

Developing Local Partnerships for Onshore Wind in England

Consultation

Closing date: 7 July 2023



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Any enquiries regarding this publication should be sent to us at: onshorewind@beis.gov.uk

Introduction

Onshore wind is a mature, efficient and low-cost technology. It is an important part of our energy mix: we currently have almost 15GW of onshore wind installed across the UK today, accounting for around a quarter of renewable electricity generating capacity. The UK is one of the windiest countries in Europe and has a large resource of wind at its disposal. Onshore wind turbine technology has advanced significantly over the last decade, meaning that modern sites are able to maximise generation at times of low and high wind speeds, and for longer. Not only this, but as more onshore wind sites have been built, the industry has developed greater technical and construction expertise, meaning that onshore wind can be built quicker and cheaper. Taken together, this means that the costs of onshore wind in the UK have fallen dramatically - it is now around 50% cheaper than in 2015 and is the one of the cheapest forms of electricity generation in the UK today on a levelised cost basis.²

As set out in the British Energy Security Strategy (2022) and Powering Up Britain (2023), government was clear that a low-cost net zero system of the future will predominantly be comprised of home-grown clean energy, such as wind (both offshore and onshore) and solar, with other technologies such as nuclear, biomass, hydrogen and carbon capture and storage in support. Achieving this could include a significant increase in locally supported onshore wind to 2030 and beyond, alongside other renewables such as solar and offshore wind. Putin's weaponization of energy has shown how we need to be less reliant on imported fossil fuels. Accelerating our plans for decarbonisation is a core tenet of government's plan to deliver a more independent, more secure energy system and support consumers to manage their energy bills.

Government acknowledges that more low-cost renewables like onshore wind on the system will help limit household electricity bills by reducing our reliance on expensive fossil fuels and insulating Britain from fluctuations in volatile global gas prices. The Government is serious about delivering cheaper, cleaner, more secure power, so we need to consider all options. That is why we included onshore wind in the latest Contracts for Difference auction round, the Government's main mechanism to support new low carbon generation, and will include it in future rounds.

However, we also understand the strength of feeling that some people have about the local impact of wind turbines in England. For instance, the most recent BEIS Public Attitudes Tracker shows that 79% of people support the use of onshore wind, with only 4% who oppose it.³ However, the survey also shows that this changes when asked about onshore wind in the local area. The most recent tracker showed that 43% would be happy for an onshore wind farm to be built in their local area, with 12% unhappy and 32% either unsure or neutral.⁴

¹ BEIS, Energy Trends: UK Renewables (March 2023)

² BEIS, Electricity Generation Costs (2020)

³ BEIS, Public Attitudes Tracker (March 2023)

⁴ Ibid

That's why we believe that decisions on onshore wind should be made by local representatives that know their areas best. In 2015, government made changes to strengthen local decision making on onshore wind. Firstly, onshore wind planning policy was changed so that projects have to be located in an area identified as suitable for onshore wind in the local authority's development plan, and that communities have to back each individual proposal. Alongside this, government changed the law so that all decisions on onshore wind turbines of any size are determined by the local planning authority, rather than by national bodies. In the British Energy Security Strategy (2022), government also committed to consult on developing local partnerships where supportive communities wishing to host onshore wind infrastructure are enabled to benefit from doing so.

Through the development of a wind farm, developers and communities can be said to enter into a partnership. This partnership is formed of two distinct but closely associated elements.

The first of these is through scoping, development, and planning. Here, the developer is expected to engage early with the community and community representatives, be transparent in their proposals, and listen to and act on concerns and suggestions. Along with the outcomes of important impact assessments, this should help to build a planning application that will be submitted to the Local Planning Authority and in turn helps to inform the planning decision. Consent is therefore predicated on local support for the project being demonstrated and planning impacts identified by the local community being satisfactorily addressed. Government has separately consulted on changes to planning policy to inform this decision making process and enable Local Planning Authorities to better respond to the views of their local communities. This consultation invites feedback on proposals to improve the system of engagement between the community and the developer.

The second element of the partnership is about how the community is enabled to benefit from agreeing to host an onshore wind project. It is increasingly common for renewable energy projects to incorporate financial packages that make payments directly, or in kind, to local communities. These packages are separate and additional to any other direct economic benefits from construction and development, such as employment or associated upgrades to local infrastructure (e.g. improvements to road networks). Through the delivery of community benefits, the local community is able to directly gain from the cheaper, cleaner energy that an onshore wind farm provides. This consultation also invites feedback on proposals to improve the system of community benefits from onshore wind.

Wider planning reforms are currently underway, being led by the Department for Levelling Up, Housing and Communities (DLUHC). Planning reforms are being partly delivered through the Levelling up and Regeneration Bill and partly through reviews of national planning policy. This consultation does not pre-empt the outcomes of wider planning reforms, nor the outcome of any supporting government consultations.

⁵ Department for Levelling Up, Housing and Communities, Reforms to National Planning Policy (December 2022) https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy

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General information

Why we are consulting

The dramatic rise in global energy prices following the COVID-19 pandemic and Russia's illegal invasion of Ukraine has highlighted the importance of accelerating our decarbonisation goals. More low-cost renewables such as onshore wind on the system will help limit household electricity bills by reducing our reliance on expensive fossil fuels and insulating Britain from fluctuations in volatile global gas prices. Whilst the Government is serious about delivering cheaper, cleaner, more secure power, it also recognises the range of views that people have about onshore wind. The Government therefore believes that decisions on onshore wind should be made by local representatives who know their areas best. Separately, government consulted on a more localist approach to planning that provides local authorities more flexibility to respond to the views of their local communities:

https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy

To support this, the Government is proposing to make improvements to the way that developers and communities engage when an onshore wind site is being proposed in a local area. Ensuring a transparent and effective process will mean that the planning system works in England to deliver new, locally supported onshore wind generation and provide value for money for bill payers. The Government is also considering whether improvements can be made to the system of community benefits so that when local communities support hosting an onshore wind farm in their area, they are enabled to directly benefit from the cheap, clean, and secure power that is produced. The consultation seeks views from stakeholders and interested parties on how communities and developers can come together in partnerships so that engagement, consultation, and participation happen according to best practice principles.

Consultation details

Issued: 11 May 2023

Respond by: 7 July 2023

Enquiries to:

Onshore Wind Team
Department for Energy Security & Net Zero
3rd Floor Spur
1 Victoria Street
London
SW1H 0ET

Tel: 020 7215 5000

Email: onshorewind@beis.gov.uk

Consultation reference: Developing Local Partnerships for Onshore Wind in England

Audiences:

The Government welcomes responses from anyone with an interest in the policy area. We envisage that the consultation will be of particular interest to those considering the development of new onshore wind in England, English planning authorities and representative planning bodies, electricity traders and suppliers, as well as consumer, community and environmental groups with an interest in the renewable electricity sector.

Territorial extent:

The planning system is devolved, with Scotland and Wales having their own policies that manage community engagement and benefits for onshore wind. Therefore, this consultation applies to England only.

How to respond

Your response will be most helpful if it is framed in direct response to the questions we have asked, though further comments and evidence are also welcome. When responding, please state whether you are responding as an individual or representing the views of an organisation. Electronic responses are preferred, but we will also consider hard copy responses sent to the address below.

Respond online at: beisgovuk.citizenspace.com/clean-electricity/local-partnerships-for-onshore-wind-in-england

or

Email to: onshorewind@beis.gov.uk

Write to:

Onshore Wind Team
Department for Energy Security & Net Zero
3rd Floor Spur
1 Victoria Street
London
SW1H 0ET

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

We will summarise all responses and publish this summary on <u>GOV.UK</u>. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the Government's <u>consultation</u> <u>principles</u>.

If you have any complaints about the way this consultation has been conducted, please email: beis.bru@beis.gov.uk.

Consultation questions

The questions asked in this consultation are summarised below for ease of reference:

Engaging the community:

- 1. Do you agree with the proposal to embed the principles of best practice engagement into planning guidance?
- 2. What other ways are there to improve community engagement when onshore wind developers consult with the local community?
- 3. Are there other methods of engagement between developers and local communities that should be considered best practice?
- 4. What are the main barriers to effective engagement between local communities and developers?
- 5. How can effective community engagement help to gain community support for onshore wind?
- 6. Are there ways community support for onshore wind can be defined?

Community Benefits:

- 7. Do you agree with the proposal to update the existing Community Benefits Protocol for community benefits from onshore wind to reflect innovative and emerging schemes, like energy bill discounts? If so, in what ways should the Protocol be updated?
- 8. How is the current system for community benefits from onshore wind working? Can it be improved and, if so, how?
- 9. What community benefits packages are currently being offered by onshore wind developers and are the packages being offered sufficient? Are there other ways the host community should benefit?
- 10. Are there new or innovative types of community benefits that could be offered from onshore wind developers, such as local electricity bill discounts? Are there alternative approaches to facilitating the provision of innovative community benefits from onshore wind that should be considered?
- 11. What challenges do communities and onshore wind developers face when designing and implementing community benefits?

Developing Local Partnerships for Onshore Wind in England

Analytical Annex

- 12. Do you agree with the impacts that have been identified? Please provide data and evidence to support this. If not, explain why with supporting evidence.
- 13. Do you think there are other impacts that have not been identified? If yes, what other impacts are there that have not been included? Please provide supporting evidence.

Engaging the Community When an Onshore Wind Project is Being Proposed

Government is proposing to embed principles of best practice into planning guidance so that developers engage with communities in a transparent and effective way.

In 2015, government made changes to strengthen local decision making on onshore wind. Firstly, onshore wind planning policy was changed so that projects have to be located in an area identified as suitable for onshore wind in the local authority's development plan, and that communities have to back each individual proposal. Alongside this, government changed the law so that all decisions on onshore wind turbines of any size are determined by the local planning authority, rather than by national bodies.

However, government acknowledges that this has resulted in an overly rigid system that is preventing local authorities from being able to respond to the views of their local communities when they wish to host onshore wind infrastructure. We have therefore launched a technical consultation on changes to the National Planning Policy Framework for onshore wind development in England. The consultation was issued on 22 December 2022 and closed on 02 March 2023.

The consultation outlined the Government's position on onshore wind:

- Planning authorities should have flexibility in how they identify suitable areas for onshore wind in their boundaries.
- When deciding on onshore wind planning applications, planning authorities should only
 issue consent when it has been demonstrated that the planning impacts have been
 satisfactorily addressed and there is community support for the development.
- Planning applications for onshore wind of any size should continue to be determined by local planning authorities.

Government is considering the feedback from this consultation and, subject to this, anticipates confirming the final policy in an updated National Planning Policy Framework in due course.

As with other types of energy infrastructure decided at the local level, a local planning authority will widely publicise the application to allow the community to comment on an onshore wind planning application. The formal consultation period will last for at least 21 days, and the local planning authority are able to identify and consult a number of different groups and interested parties. However, on top of this, government has an established system in place that facilitates earlier engagement between onshore wind developers and local communities, and articulates an expectation that this should be undertaken according to best practice:

- In 2013, government introduced regulations⁶ that require onshore wind developers to consult with the local community at pre-application stage, where proposed development consists of two or more turbines, or the hub height is 15 metres. This is so communities have right to have a say before an application is submitted.
- In 2021, government published updated community engagement guidance for onshore wind in England: https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind. The updated guidance articulates an expectation on developers to go further in their engagement with communities, such as by investing in digital and online methods of engagement and revising the size and/or layout of developments in response to feedback.

When assessing onshore wind developments, developers will be encouraged to use the Renewable and Low Carbon Energy Planning Practice Guidance to help them apply the principles of community engagement. However, whilst the Planning Practice Guidance currently includes detail about the need for pre-application consultation, it does not currently draw the link between consultation and best practice, as set out in the community engagement guidance. That is why we are proposing that the principles of best practice as outlined in the community engagement guidance are formally embedded into the Planning Practice Guidance so that, when developers submit their planning application, they can demonstrate that they have considered how to:

- Plan their engagement, but also designed and developed their plan for engagement alongside the community and in response to feedback;
- Engage with the community as early as possible and been transparent about their proposal;
- Thought carefully about the characteristics of the affected local community, recognising that every community is different, and taken identifiable steps to reach as many people in that community as possible;
- Use a variety of engagement methods to gather feedback, ranging from traditional inperson methods to digital and online platforms, to innovative community outreach techniques; and
- Plan for on-going engagement across the lifetime of the site.

Questions on Engaging the Community

- 1. Do you agree with the proposal to embed the principles of best practice engagement into planning guidance?
- 2. What other ways are there to improve community engagement when onshore wind developers consult with the local community?

⁶ The Town and Country Planning (Pre-Application Consultation) Order 2020

⁷ Department for Levelling Up, Housing and Communities, Guidance for Renewable and Low Carbon Energy: https://www.gov.uk/guidance/renewable-and-low-carbon-energy

- 3. Are there other methods of engagement between developers and local communities that should be considered best practice?
- 4. What are the main barriers to effective engagement between local communities and developers?
- 5. How can effective community engagement help to gain community support for onshore wind?
- 6. Are there ways community support for onshore wind can be defined?

Community Benefits from Onshore Wind

Government wants to ensure that local communities can participate in and benefit from onshore wind developments in their area.

Chapter 1 talks about how developers and communities can be said to enter into a partnership – about how developers engage with local communities, and how communities can express their views. This chapter talks about how communities can benefit from that partnership.

It is increasingly common for renewable energy projects to incorporate financial packages that make payments directly, or in kind, to local communities, known as 'community benefits'. These packages are separate and additional to any other direct economic benefits from construction and development, such as employment or associated upgrades to local infrastructure (e.g. through improvements to road networks). Community benefit funds can offer an opportunity for the local community to access long-term, reliable, and flexible funding to directly enhance their local area, economy, society, and environment.

The funds derived from onshore wind farms can be used in a variety of ways and to finance a broad range of local projects, and are negotiated directly with host communities. In Caro, Wales, for instance, the benefit funds from the Tirgwynt Wind Farm were used to help build a new school building. At the Kype Muir Wind Farm in Scotland, benefit funds are being used to improve local employment and enhance skills in partnership with the local council. It is through the delivery of community benefits that the local community is enabled to directly gain from hosting the infrastructure.

Community benefits are legally immaterial to planning decisions and cannot be taken into account when deciding whether an onshore wind proposal should go ahead or not, nor whether a community is supportive. This means that community benefits can only be delivered if the community separately supports the proposal through planning. A community cannot support onshore wind through agreeing community benefits. This also means that conversations about community benefits are a private matter between the developer and the local community, and central government has no formal role.

Government wishes to keep this important safeguard in place. We believe that the provision of community benefits should continue to be developer-led with community involvement. There is no one-size-fits-all, with different communities having different capabilities, needs and preferences, with the size of the onshore wind farm determining the project's economic capacity. It is therefore best if flexibility is maintained so that the community benefits that are delivered are best suited to these individual circumstances.

However, this need not lead to a situation where communities are short-changed. There is a mature system in place to ensure that local communities can participate in and benefit from onshore wind developments in their local area. In 2013, Renewable UK in partnership with government, launched an updated Community Benefits Protocol for the onshore wind industry

in England.⁸ Under the Protocol, developers in England commit to provide community benefits of £5,000 per megawatt of installed capacity, or equivalent benefits-in-kind, directly to host communities, per year. In 2021, government updated community engagement guidance for onshore wind in England which, taking examples of best practice from across Britain, articulated an expectation for onshore wind developers to involve communities closely in the design of community benefits packages so that more innovative and community-friendly outcomes are delivered, such as shared ownership, for instance.

However, since the dramatic rise in global energy prices following the COVID-19 pandemic and Russia's illegal invasion of Ukraine, the situation has changed. Government is dedicated to helping consumers manage their energy bills and new onshore wind infrastructure can play a key part. Not only can cheap electricity from onshore wind help limit household electricity bills by reducing our reliance on expensive fossil fuels and insulating Britain from fluctuations in volatile global gas prices, but government also wants to unlock the potential for local host communities to directly benefit from onshore wind developments through community benefits payments.

Typically, community benefits payments are paid by the developer into a community trust on an annual basis. The community trust tends to be comprised of and administered by local representative bodies, such as a local or parish council. The community itself can then apply to the trust to access the funds, which are administered according to pre-agreed criteria. However, government is aware that this system can sometimes be burdensome and time consuming, causing delays or inactivity.

We are also aware of other innovative models emerging on the market that broker the relationship between the community and the onshore wind developer in order to provide a more direct financial contribution, such as in the form of local electricity bill discounts. Examples include issuing vouchers that can be used with the energy supplier, translating co-ownership shares the community has in the wind farm into discounts on electricity bills, or by reducing the cost of electricity for local consumers when the wind is blowing with innovative tariffs. At a time of high energy prices, it is important that we consider how we can modernise the system of community benefits to make it more efficient, more impactful, and suit the needs of communities in 2023.

To take account of these new types of community benefit models, government is proposing to update the current Community Benefits Protocol for Onshore Wind in England with Renewable UK. Government would also welcome views on other innovative schemes that should be considered or alternative approaches for communities to benefit from partnerships with onshore wind developments, including local electricity bill discounts.

⁸ Renewable UK, Community Benefits Protocol (October 2013): https://www.renewableuk.com/page/CBP

Questions on Community Benefits from Onshore Wind

- 7. Do you agree with the proposal to update the existing Community Benefits Protocol for community benefits from onshore wind to reflect innovative and emerging schemes, like energy bill discounts? If so, in what ways should the Protocol be updated?
- 8. How is the current system for community benefits from onshore wind working? Can it be improved and, if so, how?
- 9. What community benefits packages are currently being offered by onshore wind developers and are the packages being offered sufficient? Are there other ways the host community should benefit?
- 10. Are there new or innovative types of community benefits that could be offered from onshore wind developers, such as local electricity bill discounts? Are there alternative approaches to facilitating the provision of innovative community benefits from onshore wind that should be considered?
- 11. What challenges do communities and onshore wind developers face when designing and implementing community benefits?

Analytical Annex

Government is interested in stakeholder views of the impacts associated with these measures.

Assessment of Impacts

Analysis by the Department for Energy Security and Net Zero (DESNZ) has identified several potential benefits and costs to the consumer arising from the proposal to embed principles of best practice into planning guidance and to update the current Community Benefits Protocol for England with Renewable UK. Some of the benefits and costs discussed below do not represent an absolute benefit or cost to society because they are a transfer of revenue between consumers and businesses. Since this is a consultation stage assessment, the assessment is draft and will be considered further following the consultation responses.

Potential Benefits and Costs

This section outlines the potential impacts of government's proposed approach to embed principles of best practice into planning guidance and update the current Community Benefits Protocol with Renewable UK. Overall, we expect the proposed changes would improve engagement with local communities, which may facilitate improvements in planning applications and more deployment, and improve the delivery of community benefits by enabling developers to make investments that better suit the needs of the community. The following points summarise the types of costs and benefits identified.

Costs

Familiarisation costs: Planning authorities, local communities and developers could incur time costs to familiarise themselves with the new principles or best practice.

Policy development and implementation costs: Government and industry bodies are likely to incur costs to develop the principles of best practice and update the industry led guidance on community benefits.

Administration costs: Developers may incur costs to administer the benefits. Government is proposing to update the Protocol to take into account new types of community benefit models, which could increase administration costs.

Transfer from all electricity consumers: Additional administration or familiarisation costs to developers could result in a transfer from all electricity consumers to developers. This is because developers may pass on costs via bid prices in the Contracts for Difference Scheme, where subsidies are paid by electricity consumers via their electricity bills.

Benefits

Improved delivery of community benefits to local communities: Updating the Community Benefits Protocol will enable developers to use innovative community funding models, which may better meet the individual needs of particular local communities more than existing models.

Spill-over benefits: There may be spill-over benefits to third parties of updating the Community Benefits Protocol. For example, third parties who are not in the local community hosting onshore wind infrastructure may benefit from local investments funded through innovative funding models enabled by updating the Protocol.

Enable onshore wind deployment with local community support: Embedding principles of best practice into planning guidance could improve developer engagement with communities. Ensuring a transparent and effective way of engagement with local communities could facilitate planning applications by demonstrating developers have taken account local views or suggestions, enabling faster application processing. This would reduce costs for developers and planning authorities, and/or lead to more successful applications that would enable more onshore wind deployment.

Analytical Annex Questions

- 12. Do you agree with the impacts that have been identified? Please provide data and evidence to support this. If not, explain why with supporting evidence.
- 13. Do you think there are other impacts that have not been identified? If yes, what other impacts are there that have not been included? Please provide supporting evidence.

Next steps

Stakeholders and other interested parties are invited to provide their views on the consultation questions which are summarised at the start of the document.

The consultation closes on 7 July 2023 and details on how to respond are provided in the General Information section. Once the consultation has closed, government will analyse responses and set out how it intends to proceed in a government response. A government response will provide a summary of the views expressed in response to the consultation and will set out the decisions that the Government has taken.

If your response is materially affected by the introduction, or not, of other proposals, please make this is clear in your response. If necessary, the Government may choose to consult further on the detail of any changes if a decision is taken to move them forward. We note that where applicable, some proposals may be subject to seeking applicable regulatory approval. We continue to consider how our policies can best support the transition to a decarbonised power sector by 2035, subject to security of supply.

This consultation is available from: www.gov.uk/government/consultations/developing-local-partnerships-for-onshore-wind-in-england	
If you need a version of this document in a more accessible format, please email onshorewind@beis.gov.uk . Please tell us what format you need. It will help us if you say what assistive technology you use.	