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| Agenda Item | 7. |
| Report No | CPPB/1/25 |



Highland
Community
Planning
Partnership

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Highland Community Planning Partnership Board – 21 February 2025

HOIP Core Priority Update: Community Wealth Building

Report by: Assistant Chief Executive – Place, Highland Council

Summary

The growth of production and investment in renewable energy in Highland has brought opportunities to the area. However, as time progresses, and the scale of renewables increases, there is a need to ensure that the wider Highland community can benefit from profits being generated.

In June 2025 the CPP Board agreed to adopt a Social Value Charter for Renewables investment in Highland. The aim was to set out expectations and requirements of doing business in Highland and the range of ways companies and developers can add benefit and social value to the Highland economy.

This report provides an update on the work to implement the Social Value Charter and provides details of next steps to creating the Strategic Investment Partnership and Fund. This is one part of the HOIP core priority commitment on Community Wealth Building and an update on the other elements are also contained within the report.

The report also introduces the Scottish Government's consultation on Community Benefit and seeks views from partners in order to inform individual agency and a CPP response to the consultation.

The CPP Board are asked to:

- Consider and agree the next steps around the implementation of the Social Value Charter for Renewables Investment.
- Note the broader update on the Community Wealth Building HOIP priority.
- Consider and discuss the Scottish Government's community benefit consultation with a view to informing individual partner responses and a collective CPP Board response.
- Agree that a CPP response be collated and circulated for comment with the final response being agreed in consultation with the Chair.

1. Background

- 1.1 There are significant opportunities presented to the Highland area by green energy developments, and a real move to maximise the power of renewable energies to transform energy infrastructure and encourage decarbonisation.
- 1.2 The pipeline of development for the region from renewables is significant and a number of the original developments are in the process of being repowered (i.e. recommissioned). The landscape is however changing rapidly, and UK Government has recently announced a new community benefit programme related to electricity transmission infrastructure and guidance from Scottish Government is expected shortly. However, both UK and Scottish Government guidance on any benefit from renewables is discretionary and it is essential that a legacy of development is left for the benefit of the wider Highland area.
- 1.3 This approach aligns with the commitments and direction agreed as part of the Highland Outcome Improvement Plan Plan and provides an opportunity to tackle inequalities through appropriate use of resource. The strategic priority of prosperity aims to:
Creating opportunities for all people and places to prosper and to thrive economically.
A core outcome to support this priority is around embedding community wealth building approaches i.e. taking a people centred approach to economic development and ensuring that as a partnership we adopt this approach into our practices and activity. Developing a more consistent approach to leveraging social benefit from renewables investment will assist in delivering greater benefit for Highland communities.
- 1.4 The Social Value Renewables Charter was agreed by the CPP Board in June 2024. It can be found at appendix 1. This sets out a 9-point plan articulating the expectations of the Highland area for any renewables and green energy developments but also setting out the offer from Highland. Included within this are fundamental principles that *all* communities across Highland should benefit from renewables investment and that in addition to direct benefit to local areas, support to wider infrastructure should form part of the ask on developers. The aims of the Charter are to:
- Embed an approach to community wealth building into Highland
 - Maximise economic benefits from our natural environment and resources
 - Engage and involve relevant stakeholders to understand how we can continually improve our impact
 - Unlock economic opportunities for area

2. Update on implementation of the Charter

- 2.1 Work on implementation of the Charter has fallen into two strands:
- Engagement and communication with developers
 - Establishing the Strategic Investment Fund and Partnership
- 2.2 ***Engagement and Communication***
Following agreement of the Charter, the Council wrote to forty-five companies responsible for 103 live energy applications in the planning system, inviting them to meet with Council officers to discuss the charter and explore opportunities for collaborative

working. The ultimate target for each development is to agree the terms of a 'Partnership Agreement' in accordance with the objectives of the nine-point charter. To date 13 companies have responded positively across wind, hydro and battery storage schemes. The scale of the developments vary which is reflected in the type of Agreement being discussed. For example, SSEN have committed to supporting legacy housing as part of the transmission line upgrades and work with them is ongoing.

- 2.3 The Council has embedded the Social Value Charter within its processes to ensure any new developments coming through at pre-planning or planning stage are automatically notified to the Community Wealth Building team. They will then arrange to meet with the developer. The detail of discussions remains separate from the planning process, with the detail not provided to planning officers. Discussion is required with partners to understand when and in what circumstances other officers would be involved in negotiation and this will be progressed through the Community Wealth Building Partnership.

2.4 ***Strategic Investment Fund and Partnership***

As part of the Charter, it was agreed that a Strategic Community Benefit Fund would be established to ensure that communities across the Highland area would benefit. It is suggested that investors would contribute a minimum of £7.5k per MW for each renewable energy development to the central fund, which will support and enable economic development, increase prosperity and achieve equity for communities across Highland. This would be in addition to any community specific benefit arrangements.

- 2.5 It was agreed that a Strategic Investment Plan would be developed – a prospectus – that would set out the investment priorities for the area. This could include housing, employment and the Highland Investment Plan – areas which align to the HOIP. The Centre for Local Economic Strategies (CLES) has been engaged to work with CPP partners to inform and create the investment plan. A series of workshops will be held around the priority areas to identify the investment opportunities and establish the plan. The plan will be assessed for its ability to tackle inequalities in line with the overarching aim of the Highland CPP.

- 2.6 It was agreed that the management of any fund needs to be on a Partnership basis and would be comprised of public agency representatives, Councillors, Renewables Companies and community representatives. There are different potential governance models that could be used and learning from other Highlands and Islands Local Authorities who are also progressing this approach will be important. The Community Wealth Building Partnership (detailed at 3.4) will progress options for governance models and present these to the next meeting of the CPP Board.

3. **Community Wealth Building**

- 3.1 Community Wealth Building (CWB) provides an alternative approach to economic development and a practical response that aims to keep wealth within a local area. It is often described as a people centred approach to economic development and aims to ensure every area and community can participate in, and benefit from, economic activity. It is therefore a critical plank of addressing inequality for the CPP.

- 3.2 One of the seven cross-cutting themes in the HOIP Delivery plan is Community Wealth Building. The priorities include agreeing and implementing the Social Value Charter for Renewables; developing and implementing an Employer Charter to promote and support fair work practices and to create a shared project bank to deliver direct community benefit from procurement activity and through the social value charter agreements.
- 3.3 An update on the social value charter is provided at section 2. Progress against the other two commitments are as follows:

Employer Charter

The objectives of the Employer Charter are as follows:

- Engage with businesses to secure sign up to Charter ethos to:
 - Support fair work practices across Highland
 - Increase engagement with contracts
 - Increase engagement with careers and skills development
 - Generate work opportunities – jobs, apprenticeships, work experience/placements for all ages all stages
- Contribute to a thriving Highland economy through striving to be an employer of choice, attracting, developing and retaining top talent to improve productivity and grow Highland businesses.
- Contribute to improving Highland people's lives and raising families out of poverty, through providing 'good' work opportunities that help people grow, develop and thrive in the workplace

Preparatory work, including research on models operating elsewhere has been progressed during 2024. It is planned that a working group of key partners will be convened to review this work with a view to understanding internal and external impact of Charter concept and to design an effective Highland model that will attract positive engagement and support

Key tasks include:

- Reviewing examples of Employer Charter models.
- Work with key stakeholders to identify potential overlap or clashes with existing similar models/products in Highland, then work out how to align/work together.
- Understand what Highland employers need and want – what does the Charter need to provide.
- Understand what employers/industry are prepared to provide/share, e.g. class talks, work experience opportunities.
- Identify either preferred model with appropriate fit, or elements from models to create a tailored Highland model to fit Highland needs.
- Process mapping will inform development of digital system to support delivery and provide data, enabling reporting to evidence employers engaged and to what extent engaged, to then compare if charter engagement is contributing to economic growth in Highland, e.g. jobs generated/employment opportunities secured.

Community Benefit Project Bank

The Highland Project Bank will provide an online portal where communities / groups / third sector organisations etc. can register requests for support under a range of potential activities including professional support, development and mentoring, volunteering, donations (in-kind or financial). Activity is ongoing to develop the online project bank portal. Running parallel to this work, a draft application form has been designed for community groups to submit their requests and will be trialled with community groups in the next month which will help determine the final online design. It is anticipated that the portal will be launched in early Q1 of 2025/26.

- 3.4 To progress and promote the HOIP CWB commitments and the development of a collaborative approach to Community Wealth Building across Highland, a Highland Community Wealth Building Partnership (HCWBP) has been established and will meet for the first time in March. The purpose of the Community Wealth Building Partnership aims to provide a space for joint discussion and sharing of best practice across the Highland Community Planning Partnership and also oversee the delivery of the commitments made in the HOIP. The group will also pool together actions contained within the separate partner Community Wealth Building Strategies to identify cross-overs in actions and identify gaps and opportunities for partnership working.

4. Community Benefit

- 4.1 The Scottish Government is currently undertaking a consultation on [Community Benefits from New Zero Energy Developments](#). The consultation is part of a review of the Good Practice Principles for onshore and offshore developments, recognising the changes in technologies since the original principles were established. It is not clear at this stage whether the current voluntary nature of community benefits will change as a result of this review.

- 4.2 The consultation seeks views on both offshore and onshore developments including:
- Which onshore renewables developments should community benefit apply to
 - The definition of community and who should benefit
 - Who should decide on how offshore wind community benefits are used
 - How do we ensure community benefit schemes are well governed
 - How to ensure the needs of communities are taken into account
 - What does proportionate community benefit look like
 - What is the potential for shared ownership for developments

A full list of questions can be found in appendix 2.

- 4.3 The Social Value Charter has been developed in the absence of stronger guidance/rules for governing community benefit. It is important therefore for Highland that both individual partners and collectively as partnership we respond to the consultation. The Board is asked to consider and discuss the consultation with a view to informing individual partners and a collective CPP Board response.

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Date: 11-2-25

Appendix 1: Social Value Renewables Charter

Appendix 2: Scottish Government Community Benefits from Net Zero Developments
Consultation – Question Set



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Social Value Charter for Renewables Investment

The Social Value Charter sets out the community benefit expectations Highland has for companies wishing to invest in renewables in this area.

The Highlands have rich resources that are ideally suited to encouraging and maximising renewables development. It is important though that local communities benefit from the use of our resources. This is an opportunity to secure inclusive growth and lasting benefits for all Highland communities.

This Charter is designed to set out what the area expects from renewables investment alongside what we, as public/private/community sector partners, will do to support and enable this contribution. It aims to:

- Embed an approach to community wealth building into Highland
- Maximise economic benefits from our natural environment and resources
- Engage and involve relevant stakeholders to understand how we can continually improve our impact
- Unlock economic opportunities for the area

Our Partnership wants to work with companies wishing to do business in Highland to the benefit of all concerned and most importantly, the communities of the Highlands.



Social Value Charter Commitments – 9 Point Plan

| No. | Theme | Commitment from Investors to Highland | Commitment from Highland |
|-----|-----------------------|---|---|
| 1 | Community Fund | Investors will: <ul style="list-style-type: none">Retain the existing commitment of £5000k per MW from renewable energy developments to communities already receiving benefits and new developments emerging, in line with Scottish Government guidance. | We will: <ul style="list-style-type: none">Where communities wish to contribute and enhance wider developments within their community, we will create a mechanism for communities to transfer their residual community benefit sums to a strategic fund. |
| 2 | Strategic Fund | Investors will: <ul style="list-style-type: none">Contribute £7,500k per MW for each renewable energy development to a central fund which will support and enable economic development, increase prosperity and achieve equity for communities across Highland. | We will: <ul style="list-style-type: none">Facilitate creation of a Strategic Fund Partnership, to manage the strategic fund. To be comprised of public agency, Councillor, Renewables Companies and Community representatives.Create a Strategic Plan which will set out the investment priorities of the Community Planning Partnership around:<ul style="list-style-type: none">HousingConnecting People and PlacesEmployment and EmployabilityAddressing inequality |
| 3 | Housing | Investors will: <ul style="list-style-type: none">Provide legacy housing when undertaking large scale development or provide financial contribution to wider housing developments. | We will: <ul style="list-style-type: none">Provide financial models to enable investment in housing for investors. This will include investment in Council/ housing association/community models. |



| No. | Theme | Commitment from Investors to Highland | Commitment from Highland |
|-----|---|---|--|
| 4 | Supporting Development of Highland Investment Plan | Investors will: <ul style="list-style-type: none">• Provide both direct and indirect support, financial or in kind for council and community led projects impacted by local development. | We will: <ul style="list-style-type: none">• As part of the Highland Investment Plan, we will identify opportunities for investors to engage and contribute to new community Points of Delivery projects, enhancing future developments, delivering longer term community and employment benefits. |
| 5 | Shared Investment into Renewables | Investors will: <ul style="list-style-type: none">• Provide the opportunity to participate in an integrated shared ownership model. This approach offers the opportunity to build a truly circular energy system by integrating generation, distribution and supply. The shared ownership model will enhance community involvement and investment while promoting equitable distribution of benefits. | We will: <ul style="list-style-type: none">• Play a crucial role in setting targets for community and locally owned energy, facilitate access to necessary resources and leverage government support and shape guidance of a shared ownership model to encompass offshore renewables.• Establish collaborative frameworks to ensure renewable energy projects deliver widespread economic and social benefits, driving sustainable development across the Highlands.• Consider appropriate investment in partnership with communities and developers subject to full business cases and financial and legal due diligence. |
| 6 | Skills & Training – Workforce for the future | Investors will: <ul style="list-style-type: none">• Adopt Highland's Employer Charter, which will include commitments to Fair Work and the Living Wage• Create or contribute to an Apprenticeship programme• Consider supporting initiatives such as the Science Skills Academy, to ensure a sustainable private sector led engagement to future generations in Highland. | We will: <ul style="list-style-type: none">• Create and support an Employer Charter recognition scheme which will include Fair Work commitments and the Living Wage |



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|-----|---|--|---|
| 7 | Match Funding For Local Projects | <p>Investors will:</p> <ul style="list-style-type: none">• Provide direct support – financial or in kind - for community projects within areas directly impacted by development. | <p>We will:</p> <ul style="list-style-type: none">• Provide a Highland Project Bank, identifying community projects and initiatives to enable funding or match funding to support specific opportunities and providing opportunities to secure additional investment. |
| 8 | Fast-track for Grid Connections | <p>Investors will:</p> <ul style="list-style-type: none">• Support a Local Area Energy Planning (LAEP) in the Highlands ensuring enhanced economic opportunities, job creation, and a supportive regulatory environment.• LAEPs will facilitate direct collaboration with Scottish & Southern Electric (SSE) to map grid priorities, informing investment plans and saving costs on development. They are crucial for delivering Local Heat and Energy Efficiency Strategies (LHEES) and align with national decarbonisation goals.• Support cross sector collaboration to increase the efficiency of projects, including offshore and onshore wind farms pumped storage delivering energy at a national level, locally it will enhance energy security, reliability, and sustainability. These initiatives drive supply chain opportunities, local job creation, and community investment, supporting long-term economic growth and environmental sustainability. | <p>We will:</p> <ul style="list-style-type: none">• Lead on Local Area Energy Planning (LAEP) in the Highlands, collaborating with SSE and other stakeholders to map out grid priorities and inform strategic investment plans.• Facilitate a regulatory environment that encourages renewable energy projects while aligning with national decarbonisation goals.• Promote local job creation and community investment by supporting innovative projects and fostering links between education and industry to deliver a sustainable highland workforce for the future. Through these actions, we aim to drive long-term economic growth, energy security, and environmental sustainability in the region. |

| No. | Theme | Commitment from Investors to Highland | Commitment from Highland |
|-----|---|---|---|
| 9 | Maximising socio-economic prosperity through the planning system | <p>Investors will:</p> <ul style="list-style-type: none"> • Set out how they intend to maximise the socio-economic benefits of their development proposals taking into account the Highland Outcome Improvement Plan, the key investment priorities of the Community Planning Partnerships and the Council's Community Wealth Building Strategy and the National Planning Framework 4, particularly in relation to biodiversity and green skills. • Collaborate with other investors and public sector partners to ensure that opportunities are maximised. | <p>We will:</p> <ul style="list-style-type: none"> • Only support renewable energy proposals where they can demonstrate that they maximise socio-economic benefits. • Provide guidance at pre-application stage on what may be expected from development proposals. • Take into account the community benefit opportunities of a proposal within our consideration of a renewable energy scheme, in line with National Planning Framework 4 and the Scottish Government's Energy Strategy and Just Transition Plan. • Develop Partnership Agreements based on this Charter to highlight the benefits of private and public sectors working together to benefit the Highland economy. • Lobby the Scottish and UK Governments to lay a path for making community benefits a mandatory rather than voluntary transaction, through changes in legislation, guidance and any of the financial support mechanisms available. • Seek to secure socio-economic benefits, including community benefits, through planning conditions and/or agreements as may be appropriate and/or legally competent. |



Scottish Government Consultation: Community benefits from net zero energy developments
Question Set

OFFSHORE

Offshore wind communities

1. In the context of offshore wind development, what or who or where do you consider the relevant communities to be?
2. When defining the relevant communities to receive benefits from offshore wind development, which factors should be considered, and by whom? Are there any factors which are most important, and why?

Maximising the impact of community benefits from offshore wind developments

3. Who should decide how offshore wind community benefits are used (decision-makers)? Are there any groups, organisations or bodies you feel should have a formal role in this?
4. What are the best ways to ensure that decision-makers truly reflect and take into account the needs and wishes of communities when determining how community benefits are used?
5. What could be done to help maximise the impact of community benefits from offshore wind? What does good look like?
6. How do you think directing community benefits towards larger scale, longer term, or more complex projects would affect the potential impact of community benefits from offshore wind?
7. The development of offshore wind is often geographically dispersed with multiple communities who could potentially benefit. To what extent do you agree or disagree that a regional and/or national approach to delivering community benefits would be an appropriate way to address geographical dispersal of development and multiple communities? Please explain your answer.
8. Are you aware of any likely positive or negative impacts of the Good Practice Principles on any protected characteristics or on any other specific groups in Scotland, particularly: businesses; rural and island communities; or people on low incomes or living in deprived areas? The Scottish Government is required to consider the impacts of proposed policies and strategic decisions in relation to equalities and particular societal groups and sectors. Please explain your answer and provide supporting evidence if available.



Determining appropriate levels of community benefits from offshore wind

9. In your view, what would just and proportionate community benefits from offshore wind developments look like in practice?

10. What processes and guidance would assist communities and offshore wind developers in agreeing appropriate community benefits packages?

Shared ownership of offshore wind developments

11. What do you see as the potential of shared ownership opportunities for communities from offshore wind developments? Please explain your answer.

12. Thinking about the potential barriers to shared ownership of offshore wind projects, what support could be offered to communities and developers to create opportunities and potential models, and for communities to take up those opportunities? Potential barriers include high costs of offshore wind development, community access to finance and community capacity.

ONSHORE

Extending the scope of the Good Practice Principles

1. a) Which of the following onshore technologies should be in scope for the Good Practice Principles? Select all that apply.

- ☐ Wind
- ☐ Solar
- ☐ Hydro power (including pumped hydro storage)
- ☐ Hydrogen
- ☐ Battery storage
- ☐ Heat networks
- ☐ Bioenergy
- ☐ Carbon Capture, Utilisation and Storage (CCUS)
- ☐ Negative Emissions Technologies (NETs)
- ☐ Electricity transmission
- ☐ Other – please specify in question 1b



1. b) Please explain your reasons for the technologies you have selected or not selected and provide evidence where available.

2. Should the same Good Practice Principles apply in a standard way across all the technologies selected, or should the Good Practice Principles be different for different technologies? Please explain the reasons for your answer and provide evidence where available.

Improving the Good Practice Principles

3. Do improvements need to be made to how eligible communities are identified? For example, changes to how communities are defined at a local level, and whether communities at a regional and/or national level could be eligible. Please explain your answer and provide supporting evidence if available.

4. Should more direction be provided on how and when to engage communities in community benefit opportunities, and when arrangements should take effect? Please explain your answer and provide evidence/examples of good practice where available.

5. How could the Good Practice Principles help ensure that community benefits schemes are governed well? For example, what is important for effective decision-making, management and delivery of community benefit arrangements? Please explain your answer and provide evidence/examples of good practice where available.

6. How could the Good Practice Principles better ensure that community benefits are used in ways that meet the needs and wishes of the community? For example, more direction on how community benefits should or should not be used, including supporting local, regional or national priorities and development plans. Please explain your answer and provide evidence/examples of good practice where available.

7. What should the Good Practice Principles include on community benefit arrangements when the status of a new or operational energy project changes? For example, reviewing arrangements when a site is repowered or an extension is planned, or when a new project is developed or sold.

8. Should the Good Practice Principles provide direction on coordinating community benefit arrangements from multiple developments in the same or overlapping geographic area? If so, what could this include? Please explain your answer and provide evidence/examples of good practice where available.

9. What improvements could be made to how the delivery and outcomes of community benefit arrangements are measured and reported? For example, the Good Practice Principles encourage developers to record and report on their community benefit schemes in Scotland's Community Benefits and Shared Ownership Register. The register showcases community benefits provision across Scotland using a searchable map.

10. In addition to the Good Practice Principles, what further support could be provided to communities and onshore developers to get the most from community benefits? For example, what challenges do communities and onshore developers face when designing



and implementing community benefits and how could these challenges be overcome? Please explain your answer and provide evidence/examples of good practice where available.

Setting a funding benchmark

11. Do you think that the Good Practice Principles should continue to recommend a benchmark value for community benefit funding? The current guidance recommends £5,000 per installed megawatt per year, index-linked (Consumer Price Index) for the operational lifetime of the energy project.

☐ Yes

☐ No

☐ Don't know

12. a) Should the benchmark value be the same or different for different onshore technologies? Please explain your answer.

12. b) How could we ensure a benchmark value was fair and proportionate for different technologies? For example, the current benchmark for onshore is based on installed generation capacity but are there other measures that could be used? Please provide any evidence or data to support your preferred approach.

Assessing impacts of the Good Practice Principles

13. Are you aware of any likely positive or negative impacts of the Good Practice Principles on any protected characteristics or on any specific groups in Scotland, particularly: businesses; rural and island communities; or people on low-incomes or living in deprived areas? The Scottish Government is required to consider the impacts of proposed policies and strategic decisions in relation to equalities and particular societal groups and sectors. Please explain your answer and provide supporting evidence if available.