledges. Available at: <http://www.scotland.gov.uk/Topics/Business-Industry/Energy/Action/economic-recovery/10-Pledges> (accessed 20/01/2012)

community-owned schemes over the past decade with over 800 schemes having been supported.<sup>84</sup>

The Scottish Government has noted that with the arrival of Feed in Tariff and the Renewable Heat Incentive “the time is right to capitalise on this experience and transform the scale of local ownership, thus allowing communities and rural businesses to take advantage of the significant revenue streams that can accrue from this form of asset ownership.”<sup>85</sup>

In Scotland, there has been growing interest from communities who would like to develop their own renewable energy projects. The CARES loan fund was announced in early 2011 with the purpose of supporting locally-owned renewable energy projects which provide wider community benefits. The scheme provides loan finance towards the pre-planning consent stage of renewable energy projects which have considerable community engagement and benefit. The high risk cost of this stage is often viewed as a barrier to community groups and businesses who would otherwise consider developing a renewable energy project. A feature of the project is that it supports projects up to 5MW. CARES is managed on behalf of the Scottish Government by Community Energy Scotland.<sup>86</sup>

Community Energy Scotland (CES) is an independent Scottish Charity which provides free support and advice for renewable energy projects which are developed by community groups. The services provided by CES are also available to non-profit distributing organisations such as housing associations and social enterprises. CES’s aim is to build confidence, resilience and wealth at community level in Scotland through sustainable energy development. CES has a network of development officers and helps to support and empower communities.

The Scottish Government has also published a Community Renewable Energy Toolkit. The toolkit aims to contribute to helping Scotland achieve its renewable energy targets, by galvanising and providing guidance to community groups to find ways of maximising community involvement and benefits from renewable energy.<sup>87</sup> The toolkit helps communities to think about how they can benefit from renewable energy projects, regardless of whether they are community-led or through the development of partnerships with others. The toolkit provides information, advice and possible sources of funding.

A number of local authorities in Scotland and Wales have also produced their own guidance on community benefits associated with commercial wind energy development. Local authorities which have developed their own toolkits or guidance include:

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<sup>84</sup> The Scottish Government (2011) 2020 Routemap for Renewable Energy in Scotland – Executive Summary. Available at: <http://scotland.gov.uk/Publications/2011/08/04110353/2> (accessed 16/01/2012)

<sup>85</sup> *ibid.*

<sup>86</sup> Scottish Government (2011) Community And Renewable Energy Scheme. Available at: <http://scotland.gov.uk/Topics/Business-Industry/Energy/Energy-sources/19185/Communities/CRES> (accessed 01/12/2011)

<sup>87</sup> Community Energy Scotland Limited (2009) Community Renewable Energy Toolkit. Available at: <http://scotland.gov.uk/Resource/Doc/917/0115761.pdf> (accessed 16/01/2012)

### The Highland Council – Community Benefit

The Highland council wants to ensure that local communities benefit directly from the use of their local resources. The council has developed a policy in relation to the provision of community benefits. The council's policy is 'to seek funding and/or in-kind contribution from developers towards local community initiatives in respect of development, such as large renewable energy schemes, which have a long term impact on the environment, of not less than £5,000 per installed Megawatt linked to the Retail Price Index. This contribution is referred to as community benefit.'<sup>88</sup>

The Highland Council has also recently agreed for a new Concordat to be set up, which will outline the terms of a new relationship between the Council and developers. As part of this agreement, the Council will be responsible for providing the framework and infrastructure for receiving and then disbursing Community Benefit and through which developers will agree to provide not less than £5,000 per installed megawatt annually that will appreciate each year in line with the UK Retail Price Index.<sup>89</sup>

As well as this, the Highland Council has produced a range of guidance for developers and for communities. The guidance note produced for communities is targeted towards community groups and community councils and provides information on planning for and setting up a legal framework to help manage community funds. Advice on community engagement and legal issues is also covered by the guidance note.

### Scottish Borders Council – Achieving Community Benefits from Commercial Windfarms in the Scottish Borders: A Toolkit for Communities and Windfarm Developers

The Council has produced a toolkit which aims to help communities and developers in negotiations surrounding community benefits from commercial wind farm development. The toolkit covers key issues surrounding the planning system, the options for community benefits, the establishment of legal agreements and the allocation of community benefits.

### Argyll and Bute Council – Policy on Community Benefits from Windfarms

The Council has taken a very proactive approach to renewable energy. It recognises that managing these resources in a sustainable manner can help to address social and economic problems experienced by local people. The Council has developed its own policy towards community benefits and aims to build strong long-term relationships with renewable energy companies and achieve maximum benefits for communities. A process has been developed by the Council which involves renewable energy companies voluntarily entering into an agreement under a Strategic Concordat with the Council. Through this they agree to provide funding at a preset rate to the immediate community and to Argyll, Lomond and Island Energy Agency

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<sup>88</sup> The Highland Council (2011) Community Benefit. Available at: <http://www.highland.gov.uk/livinghere/communityplanning/communitybenefit/> (accessed 16/01/2012)

<sup>89</sup> The Highland Council (2011) Community Benefit. Available at: <http://www.highland.gov.uk/livinghere/communityplanning/communitybenefit/> (accessed 16/01/2012)

(ALIenergy). A range of stakeholders including the developer, the community, the Council and ALI Energy are involved in the negotiation and agreement of individual Trust Fund details.

Details of the agreed Community Wind Farm Trust Fund (CWFTF) are outlined in the Concordat. The agreed arrangements then apply to all future wind farm developments between the Council and the developer. Principles for the CWFTFs include:

- The Council recommends that a sum of £2,000 per megawatt of installed capacity per year should be the minimum payment for community benefit with an additional £1,000 per megawatt based on the actual annual output of the wind farm
- Developers will be encouraged to split future trust funds in the following way: 60% to the immediate local community through a local trust fund or equivalent, and, 40% to the wider Argyll and Bute Community through supporting the work of ALIenergy

Scottish Power UK plc was the first energy company to develop a Concordat with the Council; since then Scottish and Southern Energy (SSE) have also been noted to have entered into an agreement. As a result of the Council's work in creating this approach to managing community benefits from wind farm developments, the Council received a Royal Town Planning Institute (RTPI) award for quality in planning.<sup>90</sup>

Other proactive action taken in Argyll and Bute includes the development of The Renewable Energy Action Plan, which is a key action within The Argyll and Bute Community Plan 2009-2013. Argyll and Bute Council have also developed a very interactive website which provides information on renewable energy development in the area. This includes an interactive community benefit map on its website which allows the public to search for information on community benefit funds in Argyll and Bute. The interactive map includes information on community benefit funds received by local communities, by development, community benefit area and location.

#### Dumfries and Galloway Council – Windfarm Community Benefit Framework

Dumfries and Galloway Council produced a Windfarm Community Benefit Framework in 2005, which was later revised in 2011. The Council has produced information for both developers and communities and the revised framework has set out a number of key elements. This includes making community benefits from wind farms being secured by means of a legal agreement negotiated during the pre-planning application stage. This results in a Head of Terms agreement, which will be binding on the developer only if planning permission is received. The Framework also notes that there will be a 50:50 split in terms of how community benefit funds are

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<sup>90</sup> Centre for Sustainable Energy, Garrad Hassan & Partners Ltd and Peter Capener & Bond Pearce LLP (2009) Delivering community benefits from wind energy development: A Toolkit, for the Renewables Advisory Board. Available at: [http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1\\_20090721102927\\_e\\_@@\\_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf](http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/ORED/1_20090721102927_e_@@_DeliveringcommunitybenefitsfromwindenergyAToolkit.pdf) (accessed 10/01/2012)

used. This will involve 50% of community benefit funds going to communities which host a wind farm and 50% going towards a region wide fund.

The purpose of the region wide fund is to invest in social, economical and environmental projects which support a sustainable low carbon economy. The region wide fund will accept applications from community groups, communities, and organisations including the public sector from the Dumfries and Galloway region. A standard minimum rate of contribution by developers has also been set at £5,000 per megawatt per annum based on the installed/consented capacity of the wind farm. The rate is index linked and based on the Retail Price Index.

Another key element of the revised framework also encourages equity shareholding in the proposed wind farm. The Council refers to equity shareholding as meaning that the community would own one or more turbines and that this ownership would provide an income by selling the power generated, or the community would own an equity share in a wind farm and receive income from a share in profits.<sup>91</sup>

#### Powys County Council – Community Benefits from Wind Energy Developments: Guidance Protocol

The Board of Powys County Council adopted a guidance protocol which sets out the council's perception of good practice to obtaining and managing community benefits from wind energy developments. The protocol helps to underpin the support which the Council offers to communities and developers negotiating benefits resulting from wind farm development. The purpose of the Protocol is to help communities and wind farm developers who want to negotiate community benefits which may result from wind farm development. Importantly it provides a framework for community engagement. It outlines procedures that will be expected to be applicable to all future wind farm developments which involve local communities, the developer and the Council.

The Protocol suggests that 70% of community benefits should be invested in the most affected communities, with the other 30% being directed towards a wider geographic trust. The idea of this is to support communities that might not necessarily be directly impacted by the development site, but will be impacted upon due to construction and operational activities. Due to a major focus of the Protocol being on encouraging negotiated engagement between communities and developers, there is the opportunity for different/better terms to be negotiated for individual schemes.<sup>92</sup>

## **8.2 Summary of good practice by local authorities**

The proactive approach taken by these councils is very encouraging and helps to show how government, the private sector and communities can work together in commercial wind farm development. Whilst determining the extent of the success of

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<sup>91</sup> Dumfries & Galloway Council (2011) Windfarm Community Benefits – Revised Approach 2011. Information for Developers. <http://www.dumgal.gov.uk/CHttpHandler.ashx?id=8765&p=0> (accessed 03/01/2012)

<sup>92</sup> Powys County Council (2009) Community Benefits from Wind Energy Developments: Guidance Protocol – Background and Overview. Available at: [http://www.powys.gov.uk/uploads/media/briefing\\_note\\_en.pdf](http://www.powys.gov.uk/uploads/media/briefing_note_en.pdf) (accessed 16/01/2012)

each of these guidance notes/policies was beyond the scope of this report, there is evidence that developers are paying attention to guidance produced by councils. For example, Scottish Power Renewables at the time of writing have noted, for a number of their proposed wind farms, which are either in planning or in development, that it is the company's policy to offer £2,000 per MW per year to the community to be used in support of projects. This includes, for example, Dyfnant Forest Windfarm, Mynydd Mynyllod Windfarm and Halsary Windfarm. Scottish Power Renewables, when discussing these sites, go on to note that how this money will be administered will depend on whether the Council has an existing policy/protocol; or, alternatively, on a number of their other sites, community trust funds have been administered through local community trusts.<sup>93 94 95</sup>

Indeed, there is evidence the impact of Dumfries and Galloway's pro-active approach is beginning to be seen. For example, at the time of writing, E.ON UK has proposed to build a wind farm known as Quantans Hill. Part of the community benefit package proposed at Quantans Hill includes a community benefits fund potentially worth up to £450,000 a year, with local representatives making decisions on applications. E.ON UK notes that this equates to a minimum of £5,000 for each MW installed and paid into a fund on an annual basis, as set out by Dumfries and Galloway Council following their new Community Benefits Fund protocol.<sup>96</sup>

### **8.3 Renewable energy development on forestry sites in Scotland and Wales**

Both Scotland and Wales have plans to develop renewable energy land managed by the Forestry Commission Scotland (FCS) and the Forestry Commission Wales respectively. It is important to highlight these plans as they recognise the benefits renewable energy development can bring to communities.

#### Scotland

The FCS manages a large area of land known as the National Forest Estate on behalf of the Scottish Government, and covers nearly 10% of Scotland. The FCS aims to develop the potential of the Estate in ways that:

- Contribute to the Scottish Government's renewable energy target
- Maximise the financial returns from the National Forest Estate
- Secure benefits for local communities<sup>97</sup>

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<sup>93</sup> Scottish Power Renewables (2012) Benefits. Available at: <http://www.dyfnantforestwindfarm.com/about-benefits.aspx> (accessed 16/01/2012)

<sup>94</sup> Scottish Power Renewables (2012) Benefits. Available at: <http://www.mynyddmynyllodwindfarm.com/about-benefits.asp> (accessed 16/01/2012)

<sup>95</sup> Scottish Power Renewables (2012) Benefits. Available at: <http://www.halsarywindfarm.com/about-benefits.asp> (accessed 16/01/2012)

<sup>96</sup> E.ON UK (2012) Community Benefits. Available at: <http://www.eon-uk.com/generation/3551.aspx> (accessed 16/01/2012)

<sup>97</sup> Forestry Commission Scotland (2012) Potential of the National Forest Estate for wind and hydro power. <http://www.forestry.gov.uk/website/forestry.nsf/byunique/inf-d-7stf2a> (accessed 16/01/2012)



At present, the FCS is attempting to develop the potential of the estate by working with a number of energy developers to construct wind and hydro projects on national forest land. Scotland has been divided into five “Lots” and a number of development partners selected.

Part of this programme focuses heavily on ensuring that communities can benefit from the development of wind energy on the National Forest Estate. A number of options have been created to enable communities to benefit from these developments. In relation to potential wind energy developments that may arise the options for communities are:

- On occasions where developers are progressing projects on land which is managed by FCS, communities are offered a community benefit payment of £5,000 per MW of installed capacity of the renewables scheme each year
- On occasions where developers are progressing projects on land which is managed by FCS, there is also an option for communities to invest in the project
- On sites which are not selected by developers, communities may apply to lease land through the National Forest Land Scheme for their own renewable energy developments<sup>98</sup>

In accordance with this programme the FCS has published guidance to the options available to communities. This provides detailed advice and information to community groups on the ways in which they can work with the selected developers to capitalise on the benefits associated with the programme. Community investment opportunities along with illustrations of typical costs and incomes associated with a 1.5MW and a 20MW scheme are provided.

An area of Scotland which does not form part of this programme is the Borders and the Central Belt. FCS is currently working with Partnerships for Renewables (A Carbon Trust Enterprise) to explore the potential of wind energy projects on its sites in the Borders and Central Belt. For sites which are deemed to be appropriate for development, communities will be offered the opportunity to benefit economically and be involved in the site development process.<sup>99</sup>

## Wales

Forestry Commission Wales manages the Welsh Government’s Woodland Estate and has a responsibility to help the Welsh Government meet its renewable energy targets. The promotion of wood energy along with wind and hydro energy are seen as playing an important part in this. The Welsh Government recognises the importance of

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<sup>98</sup> Forestry Commission Scotland (2011) Renewable Energy on the National Forest Estate. Wind Generation Schemes: A Guide to Community Options. Available at: [http://www.forestry.gov.uk/pdf/windcommunitiesguidance.pdf/\\$FILE/windcommunitiesguidance.pdf](http://www.forestry.gov.uk/pdf/windcommunitiesguidance.pdf/$FILE/windcommunitiesguidance.pdf) (accessed 16/01/2012)

<sup>99</sup> Partnerships for Renewables (2011) Our work with Forestry Commission Scotland. <http://www.pfr.co.uk/forestrycommissionscotland/234/About-the-Project/> (accessed 08/12/2011)

onshore wind farms in helping it meet its renewable energy targets, and has requested Forestry Commission Wales to oversee The Wind Energy Programme. The Wind Energy Programme involves working with selected developers to help achieve approximately 80% of the Welsh Government's onshore wind energy target, by incorporating wind energy development into the sustainable management of the Woodland Estate. The Wind Energy Programme has significant economic, social and environmental benefits. It is estimated that the Programme will deliver £293 million over its life time to the Welsh Government and £71 million for community-based projects. Environmental benefits include opportunities for Forestry Commission Wales to plan for landscape scale improvements in line with current forestry strategy in Wales.<sup>100</sup>

It is clear that the devolved governments in Scotland and Wales have recognised the importance of a joined-up approach involving the private and community sectors to maximise the potential of renewable energy development and help meet renewable energy targets.

#### **8.4 Development of a Community Benefits Register**

The Scottish Government has recently announced that it will create a new public register that will include details of community benefits which have been agreed with renewable energy developers in Scotland. This new register, which will open from April 2012, will help communities make a comparison with similar developments allowing them to be more informed when entering negotiations. Energy Minister Fergus Ewing noted that:

‘This new register will allow local communities to enter negotiations with developers - from those putting up single turbines on farms and estates to those building the largest schemes - on an even footing. An established renewables developer will always know what the 'going rate' for community benefits is - but a community which has never negotiated before, and those rural businesses developing for the first time, may not. This register will give everyone in Scotland the information to be able to share in the opportunities new renewable energy development brings.’<sup>101</sup>

This was one of the proposals which came from the Securing the Benefits of Scotland Next Energy Revolution consultation document.

#### **8.5 Good Practice WIND (GP WIND)**

The Scottish Government is playing a leading role in a European wide project known as GP WIND. The project aims to ‘address barriers to the deployment of onshore and offshore wind generation, specifically by recording and sharing good practice in reconciling objectives on renewable energy with wider environmental objectives and actively involving communities in planning and implementation.’<sup>102</sup> The project

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<sup>100</sup> Forestry Commission Wales (2011) Wind Energy Programme.

<http://www.forestry.gov.uk/forestry/INFD-8JTE8F> (accessed 08/12/2011)

<sup>101</sup> The Scottish Government (2011) Community benefits from renewables. Available at: <http://www.scotland.gov.uk/News/Releases/2011/12/01135633> (accessed 16/12/2011)

<sup>102</sup> Good Practice Wind (2012) Welcome to the GP WIND Website Project. Available at: <http://www.project-gpwind.eu/> (accessed 19/01/2012)

involves bringing together a range of stakeholders from different countries to share their experiences. The project will develop a best practice guide and a toolkit, in addition to a set of recommendations towards how to deal with the applications for the development of wind farms and the implementation of environmental directives.

## **8.6 Summary**

Evidence from Scotland and Wales show that both national devolved governments and local authorities take a very proactive approach to engaging and working in partnership with communities. The Scottish Government clearly recognises the important role communities have to play in renewable energy development and this is evident in policy it has developed. The creation of a community benefits register for renewable energy developments is very encouraging for communities and will help communities to be in a more informed position to negotiate with developers in Scotland. The production of a community renewable energy toolkit by the Scottish Government is an example of a pro-active strategy to galvanise, inform and maximise benefits from renewable energy.

A joined-up approach has been developed in Scotland and Wales whereby government, the private sector and communities can work together in order to achieve positive outcomes for all stakeholders. Developing forestry sites on public land helps to highlight this. This will help to meet renewable energy targets and provide economic and environmental opportunities for stakeholders involved.

Pro-active approaches taken by both the devolved governments and local authorities in Wales and Scotland, as outlined above, have been largely absent from policy in Northern Ireland. However, there is the opportunity for government at different levels to take action. For example, future strategies relating to energy issues such as the Sustainable Energy Action Plan and the Green New Deal, have the opportunity to address the role of communities. Additionally, proposed future changes to the role of local councils in Northern Ireland presents an opportunity to consider developing similar approaches as those taken by some local authorities in Scotland.

## **Recommendations**

A not for profit organisation to take the lead role in establishing good practice guidance including a policy on community engagement and promoting a toolkit on community benefits. This should include a protocol on working with local communities during and after the project development process and, in particular, exploring and negotiating community participation and community benefits with communities and other stakeholders. Such guidance/policy could also be applied to other forms of renewable energy development.

Local Councils to formally establish guidance protocols (based on good practice) which provide a framework for engagement by developers with the Councils and local communities. The protocols would ensure that as a result of harnessing renewable energy resources, social and economic problems including fuel poverty can be alleviated and help towards sustaining and developing rural communities can be given.

Department of Enterprise, Trade and Investment to actively support local communities and their potential, positive role in implementing wind farm projects and the contribution they make in the development of a low carbon society. This implementation of this policy should address the need for active community involvement in shaping Northern Ireland community energy agenda. Policy to include ensuring effective support mechanisms are in place such as a local energy assessment fund.

The Department of Agriculture and Rural Development to ensure models of good practice, as evidenced in Scotland and Wales, are followed in relation to both engaging and working in partnership with rural communities and the private sector when developing wind farms on land managed by the Forestry Service. A coordinated proactive approach can be seen in Scotland, where the government has developed plans in which the private sector and communities can work together to benefit from renewable energy development.

Department of Enterprise, Trade and Investment to actively support local communities and their potential, positive role in implementing wind farm projects and the contribution they make in the development of a low carbon society. The implementation of this policy should address the need for active community involvement in shaping Northern Ireland's community energy agenda. Policies ensuring effective support mechanisms need to be in place, such as a local energy assessment fund.

A Government Department to take the lead role in developing a more coordinated approach involving the government, the private sector and communities towards wind farm developments, which builds upon principles of sustainable development.

## 9 Conclusion

Northern Ireland has one of the greatest wind resources in Europe and has set ambitious targets for future renewable energy deployment. Meeting these targets will be challenging for everybody. However, the opportunities that exist for communities to engage with commercial onshore wind energy development can potentially be both very rewarding and of benefit to all sectors.

A common way for communities to engage with onshore wind energy development is through the provision of community benefits. Whilst the level of community benefit provision in Northern Ireland has not been as high as in Great Britain to date, this report demonstrates that commercial wind energy development can provide substantial economic and social benefits for communities which host wind farm developments.

Community ownership, as a form of benefit in particular, can help to make a large contribution to help sustain the long-term future of communities. Whilst achieving community ownership in a wind farm development can be challenging, the case studies of community ownership in this study help to show that the financial returns can be much greater than those attained through community funds. In particular the experiences of Neilston Community Wind Farm and Earlsburn help to demonstrate the substantial financial benefits which can then be used within the community. Importantly, they also show that it is possible for communities and developers to work together in order to achieve an outcome which benefits all stakeholders.

The importance of different stakeholders working together can be readily seen in Great Britain. In Scotland and Wales, governments at both a devolved national level and local level recognise the important role of communities in renewable energy development. A series of pro-active actions have been taken. Notable examples of this include the future creation of a community benefits register in Scotland, and the development of renewable energy on forestry sites with significant levels of community involvement and benefits.

The benefits of working together can also be seen with some councils producing guidance for both communities and developers surrounding issues of community engagement and the provision of community benefits. Good practice from Scotland and Wales has shown that a joined-up approach including government, the private sector and communities is essential to maximising the potential of future renewable energy deployment.

The joined-up approach that exists in Scotland and Wales shows how government, the private sector and communities can work together for the benefit of everyone. The pro-active action taken in Scotland and Wales in particular has been largely absent to date in Northern Ireland. However, with the current Programme for Government and ongoing governance and policy developments, the time is right for Northern Ireland to learn from good practice in Great Britain. This will help Northern Ireland maximise its renewable energy potential for all of society and help the government to meet its ambitious targets.

# Appendix One – Levels of Engagement

## INCREASING LEVEL OF PUBLIC IMPACT

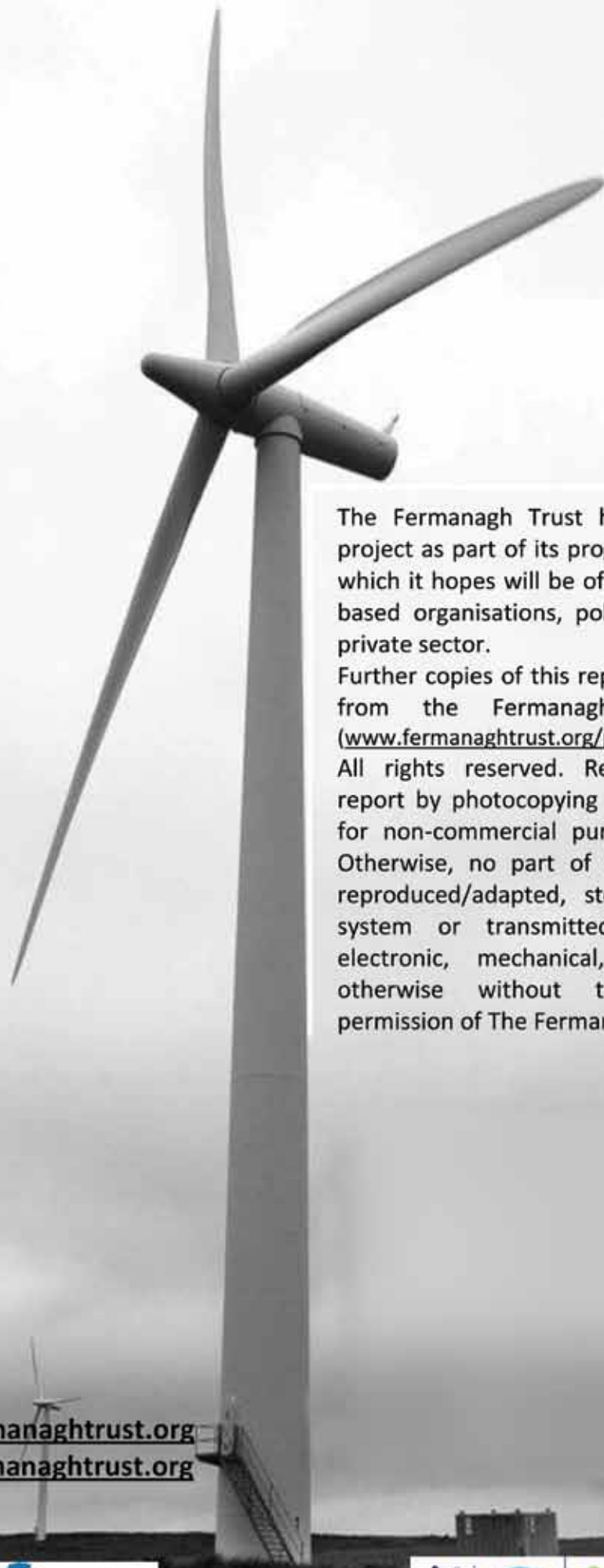
Public Participation Spectrum

Developed by the International Association for Public Participation

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions	To obtain public feedback on analysis and/or decisions.	To work directly with the public throughout the process to ensure that the public issues and concerns are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solutions.	To place final decision-making in the hands of the public
Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:
We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and issues are directly reflected in the alternative development and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation on formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Source: Compiled with data from *The Protocol for Public Engagement with Proposed Wind Energy Developments in England*.<sup>103</sup>

<sup>103</sup> Centre for Sustainable Energy, BDOR and Peter Capener (2007) *The Protocol for Public Engagement with Proposed Wind Energy Developments in England*, a report for the Renewables Advisory Board and DTI. Available at: <http://www.cse.org.uk/pdf/pub1079.pdf> (accessed 18/01/2012)



The Fermanagh Trust has undertaken this project as part of its programme of research, which it hopes will be of value to community based organisations, policy makers and the private sector.

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