APPENDIX A

Policy Research – Community Benefit Funds for Large-Scale Renewable Energy Developments

1. Local Authority Community Benefit Policy Examples

Limited examples exist from English local authorities. Within Greater Lincolnshire, only North Kesteven District Council (NKDC) has an adopted policy. There is significant synergy between the NKDC and Suffolk County Council approaches. The following summarises key policies identified through officer research.

North Kesteven District Council

Adopted in January 2024, the NKDC policy places the District Council as the lead party for CBA negotiations with developers of large-scale solar energy developments (defined as those exporting at least 5MW annually to the national grid). It covers four development typologies:

- Energy generation per MW direct to the grid – £500/MW/year for the operational lifetime
- Energy generation for on-site BESS storage – 50% of the above rate (£250/MW/year)
- Standalone BESS for importing/exporting energy – 50% rate on installed storage capacity
- New standalone grid connection substations – flat rate of £35,000/year per substation over 40 years

The policy applies to both Town and Country Planning Act applications and NSIPs. Unspent monies are retained by NKDC. Fund management is expected through a Special Purpose Vehicle, Community Investment Company, or community foundation.

Suffolk County Council

Suffolk's expectations are set out in supplementary guidance alongside their Energy and Climate Adaptive Infrastructure Policy. Solar scheme rates mirror NKDC at £500/MW/year (index-linked) with a 50% rate for associated BESS. Suffolk also encourages community investment and shared ownership schemes. Benefits are aligned to Welsh guidelines published in 2022. Unspent monies are retained by Suffolk County Council.

Essex County Council

Essex's role in CBAs is set out within their NSIP Policy. The policy requires early engagement at pre-application stage but does not specify contribution rates, leaving these to negotiation.

Shropshire Council

Shropshire has not adopted a formal policy but has produced guidance for local councils. The guidance sets a suggested baseline of £500/MW per year for 40 years, aligning with NKDC and Suffolk. Shropshire Council itself does not act as a party to agreements or distribute funds; the guidance supports parish and town councils in their own negotiations.

Dorset County Council

Dorset published guidance setting a minimum benchmark of £1,000/MW per year for 20 years, index-linked to RPI (or a pro-rata lump sum). The County Council provides a dedicated Renewable Energy Development Officer to support local councils in negotiations. This is notably higher than the £500/MW baseline used elsewhere.

Scottish Examples

Scotland has national good practice guidance recommending £5,000/MW/year for onshore renewable energy developments. The Highland Council applies this as a minimum payment, RPI-linked from a 2011 baseline. North Ayrshire Council has a similarly comprehensive policy applying the national benchmark. However, Community Energy Scotland has noted that not all developers comply with the £5,000 benchmark in practice, citing examples of projects offering £2,500–£3,500/MW/year.

2. Policy Comparison Summary

Authority	Technology	Scope	Rate	Developer Role	Notes
NKDC	Solar, BESS, substations	5MW+ (TCPA & NSIP)	£500/MW/yr; BESS 50%; substations £35k/yr	Early engagement, remain involved in fund distribution	Unspent funds retained. SPV/community foundation model.
Suffolk CC	Solar, BESS	NSIP scale	£500/MW/yr index-linked; BESS 50%	Early engagement, mitigate construction impact, identify workforce implications	Shared ownership aligned to Welsh guidelines. Unspent retained.
Essex CC	Not specified	NSIP	Not specified	Pre-application stage engagement	Policy only, no rates.
Shropshire	Ground-mounted solar	Not specified	Baseline £500/MW/yr	Early engagement expected	Guidance to parishes, not policy. Council not party to CBAs.
Dorset CC	Ground-mounted solar	Not specified	£1,000/MW/yr (20 yrs, RPI)	Not specified	Higher rate. Dedicated officer support.
Highland Council	All onshore renewables	All scales	£5,000/MW/yr (RPI from 2011)	National good practice guidance	National Scottish benchmark. Wider area share included.

In developing their policy in 2023 NKDC also took examples of MOUs and existing developer commitments to find mean values for £/MW/YR (based on 40 yr operational life span).

Application	Capacity	Payment /Formula applied	£ per MW	Per MW/Year equivalent over 40 yrs Developer Role
Dengie Solar Park	19 MW	£1000/MW single payment	£100/MW	£25
Twemlows Solar Farm	10MW	£91,000 (2015 – 2023 at £11,375 per annum)	£1137/MW	Time period unclear
Neath Port Talbot	Various	£30,000 per MW – single payment		£750 based on 400MW NSIP scheme
Copper Bottom Solar	30MW	£400/MW/YR for lifetime of permission	£400/MW	£400

Speedwell Solar	40MW	£8,000 / Year for lifetime of permission	£200/MW	£200
Common Farm	49.9MW	£50,00/Yr for 20 years	£1000/MW	£500
Grimsby Solar Farm	49.9MW	£20,000/Yr for 40 years	£400/MW	£400
Draycott	5.03MW	£2000/Yr for 40 years	£397/MW	£397
Longfield (NSIP Essex)	400MW	£7.2m over 40 years (£2m for employment)	£450/MW (£325/MW allowing for employment)	£450
Springwell	800MW	£400/MW	£400/MW	£400 (£12.8m over 40 yr operational life style)

3. National Policy Context (Updated March 2026)

DESNZ Working Paper (May 2025)

In May 2025, DESNZ published a landmark working paper proposing the introduction of mandatory community benefit and shared ownership schemes for low-carbon energy infrastructure across Great Britain. Key proposals include:

- A mandatory community benefit scheme established through primary legislation, with secondary legislation and guidance setting technical details
- Coverage of solar, onshore/offshore wind, marine, nuclear, BESS, hydrogen to power, long duration energy storage, and power CCUS; district heat networks excluded
- Minimum threshold of 5MW installed capacity, with projects below encouraged to provide voluntary benefits
- Technology-specific thresholds being considered to account for different financial models
- Fund Administrators appointed by developers, community-led governance, with arrangements in place at least one year before first payment
- Developers ultimately responsible for compliance, including Fund Administrator actions
- Enforcement through dispute resolution escalating to civil penalties
- No retrospective application; a development stage cut-off for inclusion
- Scheme could come into force by end of 2027 at earliest

Consultation Responses and Rate Discussion

Key consultation responses include:

- Community Energy England, Scotland and Wales proposed a revenue-based approach at 4% of gross revenue, estimating approximately £8,000/MW/year for onshore wind
- Citizens Advice called for mandated and “hard coded” minimum levels to prevent a “postcode lottery”
- Sustainability First supported mandatory minimum standards with flexibility for existing local arrangements
- Energy Saving Trust supported mandatory shared ownership with impartial expert support for communities, particularly in England

- For solar, rates are expected to fall in the £500–£1,000/MW/year range, with the Scottish £5,000/MW benchmark applicable primarily to wind

Planning and Infrastructure Act 2025

Royal Assent: 18 December 2025. Key provisions relevant to community benefits:

- Bill discount scheme for households near new or significantly upgraded electricity transmission infrastructure: £250/year per household for up to 10 years
- Community fund guidance: £200,000 per km of overhead line; £530,000 per substation/switching station/converter station
- Framework expected in place by late 2026, first payments from 2027
- These provisions apply to transmission infrastructure only and are separate from the generation asset community benefit scheme
- Streamlined NSIP consenting process, with reforms to pre-application consultation requirements

Great British Energy and the Local Power Plan

Great British Energy (GBE) was established through the Great British Energy Act. The Local Power Plan supports local authorities in delivering local and community energy projects. In February 2026, Energy Minister Michael Shanks positioned the Local Power Plan as a mechanism to embed communities in clean energy projects. The Government has committed £180 million for public sector solar deployment on schools and NHS sites.

4. Implications for the WLDC Policy

The research supports the following conclusions:

- The £500/MW/year rate for solar aligns with the established English practice (NKDC, Suffolk, Shropshire) and sits within the expected range for the mandatory scheme
- The NKDC policy model provides the strongest template for WLDC given the shared Central Lincolnshire Local Plan area and the LGR context
- Adopting a policy now positions WLDC to negotiate effectively during the voluntary interim period before mandatory legislation takes effect
- The policy should be designed to transition smoothly into the statutory regime, incorporating governance principles from the DESNZ working paper
- Fund governance arrangements should be established in advance. One approach could be through a community foundation . This should be done now in order to be ready to meet the DESNZ requirement that governance is in place at least one year before first payment
- Shared ownership provisions should be signalled in the policy, even if detailed mechanisms await the Government’s response to the consultation
- LGR transition provisions should be built into CBA terms to ensure continuity when successor authorities are established