

Agenda Item	11.
Report No	CPPB/13/26



**Highland**  
Community  
Planning  
Partnership

Com-pàirteachas  
Dealbhadh  
Coimhearsnachd

**na Gàidhealtachd**

## Highland Community Planning Partnership Board – 12 June 2026

### HOIP Delivery Plan Progress Report – Community Wealth Building - Social Value Charter - Update

Report by – Alison Clark, Chief Officer – Housing and Communities, Highland Council

#### Report Classification (tick as appropriate):

Strategic Priority:  People  Place  Prosperity

#### Cross-Cutting Theme (tick all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Connecting People and Places                | <input type="checkbox"/> Employment / Employability           |
| <input type="checkbox"/> Whole Family and Community-Based Approaches | <input type="checkbox"/> Housing                              |
| <input type="checkbox"/> Shared Approaches to Commissioning          | <input checked="" type="checkbox"/> Community Wealth Building |
| <input type="checkbox"/> Aligning Partnership Practices              |   |

#### Report Purpose (tick as appropriate):

For Noting  For Approval  For Decision

#### Recommendation(s)

The Board is asked to:

- **Agree** the refresh of the Social Value Charter to enable its application to other sectors in Highland;
- **Agree** in principle to the proposed governance model arrangements for the Highland Futures Investment Fund, subject to Council agreement on 25 June 2026;
- **Agree** the Investment Priorities for the Highland Futures Investment Fund;
- **Note** the update on the progress against sign up to the Charter;
- **Note** the response to the Scottish Government on the Good Practice Guidance Principles for Community Benefit and that officers continue to engage with Government to affect change; and
- **Note** the development of the Highland Project Bank.

## **Executive Summary**

In June 2024 the CPP Board agreed to adopt the Highland Social Value Charter for Renewables investment in Highland. The purpose of the Charter is to set out the added value and social-economic expectations for organisations wishing to invest in renewable energy across Highland.

The Charter is a key commitment of the HOIP Delivery Plan's Community Wealth Building theme.

This report provides an update on:

- A refresh of the Charter to better reflect wider investment and development taking place across Highland. This has been in response to discussions with business stakeholders and developers.
- Introduces the proposed governance model for the, Strategic Investment Fund, which is being called Highland Futures Investment Fund
- An update on the Investment Priorities for the Highland Futures Investment Fund
- Progress on sign up to the Charter from developers; and
- An update on the response to the Scottish Government on their Good Practice Principles for On-shore Renewables.

## **1. Background**

1.1 The Highland Social Value Charter (HSVC) was agreed by the Highland Community Planning Partnership (CPP) Board in June 2024. The Charter sets out a 9-point plan articulating the expectations of the Highland area for any renewables and green energy developments. A core premise of the Charter is 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. It is a core part of our approach in Highland to Community Wealth Building.

1.2 The aims of the Charter are to:

- embed an approach to community wealth building into Highland;
- maximise the economic benefits arising from our geography and unique appeal to energy companies;
- engage and involve relevant stakeholders to understand how we can continually improve our impact; and
- unlock economic opportunities for area

1.3 This report provides updates across a number of areas including a refresh of the Charter; the proposed governance model for the Strategic Investment Fund, an update on the investment priorities for the Strategic Investment Fund, and progress on sign up to the Charter from developers

## 2. Highland Social Value Charter – Refresh

- 2.1 Since its implementation in June 2024, the Charter has aimed to create equity and maximise long-term economic benefit and sustainable growth across the Highlands.
- 2.2 In its current iteration, the Charter has focused primarily on renewable energy investment ensuring that a lasting legacy is delivered to communities in fairness for the use of the Highland’s natural resources.
- 2.3 Through engagement with tier one contractors delivering projects, other parts of the supply chain and discussions with other key business stakeholders, it is apparent that there is an appetite to extend the principles and ethos of the Charter to a wider range of sectors across Highland to enable them to demonstrate the commitments and social value they are delivering in Highland. At a time where there are changes to UK and Scottish policies and guidance relating to renewable energy activity, particularly in relation to community benefits, the introduction of the Community Wealth Building (Scotland) Bill 2026, grid reform and other developments relating to inward investment, there is a clear logic for updating the Charter so it can be implemented across all sectors.
- 2.4 On this basis, the revised charter would include a set of core deliverables that will be relevant to investment across all sectors, including:

1. Strategic Fund - Highland Futures Investment Fund
2. Supporting Development of the Highland Investment Plan
3. Housing
4. Jobs, Skills and Training – Workforce for the Future
5. Match Funding for Local Projects

Additional sector specific deliverables would be included, where appropriate and relevant, on a sector-by-sector basis. For example, the Renewable Energy sector Charter would continue to include the existing principles of.

1. Community Benefit Funds
2. Shared Investment into Renewables
3. Maximising Socio-economic prosperity through the planning system.

- 2.5 The revised Charter will provide investors with clear articulation of the key drivers for each deliverable, along with enhanced guidance and detail on the requirements underpinning them. This is intended to support a consistent and robust approach by investors in meeting their commitments. It is further proposed that sector-specific guidance will be developed and applied on a sector-by-sector basis.
- 2.6 The core deliverables of the Charter have been reviewed and updated, setting out the required expectations from investors and the pledges from the Partnership under each deliverable. The revised Charter can be found at **Appendix 1**.

### 3. Strategic Investment Fund / Highland Futures Investment Fund

- 3.1 One of the core deliverables for the Highland Social Value Charter (HSVC) when first established was the Strategic Investment Fund (SIF). Operating as fund which is Partnership Led, this would be in addition to community benefit received directly by local communities but would ensure that all communities across Highland could benefit from renewables investment. Work has been ongoing to develop an appropriate governance model to underpin the fund, and external legal advice has now been received on how best to achieve this. It is proposed to rebrand the Strategic Fund as the Highland Futures Investment Fund.
- 3.2 The success of the Highland Futures Investment Fund (HFIF) will ultimately depend on how well it is governed. If it is to command confidence, both to the communities it is intended to support, and to the partners and developers contributing to it, the arrangements need to be transparent, balanced and genuinely fair.
- 3.3 As the lead partner for the SVC, the Council has sought external legal advice on how the Fund could be governed. The legal advice makes clear that there is no single model that will meet every objective. Instead, the focus should be on striking the right balance. Any governance approach will need to:
- give communities a **meaningful and visible role in decision-making**, not simply a formal presence;
  - ensure there is **clear accountability and oversight**;
  - provide assurance that funding is **properly ringfenced and used as intended**; and
  - remain **practical and workable**, allowing decisions to be taken efficiently.

In essence, the challenge is to find an approach that places communities at the centre of decisions, while also allowing appropriate controls around governance, financial and risk.

- 3.4 Governance Options - The legal advice obtained sets out four broad options for how the Fund could be structured. These can be viewed as a spectrum, ranging from direct Council control through to more independent, arm's-length arrangements.

The differences between these options centre on three key considerations: where the Fund sits, how decisions are made, and how independent those arrangements are perceived to be.

- **Option 1 – Council-managed Fund**  
The Council holds and administers the Fund, with funding decisions taken by elected Members.
- **Option 2 –Partnership Led Fund with Council as the Accountable Body**  
The Council acts as Accountable Body for the Fund, but decisions are taken jointly with partners—including community representatives and developers—under a formal agreement.

- **Option 3 – Arm’s-Length Organisation**

A new body is established to manage the Fund, bringing together the Council and key stakeholders within a shared governance structure.

- **Option 4 – Third-Party Managed Fund**

An external organisation is appointed to design, manage and distribute the Fund on behalf of stakeholders.

An assessment of the options, based on the legal advice received, can be found at **Appendix 2**.

- 3.5 The legal advice highlights that where the Fund remains within the Council, stakeholders may still have concern, particularly around how clearly funds can be ringfenced and whether decision-making is sufficiently independent in practice. This mirrors the feedback received from developers; they support and are willing to contribute to a Partnership led fund, where decisions on spend are taken by a range of partners, including community voices.

Each option presents a different balance between control, independence and delivery. Fully Council-led approaches offer clarity and simplicity but would not provide the level of assurance sought by partners, developers and communities and nor does it align with the original commitments in the Charter that this would be a Partnership fund. More independent models can strengthen confidence but introduces additional cost and complexity.

- 3.6 On balance, **Option 2 is recommended** as the preferred model – a Partnership Led Fund. Under this model, the Council would act as the accountable body, with decisions taken jointly with partners under a formal agreement. Option 2 would deliver on the original aims and purpose of the fund by ensuring this is a partnership model, with involvement from partners, communities and developers. It also has a number of practical advantages:

- It builds on the Council’s existing experience in managing funding programmes as an accountable body (e.g. Inverness and Cromarty Firth Green Freeport and Leader funding);
- It creates space for meaningful partner and community involvement in decision-making; and
- It also avoids the time, cost and complexity associated with establishing a new standalone organisation.

The Board is asked to agree this in principle as the preferred governance model for the HFIF, subject to agreement of the Highland Council on 25 June 2026 as the accountable body.

- 3.7 As part of this governance approach, it is proposed there would be three key components:

- Highland Futures Investment Fund Board – a partnership board comprising of third sector/community, public sector and developer representatives. The Board’s role is to set the strategic direction of the Fund, ensuring that all activity aligns with the aims and priorities of the HFIF. The Board must also ensure robust governance frameworks are created and upheld, with regular reporting to stakeholders. The Board will consider and decide on

investments based on recommendations and assessments from the management team.

- Highland Futures Investment Management Team – will be comprised of key officers from partner organisations to support the management and assessment of any funds. The Management Team should produce a HFIF Delivery Plan on an annual basis based on the HFIF priorities and emerging projects to support and guide the Board in any funding decisions. The management team will be responsible for developing specific evaluation criteria which will be used to assess all proposals. Criteria are likely to consider strategic fit, value for money, deliverability, additionality, match funding and impact. As the fund grows, it is likely that it would be appropriate to appoint staff to support and manage the Fund.
- Accountable Body - the Accountable Body is responsible for the expenditure and management of the HFIF. The Accountable Body must ensure funding is used appropriately with all information on expenditure, activities and outcomes properly recorded and reported. This will ensure transparency and confidence in the operation of the Fund.

- 3.8 For this model to be effective and to command confidence, it will be important to:
- establish clear and transparent governance arrangements;
  - ensure that funding is appropriately ringfenced and protected;
  - define roles and responsibilities for all partners; and
  - put in place robust decision-making processes that reflect the principles of the Social Value Charter.

The legal advice recognises that concerns around ringfencing and independence can be addressed through carefully structured agreements and governance mechanisms.

Further work will therefore focus on developing these arrangements in detail, with the aim of bringing forward a governance model that is practical, credible and aligned with the Council's role as accountable body, while ensuring that communities remain central to how the Fund operates and delivers benefit across the Highlands.

#### **4. Highland Futures Investment Fund - Priorities**

- 4.1 To support the distribution and allocation of the fund, there is need to establish a clear set of priorities. These priorities would also be used to with developers as part of the negotiation approach, to give clarity and build confidence on how any funds contributed to the Investment Fund would be directed. This builds on learning and feedback from developers to date.
- 4.2 The Highland Council is leading this process on behalf of the CPP. To support this work, the Council engaged the Centre for Local Economic Strategies (CLES) to help support the development of a clear set of investment priorities. CLES's approach to developing the Strategic Investment Pritities has been multi-faceted and iterative. Given the importance of community voice and ownership in community wealth building, CLES engaged with multiple stakeholders, alongside undertaking a review of regional and area-based plans, to map the alignment of

thematic priority areas between them. In particular, Area Place Plans have been critical in identifying potential project areas. Online focus groups were then held with key members of Community Planning Partnerships across the region as well as Highlands and Islands Enterprise (HIE) and developers of renewable energy projects.

4.3 Building on existing partnership and individual partner priorities, the overarching aims of the Fund are to:

- **People** – Enable people to live independently, safe and well within their community.
- **Place** – Work in partnership to develop sustainable and resilient local communities.
- **Prosperity** – Creating opportunities for all people and places to prosper and to thrive economically.

4.4 Six investment priorities have been identified at this initial stage:

- **Creating and enabling Housing**  
*In addition to point 3 of the Charter which seeks developers to contribute to legacy housing options, this would enable investment directly in a range of projects areas including: housing development – both community and social housing projects -, support for retrofit projects to directly address fuel poverty, key worker and alternative accommodation solutions, and supported accommodation projects.*
- **Connecting People and Places**  
*The investment priority aligns closely with a number of regional priorities within Invest Highland. Connectivity in relation to transportation and the infrastructure to enable it, along with the importance of digital connectivity to enable people to access and utilise services. A range of potential investment opportunities could include developing innovative community transport solutions, contributing to/enabling road/bridge infrastructure projects, active travel projects and creating the physical and social networks to enable improved digital access to services.*
- **Skills, Employment and Employability**  
*Building Point 4 of the Charter which seeks developers to adopt Highland's Employer Charter and introduce apprenticeship programmes as part of their developments. Potential investment opportunities could include incentives for local employment e.g. graduate schemes and supporting Workforce North led projects, such as investment in the Highland Construction Skills Academy.*
- **Supporting Community Led Approaches to Tackling Inequality**  
*Investment in this priority could include supporting new approaches to childcare, projects to support and address fuel poverty, developing community approaches to emergency food provision and targeted youth provision to reduce social isolation and build resilience.*
- **Building, developing and enhancing Social Infrastructure**  
*Investment in this thematic could include both the feasibility and development stage of enabling community led service delivery through infrastructure investment and enhancing community-based facilities*

*identified through the Highland Futures Investment Fund, Invest Highland and regeneration projects.*

- **Land, Environment and Biodiversity**

*Investment could be targeted as support for the Nature Investment fund, nature-based solutions and eco-system restorations projects and climate led adaptation and resilience projects.*

- 4.5 The first four of these intervention priorities align with the 2024-27 Delivery Plan for the HOIP and they cut across the strategic aims of people, place and prosperity. The fifth and six recognise the opportunity to investment in key infrastructure projects which have a wider social/community purpose and to support adaptation and restoration works. The potential project areas reflect areas emerging from the Area Place Plans, alongside wider Highland wide strategic projects captured through Invest Highland.
- 4.6 Initial engagement with developers on these intervention themes has been positive; providing direct support and investment within communities.
- 4.7 It is important to note that the HFIF priorities will require to evolve, responding to new priorities and projects as they emerge. The annual review of Area Place Plans will assist in supporting this approach along with the work around Invest Highland. As noted at 3.7, the intention is to develop an annual delivery plan – mirroring the approach of the Freeport NDR Strategy – which would support the HFIF Board direct and prioritise funds on an annual basis.

## **5. Social Value Charter Partnership Agreements**

- 5.1 Officers are continuing to engage with renewable energy developers to agree individual organisation pledges to the charter through Partnership Agreements. As reported to the Board meeting in March, SSEN have signed up to the Charter, with a range of commitments made across investment in infrastructure, jobs, housing legacy and community benefit. This reflects the scale of opportunity presented by renewable energy investment in Highland and the role of the Charter in securing long-term economic and community benefit from this activity.
- 5.2 **Glen Earrach Energy (GEE)** became the first Pump Storage Hydro developer to sign and commit their intent to the Charter on the 12 May 2026. This represents a significant milestone in extending the reach of the Charter across a wider range of renewable technologies and securing early commitments aligned to long-term community wealth building.

The following outlines GEE's current commitment, Council officers will continue to work with GEE to formalise the detail of the pledges and delivery of the proposed outcomes subject to the project being consented and delivered. A summary of their pledges are outlined below:

- Establish a **Community Wealth Fund**, funded by **5% of annual gross margin** from commercial operation.

- Focus on **long-term, intergenerational community benefit**, community wealth building, and locally led investment.
- Primary eligibility within the **Loch Ness catchment**, with flexibility to respond to wider regional needs.
- **10%-20% of total funding** directed to **strategic Highland-wide projects**, potentially via the Highland Council Strategic Fund.
- Annual governance and alignment via the **Social Value Charter Strategic Investment Plan** and a shared **Place Based Approach**.
- Community Wealth Fund able to prioritise **community-led and affordable housing** delivering long-term value.
- Delivery of **permanent legacy housing** for operational and management staff, aligned with local housing plans. Legacy housing transitioned into mainstream housing post-construction.
- Investment in **strategic infrastructure**, including improvements to the **A831** and recreational routes.
- Enhanced **outdoor access**, footpaths, and place-based interpretation.
- Significant **local supply-chain and business opportunities** during construction.
- Exploration of a **campus-style Operations & Maintenance facility** supporting enterprise, training, and innovation, subject to consultation and consent.
- Creation of:
  - **285 person-years** (pre-construction)
  - **1,765 person-years** (construction)
  - **41 FTE long-term operational roles**
- Strong focus on **local recruitment** and a permanent **Highlands-based operational workforce**.
- Partnership with **UHI, Skills Development Scotland**, and others to support skills pipelines and workforce planning.
- Delivery of STEM activity, training, and work experience for young people.
- Commitment to **Fair Work principles**, including the Real Living Wage and promotion of the Highland Employer Charter.
- Biodiversity enhancement embedded within project design and operation.
- Contribution to ecosystem resilience and nature recovery, using local skills where practicable.
- Delivery of long-term assets designed for shared use, learning, and economic benefit.
- Educational and interpretive materials provided in **English and Gaelic**.
- Alignment with the **Highland Outcome Improvement Plan**, Community Wealth Building Strategy, and **NPF4**.

- 5.3 **Balfour Beatty** will sign the Charter as the first Tier One construction contractor in July 2026. Balfour Beatty has committed to delivering long-term social, economic and environmental value through a place-based approach. Delivering an ongoing programme of activity across Highland, they have committed their support holistically across all their projects prioritising local employment, skills development, community partnerships and sustainable practices. This is a significant step in embedding the principles of the Charter across the supply chain and not solely at the developer level.
- 5.4 To further support the increasing activity of the Charter, a Social Value Charter (SVC) officer working group has been established with the core purpose, on behalf of the Community Planning Partnership, to act as accountable body for the Charter and ensure delivery and implementation.
- 5.5 This group will oversee performance and governance of the Charter, including: developing and implementing a performance framework, including measures of engagement, pipeline coverage, and community benefit secured.

In addition, this group will.

- Monitoring progress against the SVC Action Plan
- Reviewing the outcomes of SVC-related activity
- Addressing and resolving issues or challenges arising from SVC activity
- Receiving cross-service updates on SVC-related work
- Reviewing and updating the SVC on an annual basis
- Reporting on progress against the delivery and implementation of the SVC to the CPP Board and Council
- Agreeing a framework of governance relating to the size and scale of investment and development
- The development and implementation of the Strategic Investment Fund, including the delivery and governance model
- Review of Partnership Agreement

## **6. Scottish Government's Refresh of the Good Practice Principles for Community Benefits from Onshore Renewable Energy**

- 6.1 As reported to the Board in March, the Scottish Government published their response to their consultation last year on reviewing Good Practice principles for community benefit: [Working Paper - Refreshing the Good Practice Principles for Community Benefits from Onshore Renewable Energy](#).
- 6.2 As discussed at the Board in March, the proposals outlined within the paper fall short of the CPP Board's and wider Highland Partnership's expectations. While welcoming the opportunity to engage with Scottish Government in relation to their proposed changes to the guidance, the CPP's response expressed strong disappointment that the Working Paper fails to reflect the Community Planning Partnership's, the Council's and Highland communities' consultation feedback. And as one of the main regions most affected by renewable development it has been highlighted that the proposals represent a missed opportunity to deliver a fair, consistent and future-proof framework and highlights key concerns including the continued reliance on voluntary guidance, inadequate and regressive community benefit funding levels, lack of legally enforceable and mandatory standards, failure

to address regional inequality through a strategic fund model, weak governance, insufficient community engagement requirements, and poor reporting and accountability mechanisms.

- 6.3 The response urges the Scottish Government to revise the Working Paper to introduce a mandatory, enforceable framework with higher, revenue-linked contributions, dual local and regional benefit distribution, robust governance and monitoring, and stronger alignment with place-based and community wealth-building priorities across the Highlands. A copy of the letter from the CPP can be found at **Appendix 3**.
- 6.4 Officers continue to engage with Scottish Government to support the development of a framework that would be equitable and deliver long-term value for communities across Highland and other areas of Scotland.

## **7. Highland Project Bank**

- 7.1 The Highland Project Bank has been developed to enable community groups and third sector organisations the opportunity to connect with businesses operating across Highland. Hosted on the [BeConnected Highland](#) platform, alongside other funding support for communities, the project bank will allow Community groups, charities, third sector organisations and social enterprises the opportunity to submit requests for support, adopting a place-based approach which can be delivered by businesses either voluntarily, through community benefit commitments linked to procurement, or through pledges through the SVC charter.
- 7.2 Types of support that could be considered can include but is not limited to:
- Professional Support and Development / Mentoring
  - Volunteering
  - Donations of fundraising and sponsorship
  - Donations of supplies and materials
- 7.3 This resource will be promoted to communities and businesses through the fortnightly Community Briefing, procurement activity and direct engagement with a range of stakeholders on a regular basis.

## **8. Risks and Mitigations**

- 8.1 At present, and within the current legislative framework, the Charter remains voluntary, with no compulsion for developers or investors to comply. While work will continue with the UK and Scottish Governments to encourage a more statutory approach, the creation of the Charter nonetheless establishes a framework through which to engage developers. The Council will make full use of existing tools—such as the major pre-planning advice service and other discretionary planning services—to ensure early engagement and secure partnership agreements. Officers will also continue to work with developers and communities to maximise opportunities within the context of national policies and guidance, seeking innovative solutions and sharing best practice to ensure that all parties meet their obligations.

- 8.2 The proposed governance model detailed at section 3 of the report seeks to balance the need for appropriate independence and decision making of the fund, with making best use of experience and expertise of the Council in the role of accountable body. At this stage the costs of the model will be absorbed within business as usual activity but as funds grow, costs associated with administration of the Fund and the accountable body role, will need to be met by the Fund.
- 8.3 The proposed changes to the Onshore Best Practice Guidance presents a risk to the principles of the SVC. Risks include, but are not limited to;
- The lack of mandating of community benefits. Voluntary schemes are not enforceable and rely on developers adopting the best practice guidelines. Inconsistencies in approach on a developer by developer and technology by technology basis may continue to be an issue.
  - Not all technologies have been referenced in the guidance, presenting some ambiguity for developers and communities as to the requirements / aspirations for the technologies that have not been listed e.g. hydro pumped storage.

As noted at section 6.4, officers continue to liaise with Scottish Government to highlight the limitations and unintended consequences of the proposed

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**Appendix 1:** Refresh Highland Social Value Charter

**Appendix 2:** Governance Options Assessment

**Appendix 3:** CPP Board Response to Scottish Government on Good Practice Principles



## **Working Together for Stronger Highland Communities**

The Highland Social Value Charter sets out a shared commitment between the public, private and community sectors to maximise the benefits of investment across the Highlands. It ensures economic growth delivers lasting social, environmental, and community value, across the whole of the Highlands.

### **Our Goals**

Stronger communities  
Inclusive economic growth  
Improved social outcomes  
Sustainable and resilient future

### **Our Shared Commitment**

Support sustainable economic growth  
Delivering meaningful community benefits  
Promote community wealth building  
Ensure long-term local impact

### **Core Charter Deliverables**

- Strategic Investment – Aligning with regional priorities
- Highland Investment Plan – Driving long-term growth
- Housing – Increasing supply and improving quality
- Employment, Skills & Training – Creating jobs and developing talent
- Match Funding – Supporting community projects

### **Partner With Us**

Together, we can create lasting benefits for Highland communities. We welcome organisations committed to delivering shared value and positive local impact.



## Highland Social Value Charter

Cairt Luach Sòisealta  
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### **The Highland Social Value Charter**

sets out the community benefit expectations for businesses and organisations seeking to invest, operate, or do business in the Highland area.

The Highlands is a place of opportunity - bringing together outstanding natural assets, sector strengths and know-how

that can power sustainable growth. As these opportunities and assets are developed and utilised, it is essential that local communities benefit directly. Done well, this will support inclusive growth and deliver lasting and meaningful outcomes for communities across the Highlands.

The Charter outlines what the area expects from business investment, alongside the pledges we will make as public, private, and community sector partners to support and enable meaningful social value contributions. It aims to:

- Embed an approach to community wealth building across the Highlands
- Maximise economic, social, and environmental benefits from local assets and resources
- Engage and collaborate with relevant stakeholders to continually improve outcomes
- Unlock economic opportunities and support long-term prosperity for the area

The Partnership is committed to working collaboratively with organisations that wish to do business in the Highlands, ensuring mutual benefit and, most importantly, positive outcomes for Highland communities.



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The Charter consists of five Core Deliverables which are applicable to any sector and Sector Specific Deliverables which will be determined on a sector-by-sector basis.

The charter will be applied on a proportionate basis, with greater expectations placed on larger investors, underpinned by the core principle that all communities across Highland should benefit.


The table below details the core deliverables and key drivers for each deliverable.



### Social Value Charter Core Deliverables

No.	Deliverable	Delivery Mechanism
1.	<b>Strategic Fund – Highland Futures Investment Fund</b>	<ul style="list-style-type: none"><li>Contributing to a central strategic fund which will operate across Highland for the benefit of all communities. This will fund projects and contribute to developments that will support and enable economic growth, increase prosperity and achieve equity for communities across Highland.</li></ul>
2.	<b>Highland Investment Plan</b>	<ul style="list-style-type: none"><li>Supporting the development of the Highland Investment Fund by providing direct and indirect support for council and community led projects impacted by local development. This could include support for community facilities or sport, leisure or cultural facilities.</li></ul>

3. **Housing**
  - Support the Highland Housing Challenge through the provision of legacy housing and/or contributions to wider housing developments.
  - Supporting social and environment outcomes through improving the quality, comfort and resilience of homes.
  - Improving energy efficiency and helping to reduce fuel poverty.
  
4. **Jobs, Skills, Training**
  - Working collaboratively to support a sector wide approach to workforce development, aiming to expand, upskill and strengthen the regional workforce.
  - Adopting the Highland Employer Charter across the business sector to recognise and celebrate employers who are committed to fair pay, fair work, a circular economy and create positive and supportive workplaces across the region.
  
5. **Match Funding for Local Projects**
  - Adopting a place-based approach, support communities across Highland to develop and deliver local projects and initiatives.



The following pages describe in more detail the expected pledges from investors and the commitment from Highland in relation to each of the deliverables.



**Highland Social  
Value Charter**  
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# The Highland Social Value Charter

## Core Charter Deliverables

### 1. Strategic Fund – Highland Futures Investment Fund

#### Investor Pledges

Investors will:

- Support and enable economic development, increase prosperity, support nature recovery and achieve equity for communities across Highland by
  - For renewable energy developments - contributing £7,500 per MW per year or an equivalent percentage of revenue.
  - For non-renewable investors - contributing financially based on the sector, scale and size of the investment.

#### Highland Council Pledges

We will:

- Facilitate creation of a Strategic Fund Partnership, to manage the strategic investment fund. To be comprised of public agency, private sector and a cross demographic of community representatives.
- Create a Strategic Plan which will set out the investment priorities of the Community Planning Partnership and Highland Council in relation to:
  - Housing – including supporting development, retrofit, interim accommodation, key worker
  - Connecting People and Places – including community transport, infrastructure networks such as roads, bridges and active travel
  - Skills, Employment and Employability – including support for Workforce North led projects, capacity building of community organisations
  - Community Led Approaches to Tackling inequalities – including projects to support and address fuel poverty, food insecurity, childcare, health inequalities

- Social Physical Infrastructure – including support for community led service delivery models, community based infrastructure and regeneration projects,
- Land, environment and biodiversity – including support for the Nature Investment Fund, nature-based solutions and ecosystem restoration projects, climate led adaptation and resilience projects.



**Highland Social  
Value Charter**  
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# **The Highland Social Value Charter**

## **Core Charter Deliverables**

### **2. Highland Investment Programme**

#### **Investor Pledges**

Investors will:

- Provide both direct and indirect support, financial or in kind for council and community led projects impacted by local development. This could include contribution to community facilities and sports, leisure or cultural facilities.

#### **Highland Council Pledges**

We will:

- As part of the Highland Investment Plan, 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.
- Produce a prospectus outlining HIP projects and potential opportunities for contribution.



Highland Social  
Value Charter  
Cairt Luach Sòisealta  
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# The Highland Social Value Charter

## Core Charter Deliverables

### 3. Housing

#### Investor Pledges

Investors will:

- Invest and deliver legacy housing when undertaking large scale development
- Provide financial contribution towards wider housing development and infrastructure in Highland.
- Create, contribute or co-invest into accelerate large-scale domestic retrofit, extend delivery across tenures, and bridge funding gaps—prioritising low-income and vulnerable households.
- Enable funding to be leveraged to maximise impact by supplementing public grants, enabling deeper retrofit measures, and supporting long-term market growth and decarbonisation goals.

#### Highland Council Pledges

We will:

- Provide financial models for investors to enable contributions to housing development and delivery in Highland. This will include investment in Council/housing association/community models.
- Seek to deliver place-based domestic retrofit programme, at scale, in line with the Local Heat and Energy Efficiency Strategy (LHEES) to assist net zero targets, reducing fuel poverty and creating resilient, affordable housing across Highland's communities.
- Recognising the scale of investment required, Highland Council will adopt a multi-funded approach, aligning multiple sources to maximise impact and enabling contributions through the SVC to support this work.

## 4. Jobs, Skills, Training

### Investor Pledges

Investors will:

- Adopt Highland's Employer Charter, which commits to fair pay, fair work, and a Highland circular economy both as an organisation and for your supply chain.
- Create, contribute or co-invest in a workforce development programme which supports individuals on their journey towards, into and within employment.
- Contribute to the work of Sector Skills Boards to identify and deliver a clear and informed understanding of current & future job opportunities and skills needs across the Highland Council area, including the identification of skills provision gaps and the improvement/development of career pathways.
- Contribute to career experiential learning and pathway informing by partnering with education to deliver structured, curriculum-aligned activities such as project-based learning, career-based simulation,

### Highland Council Pledges

We will:

- Create and support The Highland Employer Charter recognition scheme which will acknowledge individual organisations commitment to:
  - Fair Pay
  - Employ Highland
  - Procure Highland
  - Employers of Choice
- In partnership with Workforce North, create and administer the Workforce North Co Investment fund to give a repeatable framework for shared public-private investment, aligned to employer demand. This will, expand the regional workforce to unlock economic growth & enable Co-investment in practical, employer-led workforce development.
- Develop Employer-Led Sector Skills Boards which will be responsible for the identification, understanding and reporting of current & future industry skills requirements to drive growth and development of Small, Medium & Large Enterprises within Highland

work experience, workplace visits and employer-led sessions. These experiences provide authentic exposure to jobs, sectors and progression routes, enabling pupils to make informed decisions about future pathways.

- Invest in third-sector delivery partners to provide employability, enterprise and meta-skills development within schools, supporting young people's progression into positive work destinations.
- Support and contribute to the development and operation of skills academies which deliver training in Highland to meet workforce needs.
- In response to emerging job opportunities and skills provision gaps identified, Work. Life. Highland will develop pathways in association with Investors for our post school clients to allow them the best chance to access employment opportunities. This may include supporting sector specific work experience, training and qualifications.
- Strengthen employer-school links through coordinated delivery of STEM Connect Highland, supporting curriculum-aligned employer engagement, real-world learning experiences, and sustained partnerships that improve pupil access to meaningful STEM and career opportunities. · Work with Workforce North to coordinate employers, schools and partners around a shared workforce approach that supports recruitment, strengthens talent pipelines and provides clear, joined-up information on pathways into employment, apprenticeships and further education for pupils and influencers, including parents and teachers.
- Partner with Developing the Young Workforce to build meaningful and sustained links between employers and schools, expanding access to high-quality work experience for senior phase pupils. Opportunities are person-centred and offered at the right time to maximise impact, supporting young people to develop confidence, gain insight into the world of work, and

make informed career and pathway choices.

- Support and contribute to the delivery and development of skills academies which address industry needs and develop skills for individuals looking for work, in work and transitioning into new industries.



Highland Social  
Value Charter  
Cairt Luach Sòisealta  
na Gàidhealtachd

# The Highland Social Value Charter

## Core Charter Deliverables

### 5. Match Funding for Local Projects

#### Investor Pledges

Investors will:

- Provide direct support – financial or in kind - for community projects within areas directly impacted by development.

#### Highland Council Pledges

We will:

- Through the **Be Connected** Highland digital platform identify community projects, initiatives and opportunities to enable funding match funding or in-kind support to support and enable grass root projects across the Highland area.
- Actively encourage communities, community groups and third sector organisations to continually post their project proposals to the Be Connected Highland platform to ensure a pipeline of opportunity to investors and businesses operating across Highland.
- Commit to sharing examples of innovation, best practice and opportunities across all stakeholders.



Highland Social  
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na Gàidhealtachd

# The Highland Social Value Charter Sector Specific Charter Deliverables

## Example of Sector Specific Deliverables

### Renewable / Green Energy Sector

<b>No.</b>	<b>Deliverable</b>	<b>Delivery Mechanism</b>
6.	<b>Community Funds</b>	<ul style="list-style-type: none"><li>• Committing to adhering to UK Government and Scottish Government's Best Practice Guidance in relation to community benefit funding.</li><li>• Supporting communities to maximise local and regional funding benefits.</li><li>• Supporting communities to build capacity, resilience and improve sustainability.</li></ul>
7.	<b>Shared Investment into Renewables</b>	<ul style="list-style-type: none"><li>• Committing to offering the opportunity for communities to participate in shared ownership schemes which will enhance community involvement and investment, promote a more equitable distribution of benefits and embed community wealth building.</li></ul>
8.	<b>Maximise socio-economic prosperity through the planning system</b>	Committing to maximising socio-economic benefits such as employment, associated business and supply chain opportunities for developments across the region by taking into account local priorities as identified through local and regional strategic action plans.

## 6. Community Funds

### Investor Pledges

Investors will:

- Commit to adhering to, as a minimum, the Scottish Government's good practice principles for community benefits in relation to
  - Minimum community benefit funding levels
  - Governance and distribution
  - Support for communities
- Retain the existing commitment of £5000 per MW per year from renewable energy developments to communities already receiving benefits, in line with Scottish Government guidance.
- Ensure all their development are included on the National Register of Community Benefits.

### Highland Council Pledges

We will:

- Provide community councils, community groups, and wider communities with impartial advice, support, signposting, and guidance in response to the growing volume of renewable development activity across the region.
- Support communities to maximise local and regional benefits through constructive dialogue with developers
- Support communities to build capacity and improve sustainability,
- 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 investment fund.
- Raise awareness of other funding / match funding for communities across a wide range of funding streams to ensure opportunities are maximised.
- Work collaboratively with organisations and sector-specific bodies to ensure communities are well-informed of any changes, remain empowered and knowledgeable, and are equipped with the skills needed to manage any changes effectively.

## 7.Shared Investment into Renewables

### Investor Pledges

Investors will:

- 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

### Highland Council Pledges

We will:

- Set 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.
- Work with partners to align priorities and opportunities for financial support

## 8. Maximise socio-economic prosperity through the planning system

### Investor Pledges

Investors will:

- Set out how socio-economic benefits of their development proposals will be maximised taking into account the Highland Outcome Improvement Plan, the key investment priorities of the Community Planning Partnerships and Community Partnerships and the Council's Community Wealth Building Strategy and the National Planning Framework 4, particularly in relation to biodiversity and green skills. The expectation is that this should be included within the socio-economic assessment submitted with a development application.
- Collaborate with other investors and public sector partners to ensure that opportunities are maximised.

### Highland Council Pledges

We will:

- Where other planning matters have been resolved, 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 in line with this Social Value Charter.
- 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 the socio-economic assessment and this Social Value Charter to highlight and promote the benefits of private and public sectors working together to benefit the Highland economy.

## Appendix 2

### Comparative Assessment of Options

The table below summarises the four options and their respective strengths and considerations:

Option	Summary	Advantages	Considerations
1. Council-managed Fund	Fund held and decisions made by the Council	<ul style="list-style-type: none"> <li>• Clear democratic accountability</li> <li>• Straightforward to establish and administer</li> <li>• Clear governance, financial and risk controls in place</li> </ul>	<ul style="list-style-type: none"> <li>• May not fully reflect community-led decision-making</li> <li>• Potential concerns around ringfencing</li> <li>• May limit confidence among stakeholders</li> </ul>
2. Council with Partner Agreement	Fund held by Council, with decisions taken jointly with partners under a formal agreement	<ul style="list-style-type: none"> <li>• Builds on existing Council role as accountable body for other funding streams</li> <li>• Enables shared decision-making with partners and communities</li> <li>• Retains appropriate oversight and accountability</li> <li>• More practical and cost effective than to establish and operate than a new standalone entity</li> </ul>	<ul style="list-style-type: none"> <li>• Requires robust governance arrangements and clear agreements to ensure transparency</li> <li>• Ringfencing arrangements must be clearly defined to provide confidence</li> <li>• Council statutory duties will continue to apply</li> </ul>
3. Arm's-Length Organisation	Separate body established to manage the Fund	<ul style="list-style-type: none"> <li>• Stronger ringfencing and independence</li> <li>• Direct stakeholder and community involvement</li> <li>• Builds confidence with developers and partners</li> <li>• Greater flexibility outside local authority systems</li> </ul>	<ul style="list-style-type: none"> <li>• Requires time and resource to establish</li> <li>• Ongoing governance requirements</li> </ul>
4. Third-Party Managed Fund	External organisation manages and distributes the Fund	<ul style="list-style-type: none"> <li>• Minimal administrative burden for the Council and partners</li> <li>• Clear independence from the outset</li> <li>• Often attractive to developers</li> <li>• Can be established relatively quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of weaker alignment with local priorities</li> <li>• Community involvement depends on governance design</li> <li>• Will involve significant costs which are not available at the early stage development of the fund</li> </ul>

## CPP Board Response to Scottish Government on Good Practice Principles

Dear Sir or Madam

Re: Scottish Government's Working Paper on Refreshing the Good Practice Principles for Community Benefits from Onshore Renewable Energy – February 2026

On behalf of The Highland Community Planning Partnership we welcome the opportunity to respond to the refresh of the Good Practice Principles for Community Benefits.

However, we must express significant concern and our huge disappointment that the Working Paper published in February 2026 does not adequately reflect or incorporate the substantive views, evidence, and recommendations provided in the joint Highland Community Planning Partnership and Highland Council's formal consultation response.

In its current form, the paper represents a missed opportunity to establish a fair, consistent and future proof framework for community benefit in Scotland's most impacted regions. It also falls short of facilitating and supporting our Community Wealth Building aspirations throughout the Highland region, and ignores the work done to prepare and promote the Social Value Charter form Renewables in Highland.

I would note in particular our concern at the extent to which public views and lived community experience appear not to have been meaningfully reflected in the proposed updates.

As one of the geographic areas in Scotland most impacted by the growth in renewable energy, we participated constructively in the consultation process, submitting a detailed response that outlined clear opportunities to strengthen Scotland's approach to community benefits. This included:

- the need for equitable distribution,
- legally enforceable governance,
- mandatory standards, and
- a strategic approach to benefit allocation.

These were central themes within Highland's submission but appear to have, on the whole, been ignored within the Working Paper. The proposed levels of funding across the different technologies fall woefully short of any values that would have been achieved had community benefit funding had index-linked increments applied year on year since the implementation of the guidance.

While the Working Paper highlights that responses were gathered from Councils, communities, stakeholders and advisory groups across Scotland, many of the most critical issues repeatedly raised by Highland Community Planning partners and

Highland communities appear not to have been meaningfully considered. Given that there is a greater level of impact in this local authority area than perhaps any other in Scotland, it is extremely worrying that the concerns and issues have been dismissed.

The following sets out a number of areas for concern.

## 1. Community Benefit Distribution – Failure to Address Regional Inequality

The Council and Partnership response last year emphasised the need for a balance between direct host community benefits and a local authority wide strategic fund model. This is essential to address socio economic inequalities and ensure fairness across communities directly or indirectly impacted by renewable developments.

However, the Working Paper fails to recognise the strong evidence base supporting strategic allocation presented or indeed the Highland Social Value Charter framework. Instead, the position adopted has maintained a traditional and narrow local-first model that risks perpetuating regional inequalities. More importantly, it does not address the longer-term legacy that Highland partners and communities are demanding. Rural communities in parts of Highland need to be sustained and supported for the long term, and this paper does not meaningfully address this.

There is a strong case for change, not perpetuating existing inequalities and systematic failures. The current proposals change nothing.

## 2. Insufficient commitment to mandatory, legally secure arrangements

The Highland feedback was clear that voluntary guidance is no longer adequate. It set out a strong case that it is essential community benefit arrangements are:

- Legally enforceable - community benefit agreements should be legally enforceable,
- Incorporated into planning – the requirement for community benefit agreements should be integrated within the planning system and process;
- Monitoring and compliance – community benefit agreements should be subject to clear mechanisms for monitoring and compliance, ensuring accountability.

There is clear evidence that developers are not adhering to the current guidance. Without system change, 'guidance' will make no difference.

The Scottish Government's continued reliance on voluntary principles overlooks the challenges communities face in negotiating with large energy developers and fails to address long standing concerns about transparency and accountability.

The proposed process still leaves substantial discretion with developers and intermediaries rather than embedding the local community as the primary decision-maker from the outset. This risks perpetuating the very inconsistencies and inequalities the refresh claims to address.

### 3. Proposed Community Benefit funding levels – materially inadequate and regressive

The Highland Partnership highlighted the need for significantly higher, mandatory and revenue linked funding levels to ensure fairness and reflect both local and strategic priorities.

In contrast, the Working Paper proposes only modest, voluntary contributions — £6,000 per MW for onshore wind, £700–£1,000 per MW for solar, and £150 per MW for battery storage.

The rates set out:

- Are not reflective of the value of developments not the impacts experienced by communities;
- Provide no defined contributions for technologies such as pump hydro storage – this is fundamentally wrong given the huge impact and long duration of these developments; and
- Include no provision for a regional strategic fund to address inequalities and lasting legacy across the area.

This represents a substantial divergence from the Highland position, which supports and advocates for considerably higher payments across all technologies and a dual level model comprising both local and strategic community benefit funds.

The Working Paper is already generating concerns amongst communities. In particular, that this could lead to a retrenchment from developers who morally and rightly recognise that the current guidance had not increased with inflation and have committed to higher levels of community benefit. Justifiable concerns now exist that developers will renege on commitments – supported by Scottish Government guidance – and ultimately disadvantaging communities across Highland.

### 4. Community Engagement – Insufficient Structure and Protection

While the working paper acknowledges the importance of engagement, it fails to introduce:

- Mandatory early stage engagement requirements;
- Defined timelines aligned to the planning process; and
- Minimum standards for developer led engagement.

Highland communities continue to report late, inconsistent, and reactive engagement, limiting their ability to influence outcomes. The Working Paper proposals will not address these.

The omission of a more structured mandatory process risks continued inconsistency and missed opportunities from meaningful community engagement and influence.

### 5. Limited recognition of the Highland proposed governance improvements

The proposed governance framework remains optional and non binding and does not address the issues raised.

Highland partners set out detailed recommendations in relation to a strengthened governance framework which would introduce transparent, community led governance—including participatory budgeting, strategic oversight bodies, and independent auditing—to ensure effective delivery of community benefits.

Whilst the draft guidance provides a set of principles and optional governance models, these remain non-binding and lack statutory weight. This will not address the current inadequate and inconsistent practice across Scotland.

#### 6. Reporting and monitoring – failure to enable accountability

Highland argued for mandatory, standardised national reporting, with clear KPI's, independent audits, and long term impact evaluations to move beyond voluntary submissions to the Community Benefits Register.

However, the Working Paper continues to encourage voluntary reporting rather than requiring it. This undermines transparency and severely limits the ability of public sector partners and communities to assess the long term value of developments at a regional and national level and hold developers to account.

#### 7. Lack of alignment with Highland's Place Based and Community Wealth Building approaches

The Working Paper does not adequately align with established place-based frameworks, including:

- Area and Local Place Plans.
- The Highland Outcome Improvement Plan, and
- The Highland Social Value Charter.

In particular, the absence of a recognised strategic investment model undermines the ability to deliver:

- Regional infrastructure
- Economic diversification, and
- Long term legacy community wealth building.

A purely localised approach does not reflect the integrated nature of energy systems or regional economies, particularly in rural and island contexts.

#### Conclusion: A Missed Opportunity – Strategically and for Communities

Whilst we welcome and support the refresh of the Good Practice Principles, the Highland Community Planning Partnership in partnership with Highland Council remain committed to supporting the development of robust, fair, and future proof Good Practice Principles.

The current Working Paper does not do this.

The Working Paper does not fully recognise the scale of opportunity, or the risks associated with failing to embed stronger, more equitable, and enforceable arrangements.

We therefore urge the Scottish Government to revise the Working Paper and commit to:

- **Mandatory Framework** - move beyond voluntary guidance and establish a mandatory, enforceable framework for community benefits.
- **Revise Contribution Levels** - introduce minimum, revenue-linked and index-linked contribution levels across all technologies.
- **Regional Distribution** - formalise a dual-level distribution model, incorporating both local and strategic regional funds, as proposed in the Highland Social Value Charter.
- **Mandatory Engagement** - embed mandatory engagement standards aligned with the planning process.
- **Governance Delivering Accountability** - establish robust governance, reporting, and audit requirements.

We would welcome direct engagement between the Scottish Government and Highland Council, as the Partnerships leading body in relation to this matter, to support the development of a framework that is credible, equitable, and capable of delivering long-term value for communities across the Highlands and Scotland as a whole.