Committee: Thriving Places	
Date: 14 July 2026	

Subject: Large-Scale Renewable Energy Community Benefit Policy

Report by:	Director of Planning, Regeneration and Communities
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Executive Summary:

To adopt a policy to assist the Council in negotiating Community Benefit Agreements (CBAs) relating to large-scale renewable energy developments, including solar energy generation, on-site and standalone battery energy storage (BESS), and new grid connection infrastructure. West Lindsey hosts one of the largest concentrations of consented utility-scale solar Nationally Significant Infrastructure Projects (NSIPs) in England, with a combined generation capacity exceeding 2.5GW. There is currently no statutory requirement on developers to provide community benefits, but the Government's May 2025 working paper proposes a mandatory scheme that could come into force by the end of 2027 at the earliest. Adopting a policy now, aligned with North Kesteven District Council, positions the Council to negotiate consistently and effectively in the interim period and to transition smoothly into the statutory regime once it takes effect.

Appendices to Report

- Appendix A - Policy Research
- Appendix B - Draft Large-Scale Renewable Energy Community Benefit Policy
- Appendix C - West Lindsey District Council Response to the DESNZ Working Paper (Community benefits and shared ownership July 2025)

RECOMMENDATION(S):

(a) That the Committee adopts the Large-Scale Renewable Energy Community Benefit Policy as set out at Appendix B.

(b) That the Committee delegates authority for minor amendments to the policy to the Director of Planning, Regeneration and Communities, in consultation with the Chair of the Thriving Places Committee.

(c) That the Committee notes the Government's intention to introduce mandatory community benefit requirements through primary legislation, expected to come into force by the end of 2027 at the earliest, and that this policy positions the Council to negotiate effectively in the interim period.

(d) That the Committee notes the financial implications arising from the potential scale of Community Benefit Fund income and agrees that officers explore appropriate fund governance arrangements, be that via a Special Purpose Vehicle, Community Investment Company or other entity.

1. Introduction

1.1 The role of Community Benefit Funds (CBFs) and Community Benefit Agreements (CBAs) has been the subject of increasing policy attention at national level since 2023. In May 2025, the Department for Energy Security and Net Zero (DESNZ) published a landmark working paper proposing the introduction of a mandatory community benefit scheme for low-carbon energy infrastructure across Great Britain. This followed earlier publications from DESNZ, the former Department for Levelling Up, Housing and Communities (DLUHC) and the National Infrastructure Commission.

1.2 There is at present no legal requirement on the developer of a large-scale renewable energy development to offer a contribution to a CBF, and planning guidance prevents such payments from being made a condition of planning permission. However, the DESNZ working paper signals a clear trajectory towards mandatory requirements. Once a CBF has been agreed and a CBA entered into, the agreement is enforceable by the parties to it.

1.3 Emerging practice and the DESNZ consultation point to a solar rate in the range of £500–£1,000/MW/year. The wind industry has committed to £5,000/MW/year for onshore wind, and community energy bodies have proposed a revenue-based approach of around 4% of gross revenue. The proposed policy applies a base rate of £500/MW/year for solar, consistent with established English local authority practice (see Section 3) and aligned with the adopted policy within the Central Lincolnshire Plan area.

1.4 The proposed policy seeks to:

- Clarify that the Council is mindful of the potential receipts from, and the wider impacts of, large-scale renewable energy development across the district;
- Illustrate to Town and Parish Councils the scale of funding that might be secured within their area and the need to identify projects for investment;
- Support the Council’s commitment to climate change and net zero through the Environment and Sustainability Strategy and the Central Lincolnshire Local Plan;
- Position the Council ahead of anticipated mandatory legislation, establishing governance and negotiation frameworks that can transition into the statutory regime; and
- Ensure alignment with the adopted North Kesteven District Council (NKDC) policy and provide consistency across the Central Lincolnshire Local Plan area and Greater Lincolnshire ahead of Local Government Reorganisation (LGR).

1.5 For the purposes of the policy, a large-scale renewable energy development is defined as one with an installed capacity of at least 5MW. This threshold aligns with the DESNZ proposed minimum for the mandatory scheme. The policy applies to qualifying proposals submitted to the Council under the Town and Country Planning Act 1990 (generally under 50MW), as well as to NSIPs determined by the Secretary of State under the Planning Act 2008 (50MW or over). It also covers battery energy storage and new substations.

1.6 For the avoidance of doubt, negotiation and the decision to enter into a CBA is not indicative of any support for a project. Rather, it is a means to secure benefits if the project receives permission or consent. A CBA will be supplemental to any Section 106 agreement required to mitigate the specific impacts of a proposed development and will play no part in the determination of any planning application or in the Council's representations on any NSIP.

2. Context

2.1 The adopted Central Lincolnshire Local Plan (April 2023) includes a suite of climate change policies; Policy S14 specifically addresses renewable energy and applies a presumption in favour of granting permission for solar development unless there is clear and demonstrable significant harm. The policy sits alongside the wider plans and strategies of Lincolnshire County Council and the emerging Greater Lincolnshire devolution arrangements.

2.2 At a national level there are significant drivers behind the shift to renewable energy generation, including the Government's Clean Power 2030 Action Plan, the Clean Energy Mission and the establishment of Great British Energy.

2.3 Since 2022 the Council has witnessed substantial growth in commercial large-scale solar development. Five NSIP solar projects affecting West Lindsey have sought or are seeking Development Consent Orders (DCOs). Their current status is as follows:

- **Gate Burton Energy Park (500MW)** – Development Consent granted July 2024;
- **Cottam Solar Project (600MW)** – Development Consent granted September 2024;
- **West Burton Solar Project (c.480MW)** – Development Consent granted January 2025;
- **Tillbridge Solar Project (500MW plus associated battery storage)** – Development Consent granted October 2025; and
- **One Earth Solar Farm (up to 740MW, cross-boundary)** – Examination closed January 2026; Secretary of State decision expected by July 2026.

2.4 The combined generation capacity exceeds 2.5GW. All include battery energy storage systems and grid connection infrastructure. Four have received Development Consent, making West Lindsey and its immediate surroundings one of the most concentrated areas for solar NSIP development in England. Construction has not yet commenced on any of them.

National policy developments

2.5 In May 2025, DESNZ published a working paper on "Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure." This proposed a mandatory community benefit scheme, established through primary legislation, covering solar, wind, marine, nuclear, BESS, hydrogen-to-power, long-duration energy storage and power CCUS, at a minimum threshold of 5MW. The scheme could come into force by the end of 2027 at the earliest, with no retrospective effect. The Council submitted a detailed response to the working paper in July 2025

(Appendix C); the Government has not yet published its response to the consultation.

2.6 Key features of the proposed framework include transparent governance, with Fund Administrators appointed by developers and community-led governance arrangements in place at least one year before first payment, and enforcement through dispute resolution escalating to civil penalties. Developers would retain ultimate responsibility for compliance, including for the actions of Fund Administrators.

2.7 The Planning and Infrastructure Act 2025 (Royal Assent 18 December 2025) includes a bill discount scheme for households near transmission infrastructure (£250/year for up to 10 years) and community fund guidance (£200,000 per km of overhead line; £530,000 per substation). These provisions apply to transmission infrastructure specifically and are separate from the broader mandatory scheme for generation assets.

Local Government Reorganisation

2.8 West Lindsey is undergoing LGR as part of Greater Lincolnshire devolution, with shadow authorities anticipated around 2027 and vesting in 2028. Adopting a policy now, aligned with NKDC, contributes to a consistent Greater Lincolnshire approach. CBAs entered into under the policy will include transition provisions so that fund governance transfers smoothly to any successor authority, and the policy is framed as a contribution to a wider Greater Lincolnshire position rather than a standalone West Lindsey instrument.

2.9 Town and Parish Councils are central to the delivery of community benefit. The policy is intended to help local councils understand the scale of funding that could be secured in their area and to work with the District Council to identify projects for investment. Engagement with affected local councils, and with co-host district and county authorities for cross-boundary NSIPs, is built into the policy's operational principles.

3. Policy Research

3.1 Appendix A sets out the detailed findings from officer policy research, updated to reflect the DESNZ working paper and the latest local authority practice.

3.2 Within Greater Lincolnshire, North Kesteven District Council has an adopted Large-Scale Solar Energy Community Benefit Policy (January 2024). NKDC has now applied this policy in practice: following the grant of a DCO for the c.800MW Springwell Solar Farm in April 2026, NKDC confirmed that it would align a developer commitment of £400/MW of installed capacity, together with more than £2m for skills, education and biodiversity over the development's 40-year lifetime, with its adopted policy. This demonstrates both the value of having an adopted policy in place and that negotiated project rates may sit above or below the published baseline.

3.3 Beyond Lincolnshire, a small but growing number of authorities have moved towards explicit policies or guidance:

- **Suffolk County Council** adopted its Energy and Climate Adaptive Infrastructure Policy in May 2023 and issued supplementary guidance for large-scale solar schemes in April 2024, setting an expected rate of £500/MW/year (index-linked) with a 50% rate for co-located battery storage;

- **Essex County Council** applied its NSIP policy to the 500MW Longfield Solar Farm, securing £2.1m for education and skills, £50,000/year each to the two host district councils, and a £5.72m community benefit fund delivering around £130,000/year for 40 years via the Essex Community Foundation;
- **Shropshire Council** issued guidance for Town and Parish Councils in 2023 recommending a baseline of £500/MW/year for 40 years; and
- **Dorset** set a higher benchmark of £1,000/MW/year (20 years, RPI-linked),
- **Scottish** good practice recommends £5,000/MW/year, applied primarily to onshore wind.

3.4 Project-specific arrangements across England show a wide spread of negotiated outcomes (from c.£475/year for a 19MW scheme to multi-million-pound funds for NSIPs), underlining the value of a clear, consistent policy starting point rather than ad hoc negotiation.

3.5 Key consultation responses to the DESNZ working paper include Community Energy England, Scotland and Wales jointly proposing a revenue-based approach (approximately 4% of gross revenue), and Citizens Advice, the Energy Saving Trust and Sustainability First all advocating mandatory minimum standards to end the current “postcode lottery.”

3.6 The research supports a base rate of £500/MW/year for solar as consistent with established English practice and within the expected range for the mandatory scheme, with the NKDC model providing the strongest template for West Lindsey given the shared Central Lincolnshire Local Plan area and the LGR context.

4. Use of the Funding

4.1 Given the possible considerable sums involved, and the cumulative impact of schemes, not all funding could or should be spent in the immediate locality. Funds would be managed in the interest of directly affected communities and the wider district, on two threads: a local community share for the immediate area (within 5km of the site boundary) and a wider district share addressing cumulative impact.

4.2 It is anticipated that a Special Purpose Vehicle, Community Investment Company or an existing body would be the appropriate vehicle to manage funds. This is consistent with the DESNZ proposal for community-led Fund Administrators, with governance established at least one year before first payment. Officers recommend that engagement with existing bodies is taken forward as a priority, so that suitable governance is ready ahead of any mandatory requirement.

4.3 Consistent with the DESNZ framework, developers making funds available are expected to remain engaged in fund programming and distribution, and to retain ultimate responsibility for compliance, including for the actions of any Fund Administrator they appoint.

4.4 Eligible projects would be judged on a criteria basis, prioritising low-carbon outcomes and community health, wellbeing and vitality. They could include community renewable energy and Local Power Plan schemes; household retrofit and fuel-poverty measures; SME and commercial decarbonisation; green skills and apprenticeships; active travel; biodiversity and nature recovery; schools engagement; energy efficiency in historic buildings; agrivoltaics and agricultural co-benefits; providing opportunities for community investment in off-site renewable energy infrastructure (linked to the Central Lincolnshire Local Plan net-zero aims) and support for the district's low-carbon economy and associated supply chains, helping to ensure West Lindsey and Greater Lincolnshire are able to maximise the benefits of the Trent Valley Clean Energy Supercluster.

5. Policy

5.1 The draft policy for review and adoption is set out at Appendix B. It aligns with the policy adopted by North Kesteven District Council, offering consistency across the Central Lincolnshire Local Plan area, and has been structured to transition into the anticipated mandatory scheme once in force.

5.2 The policy applies a base rate of £500/MW/year for solar energy generation, a 50% rate (£250/MW/year) for associated and standalone BESS, and a flat rate of not less than £35,000/year for standalone substations. The £500/MW/year rate is a floor and a starting point for negotiation, not a cap; developers are expected to meet or exceed it, and the Council may negotiate where justified.

5.3 The DESNZ working paper illustrated figures of up to £1,000/MW/year. Officers recommend retaining £500/MW/year as the published baseline because it reflects established and defensible English practice (NKDC, Suffolk and Shropshire), maintains the Council's negotiating credibility, and provides consistency across Greater Lincolnshire. The rate will be reviewed when the Government publishes its response to the working paper and confirms the mandatory rate structure, and the policy expressly provides for this.

5.4 Key provisions of the policy include early developer engagement; the exclusion of the CBA from the determination of planning applications and from the Council's NSIP representations; engagement with affected Town and Parish Councils and co-host authorities; index-linking to protect value over the project lifetime; retention of unspent funds; encouragement of community shared ownership in line with the emerging mandatory framework; and LGR transition provisions.

5.5 The policy will be kept under review and updated as required in the light of practice, legislative change, or the introduction of the mandatory scheme, and in any event within six months of the Government's response to the DESNZ working paper and at least every three years from first adoption.

6. Alternative Options

This section sets out the alternative options available to Members, as opposed to the recommendations, with a brief description of why they are not being recommended. Doing nothing is always an option that has been considered.

	Option	Rational for not recommending
1	To not adopt a policy (do nothing) and continue to negotiate on a case-by-case basis.	This would leave the Council without a consistent, defensible negotiating position across the district's five NSIP solar developments and other qualifying schemes, risking inconsistent outcomes (a "community benefit lottery") and the under-realisation of very substantial potential fund income. It would also leave the Council poorly placed to transition into the anticipated mandatory scheme.
2	To adopt a policy but set a materially higher headline rate (e.g. £1,000/MW/year, the upper figure illustrated in the DESNZ working paper).	A higher opening rate is not supported by established English practice (North Kesteven, Suffolk and Shropshire all use £500/MW/year as the baseline) and risks being challenged as unreasonable, weakening the Council's negotiating credibility. The policy instead sets £500/MW/year as the expectation, with scope to negotiate and to review the rate once the Government confirms the mandatory rate structure.
3	To defer adoption until the Government publishes its response to the DESNZ working paper and the mandatory scheme is confirmed.	The mandatory scheme is not expected before the end of 2027 at the earliest and will not apply retrospectively. Deferring would forgo the opportunity to negotiate benefits during the voluntary interim period, when several local NSIPs are moving from consent into implementation, and would weaken the Council's position ahead of Local Government Reorganisation.

ASSOCIATED IMPLICATIONS

Legal: [MO reference to be inserted]

There is at present no specific statutory provision to require a developer to offer a contribution to a CBF, and planning guidance prevents such payments from becoming a condition of planning permission. Where a CBF is agreed voluntarily, the resulting Agreement will take form as a contract between the parties, and the Council would rely on the general power of competence provided in Section 1 of the Localism Act 2011 to enter into such an agreement until the specific statutory provisions are in force. Legal advice will be sought on the drafting of any Community Benefit Agreement negotiated, and this will include seeking advice and guidance on all standard provisions, including dispute resolution, enforceability, and consideration of contract transfer/novation clauses regarding local government reorganisation. The Council will follow the usual procurement requirements regarding the appointment of a fund administrator.

Financial: FIN/62/27/TPL/SL

There is potential to secure significant financial benefit to a CBF given the scale and operational lifespan of solar developments and substation infrastructure. By way of illustration, applying the policy rate of £500/MW/year to a 500MW project with associated BESS over a 40-year operational lifetime would generate in the order of £4.8m–£10m depending on configuration; across all five NSIP projects the total community benefit income over their operational lifetimes could be very substantial. The lead role in negotiating CBAs will be undertaken by existing officers (with external support as necessary as negotiations progress), and no new budget provision is sought through this report; fund governance and administration arrangements (including any administration fees) will be the subject of a further report. Members should note that community benefit income is distinct from, and additional to, business rates (NNDR) income from solar developments, which will be addressed separately through the Council’s medium-term financial planning.

Staffing:

No staffing implications arise directly from this report. The lead role in relation to the negotiation of CBAs will be taken by existing members of staff across relevant service areas, as required (with external support as necessary as negotiations progress).

LGR implications:

West Lindsey is undergoing Local Government Reorganisation as part of Greater Lincolnshire devolution. Adopting a policy now, aligned with North Kesteven District Council, contributes to a consistent Greater Lincolnshire approach and improves the transitional standing of agreements reached in the interim. CBAs entered into under the policy will include provisions for the transfer of rights and obligations to any successor authority, and fund governance will be established to operate independently of any single authority to ensure continuity through and beyond the transition. Legal advice on assignment/novation is being sought (see Legal above).

Equality and Diversity including Human Rights:

The policy clarifies that the Council is mindful of both the immediate and the wider impacts of large-scale renewable energy development. An Equality Impact Assessment has been undertaken for this new policy; no adverse equality impacts have been identified, and the policy is intended to direct benefit towards communities hosting infrastructure, including in areas of higher deprivation and fuel poverty.

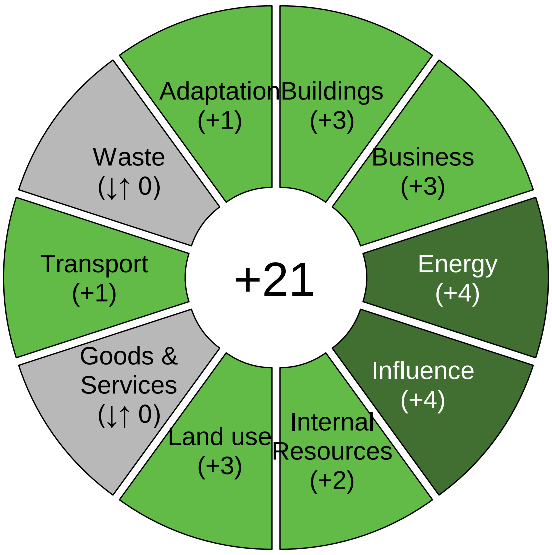
Data Protection Implications:

None identified. Should fund administration arrangements involve the processing of personal data (for example, in the administration of grants), the Data Protection Officer will be consulted at that stage.

Climate Related Risks and Opportunities: There is a recognised need to decarbonise power generation. Volatility in global energy markets adds further impetus to securing a home-grown energy supply. The Council has seen increasing large-scale solar activity within and around the district, with recent NSIP approvals now in place. Securing investment via CBAs allows funding for a range of schemes, including those that support local low-carbon and net zero outcomes; the sums involved are considerable and could underpin delivery of the Council's Environment and Sustainability Strategy.

A Climate, Environment and Sustainability Impact Assessment has been completed for this policy in accordance with the Council's standard approach. The assessment evaluates the effects of the decision to adopt the policy framework. The generation, land-use and carbon effects of the solar NSIPs are out of scope, as those flow from separate Development Consent Order decisions; the social and economic effects of the policy are assessed through the financial implications and Equality Impact Assessment.

The overall outcome is net positive across the ten CESIA categories, as illustrated in the diagram below. The strongest effects are in Energy and Influence reflecting the policy's potential to direct substantial external funding toward community renewable energy, demand reduction, fossil-fuel switching and off-site renewable infrastructure offsetting linked to the Central Lincolnshire Local Plan, and to embed the engagement and partnership working on which local low-carbon delivery depends. There are no direct negative environmental impacts. Impacts are contingent on take-up and on funds being directed to uses set out in our policy, with benefit accrual across project lifetimes of up to 40 years.



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West Lindsey District Council will be net zero by 2050 (23 years and 6 months away).

Section 17 Crime and Disorder Considerations: None identified.

Health Implications: Securing funding via CBAs allows for investment in a range of schemes that support the delivery of local infrastructure and community health and wellbeing, including measures to address fuel poverty in a district with above-average fuel poverty and a high proportion of off-gas-grid households.

Risk Assessment: Not adopting the policy risks the full value of potential Community Benefit Funds not being realised, and risks inconsistent outcomes across comparable communities. The policy makes clear the expectation and starting point for negotiations, seeks to formalise and protect ongoing annual payments and unspent funds, and ensures that benefits are realised beyond the immediate boundary of the developments. The principal residual risk relates to the voluntary nature of the current regime; this is mitigated by early engagement, a clear negotiating baseline, and alignment with the emerging statutory scheme.

Title and Location of any Background Papers used in the preparation of this report:

DESNZ, Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure (working paper, May 2025). DESNZ Solar Roadmap June 2025. North Kesteven District Council, Large-Scale Solar Energy Community Benefit Policy (adopted January 2024). Central Lincolnshire Local Plan (April 2023), Policy S14. Planning and Infrastructure Act 2025; Nationally Significant Infrastructure Projects (NSIP) Reforms Action Plan. Suffolk County Council, Large Scale Solar Schemes Supplementary Guidance (v1.0, April 2024); Essex County Council NSIP policy materials.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**	**X**	**No**	