



**COMMUNITY BENEFITS FROM
WIND POWER**

Policy Maker's Summary



**CENTRE FOR
SUSTAINABLE
ENERGY**



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The routine provision of meaningful benefits to communities hosting wind power projects is likely to be a significant factor in sustaining public support and delivering significant rates of wind power development.



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In direct contrast to the UK where community benefits typically rely on voluntary cash contributions to a community fund from the project developer, the evidence from Spain, Denmark and Germany indicates that significant local benefits are effectively built into the fabric of all wind power projects.

These routine benefits typically take the form of the local tax payments, jobs and economic benefits from regional manufacturing, and, for Denmark and Germany, opportunities for local ownership. In these leading EU countries for wind power development, which have enjoyed far higher rates of wind power development, the concept of a voluntary contribution or a community fund is unfamiliar; benefits are already accruing without the need for developers to volunteer additional payments.



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Comparison of 'typical' community benefits from wind power in different countries.

Benefit/Feature	UK	Denmark	Germany	Ireland	Spain
Community fund contribution	Yes	No	No	No	No
Community compensation	No	No	Yes	No	No
Pre-approval contribution	No	No	No	No	Yes
Local taxes	No	Yes	Yes	Yes	Yes
Jobs	No	Yes	Yes	No	Yes
Individual investments	No	Yes	Yes	No	No
Co-operative investments	No	Yes	No	No	No

This is the policy maker's summary of a report carried out for the Renewables Advisory Board (RAB) and DTI by the Centre for Sustainable Energy with Garrad Hassan. The full report, 'Community Benefits from Wind Power: a study of UK practice and comparison with leading European countries' can be found at

<http://www.dti.gov.uk/renewables/publications/pdfs/communitybenefitsfromwindpowerfullreport.pdf>

This summary and the full report represent a report to the RAB and DTI and, as such, reflect the views and judgements of the authors and do not necessarily reflect those of the RAB or DTI.



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In addition, in the UK the voluntary provision of a community fund is generally not being treated as a material local benefit of the project in the planning process. In other countries, this is a largely irrelevant consideration for any single project since individual project planning decisions are taken by officials within the context of local or regional planning strategies. It is these strategies which take account of (and encourage) these routine local economic benefits.

This overseas evidence points to a need to make meaningful community benefits more routine and systematic in UK wind power projects if future rates of deployment are to grow. However, much of what is done in these other countries is not directly importable.

The use of permitting systems to support local manufacturing in Spain is not consistent with the UK's strict interpretation of EU procurement rules. The dominance of Danish and German wind power industries was born out of their own historically high development activities. And UK support mechanisms for renewables have created market conditions with relatively high entry costs (and risks) making it harder for local ownership to feature.

In this context, the focus for how local communities engage with, and gain from, wind power developments in the UK have tended to be on:

- the nature and openness of engagement with local communities;
- direct financial contributions - a community fund of some kind - and/or
- opportunities for community ownership or 'dividend'.

Assuming the continuing absence of policies which will ensure other clear community benefits emerge as a matter of course (jobs, local taxes etc), it would be legitimate to focus on perfecting these approaches as ways of capturing for the local community at least some of the benefits of a wind project which in other countries would be accruing as a matter of course.



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This analysis leads to 6 recommendations for the Renewables Advisory Board and DTI.

1	Recommendation 1 - a good practice 'toolkit' on community benefits	Develop a national good practice 'toolkit' on community benefits for developers, planners and community groups, providing guidance on the nature and scale of benefits available together with a clear justification for their provision.
2	Recommendation 2 - planning best practice guidelines to legitimise community benefits within planning process	Draw up planning best practice guidelines, to be subsequently integrated into future planning policy guidance, which treats community benefits explicitly as a legitimate and relevant aspect of a wind power project that shall be considered as material to planning decisions.
3	Recommendation 3 - guidance on community engagement	Establish new good practice guidance - or more fruitfully, a protocol agreed between different stakeholders - on how to liaise effectively with local communities during the project development process and, in particular, how to explore and negotiate community benefits with communities and other stakeholders.
4	Recommendation 4 - a review of the potential for local taxes to accrue locally	Review the potential for existing local business taxes for wind power projects to benefit the locality more directly and proportionately (thus ensuring some local financial benefit is consistently applied and routine rather than case specific and voluntary).
5	Recommendation 5 - research into the impact of new planning policy framework	Investigate how the new planning policy framework coming through from PPS22 and PPS1 in England, NPPG6 in Scotland, and, in due course, a revised TAN 8 in Wales, is influencing what is and what isn't being considered material in planning decisions.
6	Recommendation 6 - bankable models for community ownership	Undertake research, in collaboration with the finance sector, to establish reliable and 'bank-approved' models of project commercial and financing structure which enable local community ownership without great complexity.

In combination, these measures would make community benefits a legitimate and potentially routine aspect of wind power development in the UK, raising the prospect of long-term and significant improvements in UK wind power development rates based on sustained public support.