

## Intro to Shared Ownership Sessions - 17<sup>th</sup>/18<sup>th</sup> & 24<sup>th</sup> September

Timings	Session
45 mins	Introduction to Shared Ownership and Q&A
45 mins	SOSE's Work on Community Benefit and time for discussion

### Intro to Shared Ownership Follow Up Information

- The Sector Deal can be found here – the community section is worth a read as this sets out the commitments the renewable development sector and Scottish Government have agreed to for both community benefit funds and shared ownership. Part of this includes creating a more standardised process. [Onshore wind sector deal - gov.scot \(www.gov.scot\)](http://www.gov.scot)
- Good practice principles for community benefit funds and shared ownership: [Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments \(www.gov.scot\)](http://www.gov.scot)  
[scottish-government-good-practice-principles-community-benefits-onshore-renewable-energy-developments.pdf \(www.gov.scot\)](http://www.gov.scot)
- Guidance from Rathbones for charities on investment: [the\\_relationship\\_between\\_risk\\_and\\_return.pdf \(rathbones.com\)](http://rathbones.com)

#### LES resources:

- Early stage MoU with guidance: [Community benefit Memorandum of Understanding - guidance and template · Local Energy Scotland](http://www.localenergyscotland.org.uk)
- QMPF report: [Shared ownership market engagement report workshop · Local Energy Scotland](http://www.localenergyscotland.org.uk)
- Shared ownership general information: [Shared ownership projects · Local Energy Scotland](http://www.localenergyscotland.org.uk)
- LES YouTube recordings of sessions about shared ownership and our other work: [What is the Community and Renewable Energy Scheme \(CARES\)? \(youtube.com\)](http://www.youtube.com)  
[Webinar: Shared ownership - financial basics for communities \(youtube.com\)](http://www.youtube.com)

### SOSE's work on Community Benefit – discussion opener summary

SOSE recognises shared ownership as a Scottish Government ambition, and something with considerable potential additional benefit.

The purpose for these events was that the feedback we received from communities after publication of the [Baseline Report on Community Benefit](#) was that shared ownership appeared too complicated, time consuming and risky to pursue, or that it didn't appear developers were particularly interested in a deliverable ownership offer. Therefore, highlighting the expertise of Local Energy Scotland was the logical step.

SOSE isn't seeking to own or control community benefit.

SOSE is interested in whether the following might help:

- Greater standardisation of community benefit terms – up to and including a South of Scotland standard;
- Up-front payments from developers so communities can invest in capacity to plan future spending;
- Contractual arrangements to protect community benefit agreements – with the potential to be used as collateral for loan finance.

This isn't an exhaustive list and SOSE is keen to hear all feedback and thoughts as the beginning of a conversation with communities about community benefit.

As a neutral body, neither involved in the planning process, nor managing community benefit funds, can we use that unique position and apply SOSE's resources and networks to helping remove points of difficulty in the system and how would you like that to be shaped?

## **17<sup>th</sup> September, Volunteer Hall, Duns**

### Discussion Points – Shared Ownership

- Is it compulsory for a Community Benefit and Shared Ownership offer to be made to communities on a new development? No, not in legislation, but it is expected by Government.
- Shared Ownership is separate from Community Benefits. One should not affect the other, and both should be possible on the same development. Good to keep the potential of Community Shared Ownership on the table for discussion. Important to note that revenue from Community Shared Ownership would not have restrictions on how it can be spent like is often the case with Community Benefits.
- Is Offshore Wind an option as well? Yes, in theory, however the sums that would be required would be significantly higher and has thus far has been prohibitive for communities.
- Queries raised around possible Returns on Investment but impossible to say with great certainty since every project will be different.
- Geographic reach was raised, community ownership can spread into a wider locality than community benefit tends to but hasn't really done so to date.
- Solar is similarly an option with wind. Battery storage is also becoming more popular, but it is less clear what the approach is to it from Government.

### Discussion Points – Community Benefit

- General agreement that a developer standard would be useful.
- Also support for the ability to get early funding to develop community capacity and capability.
- Highlighted an example of a developer suggesting that a community didn't have the ability to manage large funds, and that a bigger organisation should be enlisted. This was however seen as removing local control, and the ability to spend on local priorities.
- One attendee highlighted there had been a lack of demand for use of Community Benefit money (it was felt this was no longer the case) but seen as helpful to be able to spend funds over a wider area if needed, and if this matched community priorities.

Important to recognise though that most disruption from these developments will be in the immediate local area, and scaling up could lose local control.

- Bureaucracy is demotivating for volunteers; standard would be helpful but keep it simple.
- Some saw value seen in the 9CC model, with a strategic pot and a local pot to invest in projects.
- Important to properly develop community capacity and capability and not just rely on commissioning consultants – with the associated benefit of generating local employment.
- While Community Benefit offers are now generally standard a few developers are asserting they can't afford to offer any.
- Reduction in energy bills seen as a positive community benefit, could this be included as an option in the standard? Some communities already looking at Fuel Poverty, and some argue any future legislative obligation to pay community benefit might remove local flexibility.
- Potential for use of Community Benefit monies to go into Energy and Housing projects.
- Can you use Community Benefit monies to buy into Shared Ownership – potentially yes, depending on the structure of any specific offer.
- Communities are generally ambitious for

## **18<sup>th</sup> September, Burnfoot Community Hub, Hawick**

### Discussion Points – Shared Ownership

- Can Local Authorities buy into windfarms? In theory yes, but it hasn't happened before. LES would not provide support to a bid from a Local Authority, however, as their role is to support community led groups.
- What community consultation would be needed to take on such a project? Depends on the organisation. A Development Trust might wish to consult with all its members. A Community Council wouldn't necessarily need to consult wider with the community to take on Community Shared Ownership, but it would be helpful to consult on a community action plan on how to spend the income.
- Challenges in Teviot area around the timing for development, and that they might not come to fruition until after 2033. Raises a challenge for communities in the long-term nature of both the planning and the investment, which has a moral and social consideration. Capacity and capability of the organisation is vital. Might make more sense for some to invest post completion but that will probably be more expensive, as it is effectively de-risked.
- Query around solar and battery storage. Solar is possible but hasn't yet been done, and lack of clarity on battery from government. The financials for solar are quite different to Onshore Wind.

### Discussion Points – Community Benefit

- Developers approach communities in different manners, some are good and some much less so. Has led to some bad feeling locally, particularly where communities have been cut out, and not given the opportunity to have their say.
- The whole process of developer engagement uses up a great deal of volunteer time and effort.

- A Developer Standard was seen as being a helpful step, and that where standards are not being met it should be called out.
- Issues of locational pricing and grid connections are important.
- Important to help provide a benefit for local people through cheaper energy, and there needs to be a truly just transition to Net Zero.
- Support was expressed for a model which provides both local and strategic funding, so that small, local projects can still be supported and more volunteers gain experience of devising and assessing projects.
- Challenging to plan ahead, as much of the development will not be operational in the local area until the 2030's.
- Issue on grid connections with SPEN, which both SOSE, and communities will be looking to have conversations with SPEN to tackle the issue. A group of Community Councils have sought information on how SPEN have come to the decision they have.
- Important that there is spatial planning which includes renewables, other infrastructure and forestry development, and link into Place Planning.
- Important to factor in inflation when it comes to standards on pricing and find a way to reflect this in any standard. Could a link to anticipated bank interest help?

## 24<sup>th</sup> September, Online Session

### Discussion Points – Shared Ownership

- What is the definition of community? Does it pertain to a geographical location? Or organisation of people? Typically, it is an area, that can be widened out is necessary. It could also be possible to have an organisation as the community interest.
- One of the main reasons a community might not take up this offer is due to their capacity. Is there a role for SOSE de-risking for community group? SOSE can't de-risk, in terms of money involved but could help communities build capacity. An ask to developers could be putting more money upfront. Noted it might be a bigger moral risk for community body/volunteers over a financial risk.
- There was discussion by the Just Transition Commission on making it a statutory right to have an option of shared ownership to communities. It was noted that the Scottish Government don't have the power to require developers to do that. However, the new UK Government may choose to legislate in favour of community benefit and shared ownership.
- What sort of amounts are required to invest and what is the potential return? This depends on the size of share and project – and all projects are different.
- Is there an opportunity for benefit sacrifice to assist a community body to buy in? There could be potential to develop a portion of the standard to assist with this. Noted that one of the inconsistencies is contractual agreements with developers. Although it may not be possible to create a benefit sacrifice, there may be alternative means developed to help with this.
- Can Community Councils buy in? Community Councils can't make investments directly because they are unincorporated. A group would have to come together to create a legal body.
- It was noted that community groups may feel the risks associated with shared ownership are too great.

### Discussion Points – Community Benefit

- It was felt a developer standard would be useful.
- Wind developments are controversial with communities, and it is difficult to get communities on board.
- Communities can feel that a conversation regarding community benefit and shared ownership can only happen if they decide to support or at least not object to the proposal.
- There is a need to define and share what best practice looks like in terms of developers' engaging with communities.
- Emphasis on the importance of devoting time and resource to properly developing community capacity.