

Citizen Participation and Public Petitions Committee
Wednesday 2 April 2025
6th Meeting, 2025 (Session 6)

PE1885: Make offering Community Shared Ownership mandatory for all windfarm development planning proposals

Introduction

Petitioner Karen Murphy

Petition summary Calling on the Scottish Parliament to urge the Scottish Government to make Community Shared Ownership a mandatory requirement to be offered as part of all planning proposals for windfarm development.

Webpage <https://petitions.parliament.scot/petitions/PE1885>

1. [The Committee last considered this petition at its meeting on 26 June 2024](#). At that meeting, the Committee agreed to write to the Minister for Energy and the Environment.
2. The petition summary is included in **Annexe A** and the Official Report of the Committee's last consideration of this petition is at **Annexe B**.
3. The Committee has received new written submissions from the Minister for Climate Action and the Petitioner, which are set out in **Annexe C**.
4. [Written submissions received prior to the Committee's last consideration can be found on the petition's webpage](#).
5. [Further background information about this petition can be found in the SPICe briefing](#) for this petition.
6. [The Scottish Government gave its initial response to the petition on 19 August 2021](#).
7. Every petition collects signatures while it remains under consideration. At the time of writing, 87 signatures have been received on this petition.

Action

8. The Committee is invited to consider what action it wishes to take.

Clerks to the Committee
March 2025

Annexe A: Summary of petition

PE1885: Make offering Community Shared Ownership mandatory for all windfarm development planning proposals

Petitioner

Karen Murphy

Date Lodged

19 August 2021

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to make Community Shared Ownership a mandatory requirement to be offered as part of all planning proposals for windfarm development.

Previous action

Residents of Kintyre and Knapdale have engaged with 6 Community Councils who have in turn been in contact with Argyll and Bute Council.

The Cabinet Secretary for Rural Affairs, Fergus Ewing has been approached and representation has also been made to Jenni Minto MSP regarding some of the companies who are refusing shared ownership asking her to email a particular company about their stance. It is understood she is arranging a meeting with Michael Matheson, Cabinet Secretary, to discuss this.

Background information

Currently, Community Shared Ownership is a recommendation of the revised Scottish Government 'Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments' (2019), but many opportunist developers do not offer shared ownership on agreements to offer fair and effective CSO opportunities to impacted communities.

Because of the unprecedented scale of windfarm development, a piecemeal approach to securing CSO is beyond the scope of small communities. Given that development is a national occurrence, a coherent political response is required which mandates that developers must offer and secure 15% CSO investment. Unless this is in place Government will fail local communities, and will not achieve the target for Community and locally owned energy. Increasingly windfarm developers build windfarms to immediately sell them on to Capital Investment Firms, and, with no requirement to offer CSO, it is a seemingly added and unnecessary complication to their ability to sell, so offers are withheld. This is compounded by subsidies no longer being available.

Annexe B: Extract from Official Report of last consideration of PE1885 on 26 June 2024

The Convener: PE1885, which was lodged by Karen Murphy, calls on the Scottish Parliament to urge the Scottish Government to make the offering of community shared ownership a mandatory requirement of all planning proposals for wind farm developments. We last considered the petition on 25 October, when we agreed to clarify what power the Scottish Government might have in relation to mandating CSO through the devolved power under the Electricity Act 1989.

The then Minister for Energy and Environment confirmed that, in the Scottish Government's view, any legislation relating to how consents for electricity generation stations are granted would relate to a reserved matter, which puts the issue beyond the legislative competence of the Scottish Parliament. Her submission highlights the onshore wind sector deal, which is described as

“a collaborative commitment to develop practical approaches to support and encourage CSO models” aiming “to assist developers, funders, local government and communities to engage in these opportunities”.

A framework is due for publication by the end of this year.

In response to the minister, the petitioner's submission reiterates her view that industry will ignore the Scottish Government's plans unless CSO is made mandatory. She reiterates her main call, which is for CSO to be made mandatory through use of devolved land and tax powers.

The committee also asked for an update on the work that is being undertaken by the Scottish Government, the Scottish National Investment Bank, Local Energy Scotland, communities and developers. The SNIB's response outlines that

“work includes assessing the scale and level of interest at a community level, developer considerations, how to best cater for community engagement on complex financial transactions, and the current appetite within the private sector to fund shared ownership models.”

There are quite a lot of responses and material to consider. Do colleagues have any suggestions for action?

David Torrance (Kirkcaldy) (SNP): Would the committee consider writing to the minister to ask what progress has been made on exploring the possibility of utilising tax powers to mandate community shared ownership and renewable energy developments, as indicated by the petitioner?

Fergus Ewing (Inverness and Nairn) (SNP): As well as adopting Mr Torrance's suggestion, could we ask the Scottish Government, when we write, whether it has reached a conclusion on the matters that are set out in the submission from last November from the Minister for Energy and Environment, which said that

“officials are currently developing policy proposals for inclusion in the final Strategy, informed by the ... consultation, that will build on the successes of CARES”—

the community and renewable energy scheme—and

“our existing good practice principles for community benefit and shared ownership of onshore renewables”.

In previous meetings, I suggested that community ownership can be obtained without developers necessarily making financial contributions in addition to their current community benefit payments, which are normally at the tariff of £5,000 per annum per megawatt; that perhaps they could be persuaded to add community turbines to wind farms—for example, having 20 turbines instead of 18; and that the SNIB could fund a loan of most of the capital that would be required to purchase additional turbines.

That is the model that I sought to pursue when I was Minister for Energy, Enterprise and Tourism, and was successfully pursuing until the abrupt cessation of renewables obligation certificates. I will not go into that. It was being funded by private banks including Triodos, Close Brothers and the Co-operative Bank. I really would like the Scottish Government to be asked to address that and whether it will include this particular proposal in its plans.

Finally, in addition, there will be a new incoming United Kingdom Government. It seems to me that the petitioner would very much want the Scottish Government to collaborate with that incoming Government, of whatever hue it might turn out to be, and to make up for the lacuna in legal powers by agreeing to further community ownership. That is a really important issue for many people in rural Scotland, who feel that the benefits are passing them by and going to developers, and that they are not getting a fair share.

I am sorry to go on, but it did work before. Why has the Government not addressed that? Is it considering that now? If not, will it do so, and if it will not consider that, why not?

The Convener: To be clear, are we inviting the Scottish Government to work with whoever forms the next UK Government, or are you asking the committee to write on the issue to whomever that next Government is?

Fergus Ewing: In the first instance, we should ask the Scottish Government, because the matter will go nowhere if the Government is not persuaded; if it is persuaded, this might go somewhere.

The Convener: Are colleagues content to proceed on that basis?

Members *indicated agreement.*

Annexe C: Written submissions

Minister for Climate Action written submission, 19 July 2024

PE1885/P: Make offering Community Shared Ownership mandatory for all windfarm development planning proposals

Thank you for your letter of 4 July 2024 advising of your meeting on 26 June 2024 to consider the above petition and detailing the request for the Scottish Government to provide updates on the following points:

- a) The possibility of utilising tax powers to mandate Community Shared Ownership (CSO) in renewable energy developments.
- b) Policy proposals for inclusion in the final Energy Strategy, particularly those which concern CSO.
- c) If the Scottish Government will collaborate with the next UK Government to identify options for mandating CSO for new windfarms.

The Scottish Government remains committed to growing shared ownership opportunities. As set out in our draft Energy Strategy and Just Transition Plan, the Onshore Wind Sector Deal, and our Good Practice Principles, we encourage developers to offer shared ownership opportunities as standard on all renewable energy projects, including repowering and extensions to existing projects.

Taxation

As detailed in Ms Martin's response of 6 April 2023, the Scottish Government welcomes discussions on the role tax can play as a lever to support our policies and we would be keen to explore the possibilities further. The devolution settlement limits the tax powers the Scottish Government has at its disposal, with levers such as Corporation Tax reserved to the UK Government. Any changes to devolved tax powers must be considered in line with the Framework for Tax and the principles of the Scottish Approach to Taxation, which includes consideration of the impacts on public expenditure, taxpayers and stakeholders.

The Scottish Government continues to explore all avenues to enhance the provision of community benefits and shared ownership. An example of where devolved tax powers have been used is [Renewable Energy Generation Relief](#), which is a generous non-domestic rates relief package for renewable energy producers. This offers up to 100% non-domestic rates relief for renewable generators that offer community benefit by way of an arrangement which gives at least 15% of the annual profit to a community organisation, in return for investment (or, failing that, so much of the annual profit as is attributable to 0.5 megawatt of the total installed capacity).

The Scottish Government is committed to reviewing non-domestic rates policies on a regular basis to ensure that the rates system effectively supports businesses and communities, and the consultative sub-group on non-domestic rates established

under the New Deal for Business recently agreed to consider how non-domestic rates reliefs support net zero.

Energy Strategy and Just Transition and wider support for Shared Ownership

The Scottish Government's forthcoming Energy Strategy and Just Transition Plan will set out our vision for a future energy system that delivers affordable, secure and clean energy and provides high quality jobs and economic opportunities. It will make clear how we will support a managed transition from fossil fuels in line with our climate change goals, alongside policies in areas such as skills, investment, community energy, and supply chains to help ensure that this is a just transition. This will include actions to help maximise community benefits from onshore renewables and shared ownership opportunities.

As part of the Onshore Wind Sector Deal, we have set out how we will collaborate with the sector and other relevant stakeholders to explore the development of a potential model for communities to own a share of renewable energy projects in their area, and to make it easier to finance them. The Sector Deal also includes a commitment by the sector to engage with communities at the earliest opportunity in project development.

The Scottish Government's Community and Renewable Energy Scheme (CARES) supports communities to explore shared ownership opportunities and enable them to work with developers. This includes providing impartial support and advice, and helping communities to access funding and contractors for project management, financial matters and legal matters in relation to shared ownership projects.

Collaboration with the UK Government

The Scottish Government recognises the importance of providing support to communities and developers to ensure shared ownership opportunities are viable. We will continue to engage with the UK Government on a range of areas which support communities to benefit from the energy transition, including shared ownership and consideration of mandating community benefits.

I hope the Committee finds this response helpful.

Alasdair Allan MSP

Petitioner written submission, 31 July 2024

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The petitioner thanks the Minister for his reply. The petitioner would point out to both the Minister and the Petitions Committee that the Renewable Energy Generation Relief (REGR) is:

1. A negative tax - that is to say, if criteria set by the Scottish Government are met, the generator can claim a reduction in non-domestic rates (a form of tax).
2. Thus the Scottish Government despite all its footdragging on answering the petitioner's question, has now admitted that it DOES HAVE THE POWERS, to apply criteria through its devolved powers of revenue raising to steer developers towards outcomes that the Scottish Government desires.

If the REGR is the Scottish Government's preferred method of modifying the tax system to implement change then the petitioner notes that the REGR in its current form is useless in achieving the Scottish Government Community Ownership targets since the industry has changed dramatically in the last decade - 0.5MW is too small to have any impact for communities and only offering 2.5% of a rebate on developments of £4million plus is not worth any developer's time and effort. Typical onshore wind developments are now >50MW and utilise individual turbines producing between 4-6MW each, which cost ~£4-7 million per turbine.

In order for the REGR to be effective in assisting in securing high levels of Community Shared Ownership the following changes need to be made:

1. A single hurdle criteria of at least 15% equity in the development (Community Shared Ownership), via "at cost" investment in the development at Final Investment Decision or "merchant rate" investment at the development's Commissioning.
2. Removal of the 0.5MW criteria
3. A substantial rate reduction for modern commercial windfarm developments which are typically >£40 million - e.g. a 50% non-domestic rate reduction for developments larger than, say £30 million.

The petitioner asks the Committee to find out from the Minister when such changes, as outlined above, to the devolved tax/rate system will be made by the Scottish Government in order that Communities will be able to benefit from the increase in Community Shared Ownership that results.