# Consultation Response

## Community Benefits from Net Zero Energy Developments

### About the RTPI

The RTPI Champions the power of planning in creating sustainable, prosperous places and vibrant communities. We have over 27,000 members in the private, public, academic and voluntary sectors. Using our expertise and research we bring evidence and thought leadership to shape planning policies and thinking, putting the profession at the heart of society’s big debates. We set the standards of planning education and professional behaviour that provide our members, wherever they work in the world, a unique ability to meet complex economic, social environmental and cultural challenges.

### Offshore Wind Communities

Community benefits are a vital mechanism which helps to achieve many of NPF4’s objectives and policies, including tackling the climate and nature crises (Policy 1), energy (Policy 11), and community wealth building (Policy 25), to name just a few. This is through their ability to help garner community support for renewable energy projects, as well as ensuring a just transition to net zero by equitably distributing the profits generated by renewable energy projects that take advantage of Scotland’s natural resources.

In terms of defining which communities should benefit from offshore renewable energy schemes, we submit that there cannot be a one size fits all approach. We agree with the consultation paper that flexibility is key to ensure maximum opportunity for applicable communities to be captured having regard to the geographic scale of the project, as well as its varying degrees of impact. This impact could range from a project’s geographic proximity to a community, the use of community infrastructure (such as a local port), impacts on local fishing communities, as well as the need to house onshore infrastructure associated with the project.

Although there cannot be a one size fits all approach, we believe there should be suitable standards set out within the Good Practice Principles that can be applied to all offshore proposals to ensure maximum opportunity for communities to self-identify and meaningfully engage with an offshore project. This must not be set out in such a way that unintentionally promotes developers using the standards as a ‘tick-box’ exercise. In addition, policymakers should ensure that these standards are reflective of the whole community, not just a narrow demographic, ensuring that developers proactively engage with hard-to-reach groups (including youth, the elderly, time-poor, those who lack internet, non-English speakers, those with poor literacy, etc.) who will be affected.The standards must require offshore wind farm operators to initiate engagement as early, and casting as wide a net, as possible. This must include the greater use of participatory approaches at the ‘options’ stage of project development to help ensure a genuine and meaningful partnership is established between offshore wind farm operators and communities. This would mean, rather than simply being given an opportunity to comment on an already-established proposal, communities would be empowered to articulate their needs and shape the options for projects coming forward before proposals are set in stone. This is vital to ensure that community benefits achieve their intended purpose as outlined above.

### Maximising the impact of community benefits from offshore wind developments

Community benefits can be an effective way to garner public support for renewable energy schemes, provided the schemes are accompanied by effective and meaningful engagement. Communities must be given a genuine say on the scheme and the community benefits generated from them. Consequently, it is our opinion that the decisions taken on the use of community benefits are also community-led.

The purpose of community benefits within the planning system is to extract value from development that can be put towards the common public interest, for example, through infrastructure and public realm improvements. We note that the existing guidance includes local electricity bill discounts as a potential use of community benefits. The use of community benefits for this purpose has also been a topic of recent discussion in England. It is the view of the RTPI that bill discounts are not an appropriate use of community benefits given that they provide financial gain to private individuals and do not concern public goods, placemaking or issues widely regarded as being relevant to planning. This could give rise to the perception of community benefits being used as a mechanism to ‘buy off’ communities.

Community benefits should only be used to fund public goods or to create joint ownership arrangements which generate social value for affected communities. Public goods could include local infrastructure, placemaking improvements, or the retrofit of public and private buildings. This approach aligns with the established purpose of the planning system, rather than providing compensation or incentives that benefit private interests.

First and foremost, the decisions around the use of community benefits should be plan-led. In this regard, there is an opportunity for Local Development Plans (LDP) and Local Place Plans (LPP) to lay the groundwork in establishing the needs of communities and the infrastructure required to make the community’s vision for their area a reality. In this regard, there is also a potential role for Regional Spatial Strategies (RSS) to help direct community benefits towards larger regional scale, longer term, or more complex projects. Given the geographic scale of offshore wind schemes, we can appreciate the necessity for the community benefits generated from these schemes to go towards more regional/strategic projects that benefit multiple communities. However, for this to be achievable in practical terms, there needs to be a governance mechanism at the regional scale to both identify and deliver these larger-scale more complex projects.

Following the demise of SDPs in 2023, RSSs are now the principal mechanism in Scotland for delivering on regional strategic planning objectives. However, these have yet to be fully realised, with no regulations in place for local authorities to move them forward. If community benefits are to help deliver these larger, more complex, regional projects, it will require at the very least the full realisation of RSSs and the establishment of the regional partnerships to identify and deliver them.

We believe it is important for the Good Practice Principles to recognise the important relationship between spatial plans (in identifying the needs of communities) and the use of community benefits (to deliver these identified needs). Such plans have the potential to lay the groundwork of community needs before a scheme is put forward by a developer, placing communities in a stronger position when negotiating outcomes at the early stages of a renewable energy project.

Notwithstanding the above, we are also acutely aware that limited community and local authority resources and skills can also hinder community input into the LDP and LPP preparation process. RTPI Scotland have long held the view that the ability of local authority planners to deliver on the new format LDPs and to support communities in preparing LPPs will be hindered by their limited resources and budgets, which have continued to decrease in real terms since 2009. [RTPI Scotland’s latest research](https://www.rtpi.org.uk/research-rtpi/2023/december/resourcing-the-planning-service-rtpi-scotland-research-briefing/) revealed that:

* Planning expenditure is continuing to fall, with a -28.6% drop since 2010-11, leaving it as the most reduced and lowest funded local authority department on a national scale. The change from 2020/21 to 2021/22 was -2.4% at a national scale, while all other services increased to some degree.
* Workforce is at the lowest level in five years at 1205 members of staff in local authorities as of 2022/23. The previous year’s level was at 1242.
* The planning workforce continues to age, and employees 50+ now represent 39.6% of the total.

RTPI Scotland has previously highlighted that the resource implications for communities wishing to produce LPPs, and for planning authorities to support their development and implementation is a significant concern. [We have previously](https://www.rtpi.org.uk/consultations-rtpi/2023/july/rtpi-scotlands-response-to-local-living-and-20-minute-neighbourhoods-draft-planning-guidance-consultation/#_ftn13) called upon the Scottish Government to provide dedicated resources to support LPPs in the form of a national grant scheme for communities (as has been established in England to support Neighbourhood Plans). In terms of funding allocation, we note the uneven uptake of neighbourhood planning in England where research revealed a much lower uptake in urban and deprived communities with only 5% of completed plans in urban areas and just 6.7% of neighbourhood planning areas in the most deprived parts of the country. We can easily foresee that this type of disparity could also emerge in the context of community benefit and shared ownership arrangements in communities which lack the necessary resources and skills to negotiate an adequate outcome.

### Determining appropriate levels of community benefits from offshore wind

Strong community benefits cannot build support for schemes if they are not accompanied by effective community engagement. Methods of community engagement that empower community involvement in the determination of the location, design and financial structure and benefits of projects have been shown to generate greater community support. This is needed for communities to shape schemes so that they are as effective as possible, to understand the benefits generated from schemes, and to gain a sense of procedural fairness. Without this, there is a risk of communities feeling they have been ‘bought off’ by benefits ([Knauf and le Maitre, 2023](https://www.sciencedirect.com/science/article/pii/S136403212300014X) have undertaken research on this topic in relation to onshore wind farm development. However, we believe this is also applicable to offshore schemes.)

There is a role for the Good Practice Principles to support and encourage participatory engagement and shared ownership, where this is appropriate. As an example of how such participatory engagement has worked well in practice elsewhere, we draw attention to the approach taken by the French ‘Commission Nationale du Débat Public’ (CNDP). This is a state-sponsored public body tasked with promoting genuine engagement around project options. This approach emerged in response to severe public opposition to state sponsored infrastructure projects and was initially focused on major and contentious projects. It is increasingly being adapted, however, to renewable energy. Significantly, the CNDP public debates occur before a project has been planned in detail, providing the local community with direct input into the principle and location of development. Evidence indicates that this model has reduced local opposition to strategically important infrastructure projects and increased the ability of communities to shape decisions ([Slade and Davies, 2017](https://www.instituteforgovernment.org.uk/sites/default/files/publications/IfG_infrastructure_strategy_final.pdf)).

Proactive engagement can frontload the decision-making for renewable energy schemes, increase community and local authority support, and in turn deliver enhanced industry certainty by reducing the risk of consenting delays.

### Shared ownership of offshore wind developments

The RTPI is broadly supportive of shared ownership outcomes for both offshore and onshore wind projects. Joint ownership gives communities a direct financial and decision-making stake in energy generating projects and is an effective means of building community support. We note that there is precedent of shared ownership in Scotland with respect to onshore wind, with the Scottish Government encouraging a community shares approach where local organisations and individuals are provided an opportunity to invest in projects.

Whilst we acknowledge that the model of shared ownership can be difficult to apply to larger-scale offshore projects due to the number of affected communities, we would support this shared ownership approach being applied to offshore projects where this is deemed to be appropriate, and where identified barriers are able to be overcome.

### Onshore: Extending the scope of the Good Practice Principles

In principle, the RTPI supports the use of community benefits across all renewable energy technologies to garner enhanced community support, and to deliver a meaningful and just transition to net zero.

We appreciate that certain technologies are more advanced in utilising community benefits compared to others (for example, whilst there are many examples of community benefits being used for onshore wind projects, there are currently no examples of their use in the delivery of hydrogen projects). However, it is our view that there are advantages in employing participatory engagement methods across all renewable energy technologies to reap the benefits of enhancing community knowledge about the technology, debunking misinformation, and delivering proposals that align with community aspirations for their place.

As previously mentioned in relation to offshore schemes, there cannot be a one size fits all approach to community engagement. We do, however, support the adoption of standard principles that can facilitate a more proactive and participatory approach to community engagement for all types of renewable energy technologies.

These standard principles must not be set out in such a way that encourages (albeit unintentionally) a tick-box exercise. As such, we recommend that these principles be based on ‘outcomes’ to be achieved, rather than specific ‘actions’ to take.

Whereas ‘action’-focused principles are more likely to result in only the minimum requirements being achieved with respect to community engagement, an ‘outcomes’-focused approach would encourage a more carefully considered engagement strategy. As an example, an action-focused principle that requires “community engagement to take place at an early stage” may in practice only encourage the very minimum of engagement, such as presenting communities with an already agreed proposal with little scope for change. An outcomes-focused principle, however, that requires developers to adopt engagement practices that “achieve a partnership approach to empower communities to articulate their needs and shape the options for projects from the outset” has the potential to result in a more meaningful approach to engagement that focuses on achieving the outcome rather than simply ticking off an action. The approaches taken to achieve these outcomes are likely to vary between each project and technology, enabling a flexible approach whilst still achieving the broader aims of the good practice principles.

We see that these types of standard ‘outcome’ principles could easily be applied to all renewable energy technologies (both on- and off-shore) and could be supported by the use of case studies or hypothetical scenarios that demonstrate the actions that could be taken for different renewable energy technologies at different scales and in different locations to achieve the outcome.

### Onshore: Improving the Good Practice Principles

As previously mentioned in relation to offshore proposals, there cannot be a one size fits all approach when it comes to identifying which communities should benefit from offshore renewable energy schemes. We agree with the consultation paper that flexibility is key to ensure that the appropriate communities are suitably captured having regard to the geographic scale of the project, as well as its varying degrees of impact on Scottish communities.

Although there cannot be a one size fits all approach, we believe that the Good Practice Principles can set out suitable standards to be applied to all renewable energy proposals to ensure maximum opportunity for communities to self-identify and meaningfully engage with all types of projects (both on- and off-shore). These standards must be reflective of the whole community, not just a narrow demographic, and must not be set out in such a way that unintentionally encourages a tick-box exercise. For this reason, we would support an ‘outcomes’ approach to the good practice principles, rather than an ‘actions’ approach. As highlighted earlier in our response, this would result in a more carefully considered and meaningful engagement strategy, rather than simply ticking off an action which may or may not (depending on the proposal and technology) achieve a positive outcome for communities. This ‘outcomes’-based approach would also help to ensure that developers proactively engage with hard-to-reach groups (including youth, the elderly, time-poor, those who lack internet, non-English speakers, those with poor literacy etc.), and to help ensure greater use of participatory approaches at the ‘options’ stage of project development. We believe this approach is more likely to bring about a genuine and meaningful partnership between renewable energy operators and communities and better empower communities to articulate their needs and shape the options for projects coming forward before proposals are set in stone.

As stated above with respect to offshore schemes, it is the view of the RTPI that bill discounts are not an appropriate use of community benefits given that they provide financial gain to private individuals and do not concern public goods, placemaking or issues widely regarded as being relevant to planning. This could give rise to the perception of community benefits being used as a mechanism to ‘buy off’ communities.

Community benefits should only be used to fund public goods or to create joint ownership arrangements which generate social value for affected communities. Public goods could include local infrastructure, placemaking improvements, or the retrofit of public and private buildings. This approach aligns with the established purpose of the planning system, rather than providing compensation or incentives that benefit private interests.

In the above regard, there is a role for spatial plans to play in directing community benefit funds towards projects that are in the public interest. Local Development Plans and Local Place Plans are already used to set out the needs of communities by identifying how land should be used and developed, where housing, green space, and other infrastructure should be located, and ascertaining a vision for the area and the improvements needed to make this vision a reality. Consequently, these plans are well placed to lay the groundwork for how future community benefits could be used to realise the plan vision.

We believe it is important for the Good Practice Principles to recognise the important relationship between spatial plans (in identifying the needs of communities) and the use of community benefits (to deliver these identified needs). Such plans have the potential to lay the groundwork of community needs before a scheme is put forward by a developer, placing communities in a stronger position when negotiating outcomes at the early stages of a renewable energy project.

To achieve this at the regional scale, for renewable energy schemes that benefit multiple communities across a wider geographic area, there is a potential role for RSSs to help identify larger regional scale projects that could be delivered through community benefit funds. However, RSSs have yet to be fully realised, with no regulations in place for local authorities to move them forward. This represents a significant spatial planning and governance gap that will make the coordination and delivery of regional-scale community benefit funds harder to achieve. If community benefits are to help deliver these larger, more complex, regional projects, it will require at the very least the full realisation of RSSs and the establishment of the regional partnerships to identify and deliver them.

In addition to the above, the consultation paper also asks what improvements could be made to the way community benefit arrangements are measured and reported. We believe that the effective monitoring and reporting of the outcomes of community benefit arrangements is vital to ensure they are achieving their intended purpose for all communities across Scotland.

The data that is currently captured and available through Scotland’s Community Benefits and Shared Ownership Register is incredibly valuable in providing a broad picture of community benefit and shared ownership patterns across Scotland. The narrative report also provides a useful (albeit broad) national picture, with useful links to best practice case study examples. However, in order for maximum value to be extracted from this data to provide a strong evidence base of community benefit impact, we believe further data interrogation and analysis is required. Although the Register provides a useful overview on the number and locations of community benefit funds and shared ownership arrangements, it does not provide any analysis or assessment of the quality and impact of these arrangements on communities. This type of further analysis is vital if we are to understand the impact of community benefits across Scotland, including (but not limited to):

* if certain communities have gain more (or less) than other communities and why;
* if any outcome disparities are evident across different fund types and communities; and
* if any communities have been disadvantaged or left behind by the current approach to community benefits in Scotland.

Greater interrogation of the data to form a strong evidence base that identifies the true impact of community benefits and how this may (or may not) vary across Scotland, would give us greater insight that could help inform future reviews of the good practice principles.

### Onshore: Setting a funding benchmark

No comment

### Onshore: Assessing impacts of the Good Practice Principles

As mentioned above, we believe there should be greater interrogation of the community benefit and shared ownership data that is currently captured. This would provide a strong evidence base about the true impact of community benefits to help inform future reviews of the good practice principles. We make this point understanding that the ability of communities and local authorities to gain the maximum benefit from renewable energy schemes relies on their access to resources and skills that may not be available to the same degree across all communities and local authorities across Scotland.

Related to the above, whilst believe that the good practice principles should recognise the important relationship between spatial plans (in identifying community needs) and the use of community benefits (to deliver these identified needs), we are also acutely aware that limited community and local authority resources and skills can also hinder community input into the LDP and LPP preparation process. RTPI Scotland have long held the view that the ability of local authority planners to deliver on the new format LDPs and to support communities in preparing LPPs will be hindered by their limited resources and budgets, which have continued to decrease in real terms since 2009. [RTPI Scotland’s latest research](https://www.rtpi.org.uk/research-rtpi/2023/december/resourcing-the-planning-service-rtpi-scotland-research-briefing/) revealed that:

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It is for this reason we believe an outcomes-focused approach to the good practice principles should be adopted to help facilitate a developer-led proactive approach to participatory community engagement that can maximise community opportunity to meaningfully engage in the delivery of renewable energy schemes. It is important to remember, however, that this represents only one aspect of a broader package of solutions that will be required to tackle resource, capacity and skill disparities across Scotland, to give every community an equitable opportunity to achieve maximum benefit from renewable energy schemes.