WEST LINDSEY DISTRICT COUNCIL

Consultation Response

Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure

DESNZ Working Paper: response from West Lindsey District Council

Submitted: July 2025

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Submitted on behalf of the Environment and Sustainability Member Steering Group, following discussions with Group members and relevant officers.

Note on status: This response was prepared by the lead officer within the timescales set by the consultation. Given the length and technical complexity of the working paper, it has not been through the Council's normal approval process. It represents a considered, consensus position developed through officer and member discussions, but it is not a formally endorsed position of West Lindsey District Council. Other views may exist within the authority. Individual councillors, officers, and members of the public are free to submit their own separate responses to this consultation.

Foreword

West Lindsey District Council welcomes the opportunity to respond to the Department for Energy Security and Net Zero's working paper on community benefits and shared ownership for low carbon energy infrastructure. The issues raised go to the heart of how the energy transition is delivered on the ground. And few districts in England are feeling that transition as acutely as West Lindsey.

Our district and its immediate surroundings host what is now, by consented capacity and pipeline, one of the largest clusters of utility-scale solar infrastructure in Western Europe. Five Nationally Significant Infrastructure Projects (Gate Burton, Cottam, West Burton, Tillbridge, and One Earth) represent a combined consented capacity exceeding three gigawatts. These projects sit within a predominantly rural district of 1,179 square miles, approximately 150 villages, and a population of around 95,000. They bring the national energy transition directly into the living rooms, fields, and parish halls of some of England's most sparsely populated communities.

That scale gives us a perspective that we believe adds value to the consultation. We are neither a metropolitan authority processing occasional energy applications, nor a small rural council with a handful of small-scale schemes. We are, uniquely, a district whose everyday planning, engagement, and community relations work is now substantially shaped by the cumulative weight of large-scale renewable energy development. What we say about social licence, rural capacity, and the relationship between developers and host communities is said from direct, continuing experience.

This response reflects that experience. It is evidence-based, pragmatic, and broadly supportive of the direction of travel proposed in the working paper. We agree that mandatory community benefits are necessary, that the current voluntary regime creates unfair and unsustainable outcomes, and that communities hosting the infrastructure on which the national grid increasingly depends deserve more than the current patchwork. Where we have reservations, particularly around shared ownership, rural governance capacity, and the role of local authorities, we have set these out honestly, with reasoned alternatives rather than blanket objections.

We have also, throughout, tried to speak to the implementation challenge. Consultations of this kind generate a lot of comment in principle; the harder question is how a scheme actually works on the ground, over 40-year project lifetimes, across communities with widely differing capacity, and in the context of significant local government change. We hope the response is useful in that regard.

A note on process: this response was prepared by the lead officer for the Environment and Sustainability Member Steering Group, working within the consultation's submission timescales. The length and technical scope of the working paper made it impractical to route a full draft through the Council's standard approval process. The positions taken here were developed through discussion with steering group members and relevant colleagues, and reflect a broad working consensus. They are not the formally adopted position of West Lindsey District Council, and I would not want them to be read as such. Members of the council, officers, and indeed residents remain free to form and submit their own views.

Steve Leary
Policy and Strategy Officer (Environment and Sustainability)
West Lindsey District Council

Executive Summary

This response is structured around the 47 questions posed by the consultation and reflects a broad consensus position developed through discussions with the Environment and Sustainability Member Steering Group and relevant officers. It is not a formally adopted position of the Council. The headline messages are set out below.

On community benefits (Part 1)

- We strongly support the principle that developers must be required to provide community benefit funds. The current voluntary regime produces inconsistent, sometimes invisible, and often contested outcomes. Mandatory provision is essential to secure the social licence on which the energy transition depends.
- We support a 5 MW threshold as broadly aligned with our own planning experience and with existing Contracts for Difference thresholds. Solar, battery storage, and hybrid sites should all be clearly within scope.
- We support a £/MW capacity-based calculation for simplicity and certainty, although we recognise the case for an output-based alternative and set out a compromise position.
- Index-linking is non-negotiable. Rural authorities have too much historical experience of planning obligations and Section 106 commitments losing real-terms value over 25 to 40-year project lifetimes.
- Local authorities must be given a clearly defined role in the governance architecture. Not necessarily as fund administrators, but as statutory consultees on boundary definition, administrator appointment, and scheme performance.
- The governance and capacity-building provisions need to be designed with genuinely small rural communities in mind. Parish councils in West Lindsey routinely operate with annual precepts of £5,000 to £50,000. A community benefit fund of £100,000 per annum or more is an order-of-magnitude change in scale, and the scheme must assume that additional support will be necessary.

On shared ownership (Part 2)

- We support shared ownership as a genuine and valuable option for communities that choose it, but we do not support making it mandatory. The financial risks, capacity requirements, and equity issues involved mean that it will not be appropriate or achievable for every community.
- The Community Electricity Right provisions in the Infrastructure Act 2015 provide a workable legislative foundation but require updating. This is particularly so on technology scope, stake sizes, and flexibility of structure.
- If shared ownership is expanded, substantial government support will be required for both communities and developers. Without this, an ostensibly empowering policy could concentrate benefits among more affluent, better-organised communities and exclude precisely those who most need the transition to work for them.

Cross-cutting observations

- The policy framework needs to work alongside, not instead of, existing planning obligations, Biodiversity Net Gain requirements, and developer Community Benefit Agreements. The risk of double-counting and confusion is real and should be addressed explicitly in guidance.
- Local Government Reorganisation is proceeding in parallel with this policy development. Arrangements must be resilient to structural change and must protect community benefit flows across transitions. This is an issue of direct and immediate relevance to West Lindsey and must be considered.

- The cumulative impact of multiple large-scale projects on individual districts requires specific recognition. A scheme designed around single-project dynamics will not adequately reflect the reality for host authorities like ours.

About West Lindsey District Council

West Lindsey District Council is the local planning authority for a predominantly rural district in northern Lincolnshire. Gainsborough is the principal town; the remainder of the district comprises approximately 150 villages and smaller settlements spread across 1,179 square miles. The council serves a population of approximately 95,000.

The district has characteristics that make it both a priority area for large-scale renewable energy development and a case study in the challenges that such development poses for rural communities:

- Approximately 17% of households in West Lindsey are estimated to be in fuel poverty, substantially above the national average. The district contains a high proportion of older, poorly insulated private-sector housing stock.
- Over 60% of the district's land area is off the gas grid. Many rural communities rely on heating oil, LPG, or solid fuel, exposing them to significant price volatility.
- The district sits predominantly on Grade 3b and Grade 4 agricultural land, which combined with proximity to the Humber Energy Estuary and existing grid infrastructure has made it one of the most sought-after areas in England for utility-scale solar development.
- Parts of Gainsborough and several rural wards fall within the 20% most deprived areas nationally on multiple domains of the Index of Multiple Deprivation.

West Lindsey and its immediate surroundings now host five Nationally Significant Infrastructure Project solar schemes with a combined consented capacity of over 3 GW: Gate Burton (500 MW), Cottam (600 MW), West Burton (approximately 418 MW), Tillbridge (800 MW plus 500 MW battery storage), and One Earth (740 MW). Four have Development Consent Orders granted; the fifth is expected to receive a Secretary of State decision shortly. Construction has not yet commenced on any of them.

This concentration of large-scale energy infrastructure within a single district is unusual, and it shapes every aspect of our engagement with the community benefits policy question. We have spent a great deal of time in recent years processing applications, engaging with developers, and, most importantly, fielding questions from residents and parish councils about what their communities will actually receive in return for hosting infrastructure that will operate for four decades. The current voluntary regime produces no consistent answer to that question. That is the experience this response is grounded in.

Part 1: Community Benefits

Question 1: Do you agree with the principle that developers must provide community benefit funds?

WLDC position: ***Strong support.***

We agree, and we consider this the single most important question in the consultation. The voluntary approach has had two decades to demonstrate that it can deliver consistent, meaningful, and trusted benefits to communities hosting energy infrastructure. It has not done so. Within our own district and neighbouring Authorities we have seen stark inconsistency between developers. Some offer substantive community benefit packages as a matter of course, others offer little or nothing beyond the bare statutory minimum. The result, predictably, is a “community benefit lottery” where neighbouring parishes experiencing comparable impacts are treated very differently.

The working paper’s own framing captures this well: the current voluntary approach means communities cannot be certain of receiving any package, and there is inconsistency across locations and sectors. Our experience confirms that observation in every material respect. Residents in West Lindsey parishes situated next to large solar projects are acutely aware that communities elsewhere - including just across our boundary - have received very different offers. That inconsistency is becoming a driver of planning objections in its own right.

Mandatory community benefits would achieve three things that the voluntary approach cannot. First, it would create certainty for residents that hosting infrastructure will be recognised in a tangible way. Second, it would level the playing field between developers, removing the competitive pressure on responsible developers who currently feel they are unilaterally raising costs by offering generous benefits. Third, and perhaps most importantly, it would help maintain social licence for the broader energy transition at a point where cumulative development pressure in places like West Lindsey is beginning to generate genuine community concern.

The international precedent cited in the working paper (in particular Ireland’s €2 per MWh approach) demonstrates that mandatory schemes are implementable without preventing deployment. We do not believe there is a credible argument that mandatory community benefits would materially delay or deter the energy transition; on the contrary, we believe they are increasingly necessary to sustain it.

Question 2: What types of low carbon energy infrastructure should be included within the scope of the policy?

WLDC position: ***Comprehensive scope, including all of the technologies listed in the working paper.***

We support the inclusion of offshore wind, onshore wind, solar, nuclear, Power CCUS, Hydrogen to Power, battery storage, Long Duration Energy Storage, and relevant marine technologies. From our perspective as a host authority, the scope should be technology-neutral to the fullest extent possible. Communities hosting battery storage sites, for example, experience real local impacts (visual, amenity, and in some cases safety) that should not be left outside the scheme because the technology does not fit a particular traditional generation model.

Solar is of particular importance given its current scale and future pipeline in our district. Historically, solar schemes have tended to generate lower per-MW community benefit offers than onshore wind, even where impacts on rural communities such as agricultural land loss, visual change, cumulative landscape effect, are significant. Bringing solar firmly within a mandatory scheme is essential to correct that anomaly.

We would also urge that associated infrastructure (substations, grid connections, BESS compounds etc) be considered within the scope where they are part of a single development or have material local impact. Our experience is that communities frequently feel these elements are the most visually and acoustically intrusive components of a scheme, and they should not fall outside community benefit provision because they are categorised as ancillary.

Question 3: What would be the impacts on specific low carbon energy infrastructure technologies of bringing them into the scope of this potential scheme?

We respond from the perspective of a planning authority rather than an investor, and offer three observations.

First, for mature technologies such as onshore and offshore wind, solar, and battery storage, the financial impact of mandatory community benefits at levels indicated in the working paper is modest relative to total project value and the underlying revenues secured through CfD, Capacity Market, or merchant arrangements. We do not believe the scheme will be a binding constraint on project viability for these technologies.

Second, for less mature technologies such as floating offshore wind, Power CCUS, and LDES, the position is more delicate. The working paper's approach of a single threshold creates the right direction of travel but may warrant transitional arrangements (see Question 7) to avoid deterring first-of-a-kind projects.

Third, we would highlight the solar-specific impact in our district. A large volume of solar capacity, predominantly on agricultural land, has triggered legitimate community concerns about cumulative landscape effect, biodiversity, and the relationship between food and energy land use. A mandatory community benefit scheme helps address these concerns directly by ensuring that communities see tangible return for hosting this transition. It therefore supports rather than impedes solar deployment in the long term.

Question 4: Do you agree that there needs to be provision for amending the scope of the policy in future?

WLDC position: ***Yes, subject to appropriate consultation.***

The energy sector is changing rapidly. A scheme designed in 2025 cannot reasonably anticipate the technological and commercial landscape of 2035 or 2045. Provision for amendment is therefore essential. We would emphasise two things.

First, amendment should require formal consultation with local authorities as well as developers. We are often the bodies most attuned to local impacts of new technology types and should be properly engaged before scope is expanded or contracted.

Second, amendment mechanisms should be clear and predictable. Rolling uncertainty about scope creates problems for developers doing long-term planning and for communities trying to form realistic expectations about what they will receive. We would prefer a scheduled review (for example, every five years) rather than ad hoc changes triggered by individual circumstances.

Question 5: Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure?

WLDC position: ***Qualified support, with strong preference for coordinated community-facing delivery.***

We support individual treatment of co-located assets for the purposes of calculating contributions. This is the most transparent approach and reflects the reality that different technologies on a single site generate revenue through different mechanisms.

However, from a community perspective, fragmentation of fund administration across co-located assets creates confusion and is administratively wasteful. In our experience, communities do not distinguish between the solar and battery elements of a single site; they see one project, one site, one operator. We would therefore urge that where assets are co-located and commonly owned or operated, fund administration should be consolidated. The developer obligation remains separately calculated for each asset, but the community's interface with the scheme is a single point of contact, a single fund, and a single governance structure.

Question 6: Do you agree with the proposed mandatory community benefits threshold of 5MW for power generating and storage assets?

WLDC position: ***Support.***

The 5 MW threshold aligns well with our planning experience. Projects above 5 MW typically have impacts - on landscape, transport, amenity, or infrastructure - that generate meaningful community engagement from the pre-application stage onwards. Below 5 MW, the picture is more mixed; many smaller schemes are community-scale or locally-backed, and applying full mandatory community benefit requirements would be disproportionate both to the scale of local impact and to the administrative cost of running the associated governance.

The 5 MW threshold also aligns with the Contracts for Difference regime, which is helpful for administrative consistency. Based on the pipeline of applications we have handled and consulted on, a 5 MW threshold would capture the great majority of capacity while excluding schemes for which the benefit-cost ratio of full mandatory governance would be poor.

We note that in our specific context, all five NSIP projects are orders of magnitude above this threshold; the working paper's proposal is not, in practice, going to affect whether West Lindsey's current pipeline is in scope. But we recognise the threshold is structural and its appropriateness elsewhere matters.

Question 7: Should the threshold vary by technology in order to accommodate nascent technology?

WLDC position: ***Cautious; prefer transitional relief over differentiated thresholds.***

We see the case for supporting nascent technologies such as floating offshore wind, but we would prefer this to be delivered through transitional arrangements (for example, a lower initial benefit rate for a defined period after commercial operation) rather than a different headline threshold. Differentiated thresholds risk creating perverse incentives, gaming, and unnecessary complexity in the interface between the scheme and the planning system.

A uniform 5 MW threshold combined with technology-aware transitional arrangements would provide a cleaner, more defensible structure, and would make it easier for local authorities to explain the scheme to residents and parish councils.

Question 8: How should shared ownership arrangements interact with any mandated community benefit fund contributions?

WLDC position: ***Community benefits should apply regardless of shared ownership; adjustment, not exemption.***

We do not support treating shared ownership as a substitute for community benefit fund contributions. The two serve different purposes. Shared ownership provides a financial return to investing community members; community benefit funds serve the wider community, including residents who cannot or choose not to invest. Replacing one with the other would systematically disadvantage those least able to participate in shared ownership - typically lower-income, elderly, or less organised community members.

Where a community has taken a shared ownership stake, a proportionate adjustment to the community benefit contribution could be reasonable. For example, if a community holds a 10% equity stake, reducing the mandated benefit contribution by 10% could be defensible. But the remaining 90% contribution must still flow to the broader community benefit fund. This preserves the distinction between investor return and universal community benefit, and avoids shared ownership becoming a vehicle for developers to discharge their community benefit obligations to a narrower group.

Question 9: Are there any project types that should be exempt from a potential mandatory community benefits scheme?

WLDC position: ***Limited and clearly defined exemptions only.***

Exemptions risk becoming loopholes. We would support exemption only in clearly defined cases where the project is itself already a community benefit, namely:

- Wholly community-owned projects (for example, schemes owned by a constituted community benefit society with no external commercial stakeholder).
- Public sector projects where the generating entity is a local authority, public body, or NHS trust using the generation for its own operations or for direct community benefit.
- Pilot and demonstration projects with a clearly defined research purpose and a time-limited operational window.

We would not support exemption for repowering or life-extension of existing commercial projects. These represent continuing commercial revenues and should continue to support the host community accordingly. Indeed, the rationale for community benefit payments is arguably stronger for life-extended schemes, where the original host community commitment was made a generation earlier under very different assumptions.

Question 10: For those developers already offering community benefits on a voluntary basis, how are these funded?

Our direct experience of voluntary community benefit arrangements and research examples from elsewhere suggests three distinct funding approaches, each of which has implications for the design of a mandatory scheme.

Most commonly, developers treat community benefits as an operational cost, funded from project revenues - power sales, grid services payments, and government support mechanisms such as CfD receipts. The Welsh Brechfa Forest scheme is a well-known example of this model, with index-linked annual payments drawn from operational revenue. For larger, established developers, this approach is normal and well-understood internally.

A second group of developers appears to fund community benefits from development budgets or corporate community relations budgets, particularly at smaller scales or where community benefit commitments were made as part of planning negotiation rather than from a standing corporate policy.

A third category - smaller and less consistent - funds community benefits opportunistically, without a predictable source or commitment structure. These arrangements are the most vulnerable to renegotiation, non-delivery, or quiet attrition over time.

For a mandatory scheme to work, we would expect contributions to be set up as operational costs secured against the licence holder, drawn from project revenues, and protected by financial security mechanisms (see Question 17). This is the approach that has proven most durable in the voluntary context and aligns with the way developers already account for comparable obligations.

Question 11: Recognising the need for flexibility, are there any impacts or considerations of funding community-led projects that should be taken into account?

Community-led projects (whether funded through community benefits or other means) have a track record of producing outsized social value because they are designed around genuine local priorities rather than imposed from outside. We would urge that scheme design actively supports this.

Specifically, the scheme should allow communities to pool multi-year contributions into larger capital projects (for example, retrofitting a village hall or installing a community solar array) rather than forcing an annual spend pattern that tends to produce small, incremental grants. The Irish model provides some useful precedent on this.

We would also highlight two rural-specific considerations. Community-led capital projects in rural areas often face higher unit costs (for example, because of geographic dispersion, off-grid status, or planning complexity). Scheme guidance should not inadvertently penalise these projects by comparing headline cost-per-beneficiary figures without adjusting for rural context.

Question 12: Do you foresee any challenges for developers to fund mandatory community benefits?

For mature technologies with established revenue structures, we do not anticipate material viability challenges at the benefit levels indicated in the working paper. The relevant comparator is not corporate profit margin but project economics across a 25 to 40-year operational life; at that horizon, mandatory community benefits at the indicated levels are absorbable.

There are, however, genuine challenges for developers in specific circumstances:

- Merchant-revenue projects face greater income volatility than CfD-backed projects, and may find fixed-rate contributions harder to accommodate during low-price periods. Scheme design should consider whether suspension or deferral provisions are appropriate in extreme market conditions (see Question 16).
- First-of-a-kind projects in nascent technologies may face genuine viability pressure. Transitional arrangements could address this (see Question 7).
- Small developers may lack the internal governance and community engagement capacity that larger developers take for granted. Government-backed technical assistance could help avoid this becoming a barrier to market entry for smaller schemes above the threshold.

Question 13: How can significantly larger community funds be best managed?

This is an issue of direct relevance to West Lindsey. A 500 MW project at an indicated rate of £1,000 per MW per year would generate £500,000 annually - and we have five such projects of 400 MW or larger. If all five deliver at similar rates, the aggregate annual community benefit flowing to West Lindsey communities could reach £3 to 4 million. This has potential to be transformative, but would also an administrative challenge of a different order.

We believe the most workable approach is a tiered governance structure that distinguishes between:

- Very local funds (parish-level, typically under £50,000 per year) focused on immediate neighbourhood projects;
- District-level or multi-parish funds (£50,000 to £500,000 per year) supporting strategic interventions across a wider area; and
- Regional or aggregated funds (above £500,000 per year) capable of undertaking substantial strategic investment, community infrastructure, or shared ownership stakes.

We would caution against caps on individual project contributions. Caps reduce developer incentive to engage meaningfully with community scale and can create perverse incentives (for example, artificially phasing projects below cap thresholds). A better approach is to permit pooling into regional vehicles where local absorptive capacity is limited, with clear community oversight of how pooled funds are deployed.

Question 14: Do you have a preference for either of the proposed methods for calculating the level of contribution payable (installed capacity or generation output)?

WLDC position: ***Preference for installed capacity (£/MW), with reservations.***

From a local authority administration perspective, the installed capacity approach has significant practical advantages. It is transparent, predictable, and independently verifiable from public records. Community benefit payments can be calculated at project consent stage and budgeted accordingly. Index-linking can be applied straightforwardly.

The output-based approach (£/MWh) more accurately reflects the value actually generated by the project, but it imports complexity and administrative cost. Communities would need to rely on developer-reported output data (or pay for independent audit), and annual variability in payment levels would complicate budgeting for multi-year community projects.

A compromise worth considering would be a capacity-based payment with a true-up mechanism over five-year periods, in which output is measured and contributions adjusted against an assumed capacity factor. This combines the predictability of the capacity model with the fairness of the output model, at modest administrative cost.

Question 15: Do you agree with the principles of seeking to enable combining funds and utilising regional funds?

WLDC position: ***Yes - with safeguards.***

Combining and regional pooling is particularly relevant for districts like ours with multiple large projects and limited parish-level absorptive capacity. It enables strategic investment at a scale that no individual parish fund could achieve. We support the principle.

Safeguards are essential however. Pooling should not become a mechanism for diverting benefits away from the specific communities most directly affected. We would suggest three design principles:

- A minimum proportion (we would suggest at least 50%) of each project's community benefit contribution should remain under the control of the most directly affected local community.
- Pooling arrangements should require democratic endorsement from the affected communities and district at establishment and at regular intervals thereafter.
- Pooled fund governance should include formal representation from each contributing community.

Question 16: Do you agree with the outline proposals for a) when payments apply, b) index-linking, c) changes to project lifespan/capacity/ownership, and d) suspension of payments?

Taking each element in turn:

a) When payments apply

The Commercial Operation Date is an appropriate trigger. It aligns with the business rates and planning systems we already administer, and it ensures communities receive benefits once the project is actually delivering. We would suggest a requirement for developers to notify the local authority and fund administrator at least 30 days before the anticipated Commercial Operation Date, to allow governance structures to be ready to receive payment.

The scheme should also permit, but not require, early payments by agreement. Some communities (for example, those hosting particularly disruptive construction phases) may legitimately benefit from access to construction-phase funds for mitigation, training, or preparation purposes.

b) Index-linking

Essential. CPI is the appropriate index; RPI is now deprecated in most public finance contexts and would be an inappropriate choice. Annual adjustment on the anniversary of the Commercial Operation Date, using the September CPI figure, provides the necessary predictability for both developers and communities. We would oppose any discretionary element in the uplift calculation as these are invariably a source of disputes.

Our experience of historic Section 106 agreements where fixed nominal payments were locked in without index-linking is that the real value of the community benefit has frequently collapsed over the lifetime of the project. The scheme must avoid repeating this mistake.

c) Changes to project lifespan, capacity, ownership

Payments should continue for the full operational life of the project, including any extension through repowering or life-extension consenting. Where installed capacity increases or decreases through operational change, payments should adjust proportionately.

On ownership changes, see Question 17. The obligation must attach to the licence-holder and transfer automatically on change of control, without any requirement for the community or local authority to renegotiate.

d) Suspension of payments

Suspension should be available only in narrowly defined circumstances - in particular, extended operational cessation through no fault of the operator (for example, grid outage, regulatory suspension, or major unplanned maintenance). Routine commercial difficulty should not be grounds for suspension. Any suspension longer than 90 days should require notification to the local authority and fund administrator, and suspended payments should be made good once operations resume. A regulatory backstop (with enforcement powers, see Question 25) is needed to prevent “convenient” suspensions being used as a cost-management tool.

Question 17: Do you agree with the proposals to place the developer obligations for community benefits on the relevant licence-holder?

WLDC position: ***Strong support.***

Placing the obligation on the licence-holder is the correct mechanism and provides the clearest, most durable accountability structure. Ownership of energy assets changes frequently over project lifetimes. This includes things such as corporate restructuring, refinancing, asset disposals, and end-of-lease transactions. Communities cannot be expected to follow these commercial transactions, nor should they have to.

Within our own district this issue is live. Gate Burton Energy Park was consented under Low Carbon and subsequently acquired by EDF Power Solutions. A scheme that tied community benefit obligations to the original developer rather than the current licence-holder would create immediate uncertainty in such transactions. Licence-based obligations avoid this entirely.

We would recommend three additional protections to reinforce this:

- Financial security mechanisms (parent company guarantees, bonds, or insurance) should be required at commissioning stage to ensure community benefit obligations survive insolvency of the operator.
- Community benefit obligations should rank as priority claims in insolvency, equivalent to statutory landlord obligations or pension liabilities, to prevent communities losing benefits to secured creditors in a winding-up.
- Public registers of licence holders and their community benefit obligations should be maintained by Ofgem to provide transparency and enable independent monitoring.

Question 18: Are there any other aspects on funding that should be considered?

Three additional points:

- Subsidy control. The scheme should be designed to be compliant with the UK's post-Brexit subsidy control regime. Clear guidance from government on how community benefit payments fit (or sit outside) the subsidy control framework would prevent each local authority having to form its own view.
- VAT and tax treatment. Developers need certainty on whether community benefit payments are treated as business expenses for corporation tax purposes; communities need certainty on whether receipts are taxable income or exempt. Current voluntary practice is variable and creates unnecessary administrative cost.
- Interaction with other planning obligations. The scheme should make explicit that mandatory community benefits are in addition to, not a replacement for, Biodiversity Net Gain, Section 106 planning obligations, Community Infrastructure Levy, and any other existing obligations. Without this, there is a real risk that developers will seek to trade-off obligations against each other, to the detriment of the overall package delivered to the community.

Question 19: Do you agree or disagree that we should not produce prescriptive guidance on what the fund can be used for?

WLDC position: ***Agree; avoid prescriptive guidance but prohibit specific uses and provide strong indicative guidance.***

Prescriptive guidance would undermine the fundamental purpose of community benefits, which is to direct resources to what a specific community actually needs. Communities differ - a coastal village's priorities are not the same as a market town's, or an off-gas-grid rural parish's. National prescription would replicate the very problem that mandatory community benefits is designed to solve: imposing outside priorities on host communities.

That said, a short list of prohibited uses is essential to protect the integrity of the scheme. We would suggest:

- Political campaigning or party-political activity.
- Private profit or personal gain for individuals.

- Substitution for statutory services that local authorities or other public bodies are required to provide.
- Anything that undermines local planning policies or democratic planning decisions.
- Direct payments to individual households, other than through established grant schemes with transparent eligibility criteria.

Beyond prohibited uses, positive indicative guidance would help communities make good decisions without being prescriptive. Illustrative categories might include: energy efficiency and fuel poverty alleviation; community renewable energy projects; community facility improvements (village halls, sports facilities, community centres); rural connectivity and transport; skills and training; biodiversity and natural environment projects; and climate resilience measures.

Question 20: Do you agree with the suggested roles and responsibilities for the developer, fund administrator, administrative body, community representatives and community, and with the proposed governance structure?

WLDC position: ***Broad agreement, with proposed amendments to strengthen the local authority role.***

The proposed four-part governance structure - developer, fund administrator, administrative body, community representatives - provides a reasonable foundation. We do however consider that the role of local planning authorities is under-specified and should be clarified.

Local authorities should have explicit, defined roles in four areas:

- Statutory consultee on the definition of “community” for each project (see Question 29).
- Statutory consultee on the appointment of the fund administrator, including input on the procurement process and selection criteria.
- Formal observer role on the fund governance body, to provide continuity, institutional memory, and linkage with wider local strategy.
- First point of contact for community complaints where the fund administrator or community representatives are unable to resolve a dispute (see Question 26).

We would not seek to run funds directly. That role is properly for fund administrators accountable to the community, not for local authorities. But the local authority role is more than that of an interested observer, and the scheme should reflect that.

We would also note that the scheme must accommodate the reality of Local Government Reorganisation. Community benefit governance structures must be resilient to changes in local authority geography and responsibilities. Arrangements that depend on a specific council continuing to exist are fragile; arrangements that designate a role for “the relevant local planning authority from time to time” are more durable.

Question 21: Do you agree that some flexibility in the governance structure is needed? If yes, do you think the suggested ‘truncated’ governance approach would adequately capture the needs of smaller funds or communities with less capacity?

WLDC position: ***Yes to flexibility; partial support for truncated governance, with reservations.***

Rural communities vary enormously in their organisational capacity. A parish with an active community group, experienced volunteers, and a history of successful grant management is in a very different position from one with an ageing population, limited volunteer base, and no tradition of managing substantial funds. A one-size-fits-all governance model would either overwhelm smaller communities or provide insufficient rigour for larger funds. Flexibility is therefore essential.

The truncated model proposed in the working paper recognises this, but in our view risks under-representing communities where it is applied. Specifically, reducing the community voice in governance could allow fund administrators to dominate decision-making in precisely the communities that most need genuine local ownership. Our recommendation is that the truncated model should be conditional on:

- A higher minimum threshold for community representation (for example, community voting majority on all funding decisions, even where the formal structure is simpler).
- Capacity-building funding ring-fenced within the administration budget to help smaller communities develop the competence to move to the full governance model over time.
- Periodic review (perhaps every three years) of whether the truncated structure is still appropriate, with a clear pathway to escalation.

The goal should be to meet communities where they are, not to lock them into diminished governance in perpetuity.

Question 22: **Do you agree with the proposed approach to the decision-making process?**

Broadly yes. Key design principles we would emphasise are:

- Clear, published criteria for decisions, agreed with the community at the outset.
- Transparent meeting arrangements, with published minutes and decisions.
- Real conflict-of-interest protections -particularly important in small rural communities where many residents will have personal or family connections to potential beneficiaries.
- An appeals or review mechanism for unsuccessful applicants, proportionate to the value of the application and the size of the fund.
- Integration with the local planning authority's wider local strategy (for example, the council's Environment and Sustainability strategy, Local Plan, or emerging Local Nature Recovery Strategy) to ensure community benefit decisions complement rather than duplicate existing public investment.

Question 23: **Do you agree with the deadline of one year before payment is due for having governance structures in place?**

WLDC position: ***Support… but with flexibility for complex rural governance.***

A year is a reasonable period for most circumstances. It allows time for community consultation, fund administrator appointment, governance body formation, and initial training. It aligns with the commissioning timetable of most projects, which is typically known with reasonable certainty 12 to 24 months in advance.

For complex or multi-parish governance arrangements, particularly in rural areas with dispersed communities, we would ask for provision to extend this deadline by up to six months with the agreement of the administrative body, on demonstration that good-faith progress has been made. This should not be a routine extension - the default should remain 12 months - but the flexibility is important to avoid rushing arrangements that then have to be revised soon afterwards.

Question 24: **What would be an appropriate cap on spending from the fund for administrative functions?**

WLDC position: ***Sliding scale recommended; we set out indicative levels below.***

Administration costs do not scale linearly with fund size. Fixed costs (meeting space, basic governance, audit, administrator fees) apply similarly to small and large funds. A single percentage cap would either starve small funds of governance capacity or permit excessive overhead on large ones. A sliding scale is the right approach.

Based on our experience of administering grant schemes of various scales, we would suggest:

- Small funds (up to £50,000 per annum): up to 25% for administration, including capacity-building.
- Medium funds (£50,000 to £200,000 per annum): up to 20%.
- Larger funds (£200,000 to £500,000 per annum): up to 15%.
- Very large funds (above £500,000 per annum): up to 10%, with the expectation that regional or pooled administration is used.

Administration should be understood broadly - encompassing governance, application handling, monitoring, capacity-building, and community engagement. The Irish precedent of a 30% cap on smaller funds is a useful comparator; our proposed rates are somewhat tighter, reflecting the likely efficiency of a more standardised UK scheme.

Question 25: Do you agree with the suggested approach to enforcement of this potential scheme?

WLDC position: ***Support the tiered approach; strengthen local authority integration.***

The proposed tiered enforcement approach - dispute resolution first, civil penalties and public register as secondary tools - is correct. Most disputes arise from misunderstanding, capacity constraints, or changed circumstances rather than deliberate non-compliance, and a punitive-first approach would be both unfair and counter-productive.

We would strengthen the enforcement framework in four ways:

- Clear role for local authorities in identifying non-compliance through local knowledge and in supporting dispute resolution at the early stage.
- Explicit firewall between community benefit enforcement and planning decisions. Enforcement action on community benefits must not be used as a de facto planning sanction, nor should alleged community benefit shortfalls be treated as material considerations in future planning applications by the same developer.
- Civil penalty levels should be set with reference to project revenue, not fund size, to ensure they are meaningful for the developer. Fixed-sum penalties scale poorly against multi-hundred-million-pound projects.
- A public register of enforcement action, with due process protections, to provide reputational reinforcement of formal sanctions.

Question 26: Do you agree with the proposed chain for dispute resolution between communities and administrators?

WLDC position: ***Support the escalating chain; clarify triggers and local authority role.***

The escalating chain is sensible. The three-month timescales for each stage are reasonable in most circumstances but should allow limited flexibility for complex rural cases where geographic spread and limited local capacity affect resolution timelines.

We would suggest two additions. First, specific guidance on what constitutes an enforceable breach, to distinguish genuine non-compliance from legitimate differences of opinion about fund priorities. Communities and administrators will not always agree, and disagreement is not by itself a breach. Second, an explicit role for the local planning authority at the second stage of escalation, before formal enforcement is triggered - local authorities can often broker resolution through existing community relationships.

Question 27: Should consideration be given to imposing any of the proposed enforcement actions on other persons or groups under the scheme?

WLDC position: ***Focus primary enforcement on developers; limited enforcement against administrators in extreme cases.***

The developer is ultimately responsible for compliance, and primary enforcement should focus there. However, there are limited circumstances where fund administrators may themselves engage in serious misconduct - misappropriation of funds, systematic failure to meet governance obligations, or fraudulent reporting - where some enforcement mechanism is needed. These cases are likely to be rare but the framework should be in place.

We would not extend enforcement to individual community representatives or community groups. Their role is voluntary and lay; applying regulatory enforcement to them would deter participation and undermine the community-led ethos of the scheme. Professional misconduct by paid administrators is a different case, and existing professional, charity, and financial regulatory frameworks (Charity Commission, Companies House, FCA) should be used rather than duplicated.

Question 28: What do respondents think would be a practical use for any additional revenue generated from civil penalties?

We would suggest a hierarchy:

- Priority one: redistribution to the affected community that was the subject of the non-compliance. The community has already suffered from the breach; it should be the first beneficiary of any recovery.
- Priority two: a national capacity-building fund to support smaller and more disadvantaged communities in managing their schemes. This addresses the structural inequity that more affluent, better-organised communities find it easier to navigate the scheme in the first place.
- Priority three: fuel poverty alleviation programmes in communities hosting energy infrastructure, coordinated through existing delivery vehicles such as ECO4 Flex or the Warm Homes Plan.

Question 29: Do you think a case-by-case approach to defining the community is appropriate?

WLDC position: ***Yes, with structured local authority involvement and clear principles.***

Community definition cannot be done nationally, because it is inherently local. Parish boundaries, natural catchments, travel-to-school and travel-to-shop patterns, landscape setting, and grid connection routes all affect who a project genuinely affects. A case-by-case approach is the only workable option.

To prevent case-by-case becoming ad hoc, we would suggest:

- Clear national principles to guide case-by-case decisions (for example, a default primary zone defined by distance or visibility, with provision for extension where specific impacts warrant it).
- A formal role for the local planning authority as statutory consultee on boundary definition. We hold the evidence base — parish geography, visual impact

assessments, planning application consultation records — needed to inform credible decisions.

- Formal consultation with parish councils, ward councillors, and established community organisations before boundaries are finalised.
- A review mechanism at five-year intervals, since communities and their relationships to the project can evolve.

We would specifically recommend that the listed engagement bodies include parish councils (which are the primary tier of local democratic representation in rural areas and are frequently overlooked in national guidance) and recognised local community organisations such as village halls and community interest companies.

Question 30: Do you agree that capacity building will be required in communities? What do you believe this should look like and who do you believe is best equipped to carry this out?

WLDC position: ***Absolutely yes. Multi-agency delivery, with local authorities playing a coordinating role.***

Capacity building is essential, not optional. Most rural parishes in our district operate with annual precepts of £5,000 to £50,000 and volunteer governance. A community benefit fund of £100,000 per year or more is an order-of-magnitude shift in scale. Expecting communities to manage this without structured support is unrealistic and sets the scheme up to fail.

Effective capacity building should cover:

- Financial management - budgeting, reporting, audit requirements, safeguarding of funds.
- Governance - conflict-of-interest management, decision-making procedures, charity or CBS structures where relevant.
- Project development - identifying needs, designing interventions, measuring outcomes.
- Procurement and contracting - basic competence in engaging suppliers and contractors.
- Community engagement - consultation, feedback, inclusive participation.

No single body can deliver all of this, and we would advocate a multi-agency approach: local authorities for local context and coordination; community foundations (for example, Lincolnshire Community Foundation) for fund management expertise; established community energy bodies (for example, Energy4All, Community Energy England) for sector-specific knowledge; and professional bodies (CIPFA, NCVO, charity-sector training providers) for specialist skills. Local authorities are best placed to coordinate this support, drawing on our existing relationships with parish and town councils and with the voluntary and community sector.

Question 31: Do you agree that capacity building and engagement should be funded by the community benefit fund administration budget?

WLDC position: ***Yes, supplemented by a national capacity-building fund for smaller schemes.***

Funding capacity building through the administration budget is the right default. It scales with fund size, is accountable to the community receiving the benefit, and embeds capacity building within the fund's ongoing operation rather than treating it as a one-off external intervention.

However, the approach will not work for smaller funds where the administration cap (see Question 24) would consume too much of the available budget. Three supplementary mechanisms would address this:

- A national capacity-building fund, supported initially from government seed funding and subsequently from civil penalty revenue (see Question 28).
- Shared capacity-building across multiple small funds within a region, with economies of scale reducing unit costs.
- Graduated administration caps in the scheme's early years, recognising that setup costs are disproportionately front-loaded and that communities becoming experienced managers of benefit funds is a good investment over the long lifetime of the project.

Question 32: Do you agree community engagement should be led by the fund administrator? Do you believe our proposals have any unfair impacts on those with protected characteristics?

WLDC position: ***Agree; explicit safeguards needed for inclusive participation.***

The fund administrator is the appropriate body to lead community engagement. They have continuity, accountability, and the resources to sustain engagement across the project lifetime. Developers have an inherent conflict of interest, and local authorities cannot take on the ongoing operational role.

Equality impacts warrant specific attention. Our experience suggests the following groups are at particular risk of under-representation in community benefit governance, unless safeguards are built in:

- Older residents who may face barriers to digital participation or extended evening meetings.
- Disabled residents for whom accessibility of venues and communications may be inadequate.
- Working-age parents for whom meeting times and childcare arrangements can be prohibitive.
- Lower-income residents for whom volunteer time has a genuine opportunity cost.
- Recent arrivals to rural communities, including ethnic-minority residents, who may lack established local networks.
- Tenants and those without settled housing, who can be overlooked in parish-led engagement processes.

Scheme guidance should require fund administrators to take active, documented steps to make engagement inclusive - not just to avoid active exclusion, but to seek out participation from under-represented groups. This is a specific area where equality impact assessments should be embedded in scheme design from the outset.

Part 2: Shared Ownership

West Lindsey District Council supports shared ownership as a valuable option for communities that choose it and have the capacity to manage the risks and requirements involved. We do not, however, support making shared ownership mandatory for developers to offer or for communities to accept. Our responses to the shared ownership questions reflect this overall position.

Question 33: **Are you aware of evidence which suggests that shared ownership has or has not delivered the benefits referred to above?**

The available evidence on shared ownership in a UK context is mixed and, we would argue, not yet sufficient to support mandatory expansion. The Scottish and Welsh experience of shared ownership arrangements has shown that well-structured schemes can deliver real financial and social benefits to participating communities (particularly where community organisations are well established and where professional support has been available.)

International comparators are instructive but should be read with care. Denmark's 52% wind ownership rate operates within a distinctly different institutional and financial framework — including long-standing cooperative traditions, specific tax treatment, and different capital markets for citizen investment. It cannot be transplanted wholesale into a rural English context without substantial modification.

Evidence gaps we would flag include comparative analysis of shared ownership versus enhanced community benefit funds (which might deliver similar outcomes more simply), long-term data on community ownership sustainability, and differential outcomes between communities with and without existing organisational capacity. Until these gaps are addressed, we would caution against treating shared ownership as a proven policy intervention ready for universal application.

Question 34: **Are you aware of any evidence to support other benefits of shared ownership for either communities and/or developers?**

Potential additional benefits beyond those listed in the working paper include:

- Skills development and local economic participation; Here, community ownership creates opportunities for residents to engage with energy markets, procurement decisions, and technical operations in ways that are not available under pure developer ownership.
- Long-term stewardship incentive; Communities with ownership stakes may have stronger incentive to maintain positive relationships with projects and support their continued operation, including through repowering.
- Democratic participation in the energy transition; Ownership gives residents a genuine voice in the transition, not just as consumers or planning objectors.
- Developer reputational and relationship benefits; Developers with credible shared ownership offers are likely to find easier community engagement in future schemes, creating a virtuous cycle.

These benefits are real but are conditional on community capacity and appropriate structure. They are not delivered automatically by imposing shared ownership requirements, and risk being diminished or lost if shared ownership is applied in circumstances where the necessary capacity does not exist.

Question 35: **Are you aware of any risks arising from encouraging shared ownership schemes?**

Yes, and these risks need serious consideration. The principal risks we would flag are:

- Financial loss to community investors, particularly concerning in rural communities where investment capital is often represented by accumulated savings or small inheritances rather than disposable surplus.
- Community division between residents able to participate in investment and those unable or unwilling to. Shared ownership can accentuate rather than reduce inequality within communities.
- Democratic distortion where investor rights give disproportionate voice to wealthier residents in community energy decisions.
- Complexity and capacity demands that may exceed what small rural communities can reasonably sustain over a 35-40 year project lifetime, risking governance failure or effective takeover by professional managers over time.
- Delayed project deployment if shared ownership negotiations become protracted, potentially undermining the national energy transition timetable.
- Inequity between communities, with better-organised or more affluent communities benefiting disproportionately while disadvantaged communities are excluded or under-supported.

These risks do not mean shared ownership is inappropriate. They mean it must be voluntary, well supported, and accompanied by universal community benefit schemes that protect communities regardless of whether shared ownership is pursued.

Question 36: What are the barriers to shared ownership in Great Britain?

The principal barriers, We have little direct experience here but based on the evidence available, they include:

- Capital access - community organisations struggle to raise the investment capital required, particularly for meaningful stakes in large projects.
- Technical complexity - energy project finance, regulation, and operation are specialist fields that community volunteers rarely have direct experience of.
- Legal and structural complexity - establishing a community investment vehicle, negotiating terms with developers, and structuring governance all require professional support that is expensive and unevenly distributed.
- Risk tolerance - community organisations legitimately prioritise capital preservation over return, which is in tension with the risk profile of equity stakes in commercial energy projects.
- Administrative burden - ongoing shareholder obligations, annual reporting, meetings, and tax compliance are substantial for volunteer-run organisations.
- Developer appetite - some developers are reluctant to admit community shareholders, particularly where this complicates subsequent refinancing or disposal.

Question 37: Do certain communities face barriers to shared ownership more so than others?

WLDC position: ***Yes, substantially. Rural, lower-income, and less organised communities face disproportionate barriers.***

Our district encompasses communities that illustrate this clearly. Parishes with active community groups, experienced volunteers, and a history of managing grants are in a different position to parishes with small or ageing populations, limited volunteer capacity, and no prior experience of significant community finance.

Specific disadvantaged groups facing disproportionate barriers include:

- Rural communities - geographic dispersion, limited access to professional support, weaker digital infrastructure.
- Lower-income communities - limited investment capital, greater risk aversion, opportunity cost of volunteer time.
- Communities with ageing demographics - limited appetite for long-term investment commitments, capacity constraints in volunteer governance.
- Ethnic-minority communities - may have weaker ties to local community organisations through which shared ownership is typically channelled.
- Communities with poor history of developer engagement - trust barriers that are genuinely earned and cannot be assumed away.

A scheme that treats all communities as having equal capacity to engage with shared ownership will systematically advantage those already best positioned. This is an equity issue that needs to be addressed at the design stage, not corrected retrospectively.

Question 38: How can government ensure that low-income communities, or those experiencing higher rates of fuel poverty, are able to engage with shared ownership offers?

This is a difficult question because the honest answer is that, absent substantial government intervention, low-income and fuel-poor communities will struggle to engage meaningfully with shared ownership offers on commercial terms. That said, mechanisms that could reduce the gap include:

- Government-backed risk mitigation - partial loss guarantees, insurance mechanisms, or first-loss capital that reduce the downside for community investors.
- Matched funding or concessional finance - government funds matching community investment on favourable terms to lower the effective cost of participation.
- Non-financial participation models - “sweat equity”, land-based or skills-based contributions that allow participation without capital.
- Graduated ownership structures - allowing small initial stakes to grow over time, rather than requiring large upfront commitment.
- Direct government investment - where community capacity is limited, a government-backed body (for example, Great British Energy) taking a stake on behalf of the community.

We would note, however, that the combination of complexity and cost of these mechanisms suggests that enhanced community benefit schemes (those which deliver universal benefit without requiring capital investment from individual households) may often be a more effective instrument for supporting fuel-poor communities than shared ownership. Both instruments should be available; neither should be presented as universally appropriate.

Question 39: Do certain developers and/or particular sectors face barriers to shared ownership more so than others?

Yes. Larger, established developers with experienced community engagement functions are better placed to absorb the transaction costs of shared ownership than smaller developers or new entrants. We would expect that sectors with more complex financing structures (for example, offshore wind with its large initial capital requirements) face particular challenges in accommodating community minority shareholders, as do projects financed through project finance structures where additional shareholders complicate the security package.

This is relevant for policy design because it suggests that a mandatory shared ownership requirement would fall differentially on different parts of the sector. Small and mid-sized developers may be priced out, consolidating the sector into larger players. This is an outcome not obviously desirable.

Question 40: Does a particular barrier represent more of a barrier to shared ownership than others?

In our view, capital access and capacity are the two most significant barriers, and they are interlocking. Communities without capital access cannot meaningfully participate; communities without capacity cannot manage shared ownership well even if capital were available. Addressing either without the other is insufficient.

Of the two, capacity is the harder to address, because it requires sustained investment in community capability over years rather than a financial intervention at a single point in time. Any policy that takes shared ownership seriously has to take capacity building seriously as well.

Question 41: What actions can the government take to address these barriers and promote further uptake of shared ownership, particularly in England?

A package of measures would include:

- Standardised legal structures and documentation - templates for community investment vehicles, negotiation, and shareholder agreements, which would reduce the legal cost of establishing each arrangement.
- Dedicated financial support - grants for feasibility and setup costs, low-interest loans for community investment, and risk-sharing mechanisms to protect community investors.
- Capacity-building infrastructure - a national (or regional) body providing training, advice, and support to community organisations pursuing shared ownership, drawing on and extending bodies such as Community Energy England, Energy4All, and the community foundations network.
- Integration with Great British Energy - GBE's Local Power Plan provides a natural vehicle for many of these supports, and alignment between DESNZ community benefit policy and GBE delivery is essential.
- Honest public communication - shared ownership is complex and risky; government should not oversell it to communities that may lack the capacity to assess the offer critically.
- Regulatory clarity - on state aid / subsidy control, tax treatment of community returns, and the treatment of community investments under financial services regulation.

Question 42: How successful has a voluntary approach to shared ownership been? Should the government continue with a voluntary approach or consider expanding shared ownership, possibly via a requirement for developers to offer shared ownership to eligible communities?

WLDC position: ***Our research suggests that the voluntary approach has produced limited but real results. We do not support mandating developers to offer shared ownership universally; we would support a requirement to consider and consult on shared ownership, with enhanced supporting infrastructure.***

The voluntary approach has produced real examples of successful shared ownership, particularly in Scotland and Wales, but progress in England has been limited. Making shared ownership mandatory would be a significant step and in our view is premature. Communities vary substantially in their capacity to engage; developers vary in the suitability of their projects for shared ownership; financing structures are not uniformly compatible with minority community shareholding.

A proportionate middle path would be:

- Mandate developers above the community benefits threshold to formally assess and consult on shared ownership possibilities for each project, and to publish the outcome of that assessment. This stops short of requiring an offer but ensures the question is asked seriously in every case.
- Provide substantially enhanced support (see Question 41) so that communities wishing to pursue shared ownership have realistic means of doing so.
- Review the landscape within, say, five years of full scheme operation and consider whether mandatory offers are warranted based on evidence of what the enhanced voluntary approach has delivered.

This is a case where getting the sequencing right matters more than getting the end state agreed immediately.

Question 43: **If shared ownership is expanded, should regulations be made in accordance with the existing provisions relating to the 'Community Electricity Right' in the 2015 Act?**

WLDC position: ***Yes, but with meaningful amendments.***

The 2015 Act provides a useful legislative foundation and avoids the need to create a wholly new framework. However, it requires updating to reflect the current state of the sector and the practical lessons of the past decade. Amendments we would suggest:

- Expand the technology scope to include battery storage, LDES, hybrid projects, and emerging technologies not anticipated in 2015.
- Reconsider the 5% maximum stake - for some communities, 5% is too low to deliver meaningful voice or return; for others, it is too high to be financially achievable. Flexibility within a defined range would be better than a single fixed cap.
- Clarify the threshold - 5 MW remains defensible but should align with the mandatory community benefit threshold (see Question 6) for simplicity.
- Strengthen community capacity-building and support requirements in the regulations themselves, rather than leaving these to fall through the cracks of ancillary guidance.
- Provide explicitly for regional or pooled community investment vehicles, which the 2015 Act did not anticipate clearly.

Question 44: **If shared ownership is expanded, how will communities and developers need to be supported for a mandatory shared ownership scheme to be successful?**

If a mandatory scheme were introduced, the support required would be substantial:

- For communities: dedicated and professionally-staffed advisory support, accessible training, standardised legal templates, risk mitigation mechanisms, and access to affordable finance for community investment.
- For developers: standard documentation and process guidance reducing transaction cost; clarity on interaction between shared ownership and community benefit fund obligations; and regulatory certainty on subsidy and tax treatment.
- For the system: a national body capable of brokering, advising, and supporting both sides of the negotiation. Great British Energy would seem to be the natural home for this function.

- For local authorities: funding for our coordinating, hosting, and convening role, which is often the first point of developer and community contact on these matters.

The risk of a mandatory scheme without this supporting infrastructure is that the statutory requirement is technically met (eg developers make an offer, communities formally receive it) but no meaningful community ownership actually results. In our view, form without substance is worse than nothing, because it consumes scarce capacity and generates disillusionment.

Question 45: If shared ownership is expanded, should there be exemptions to the expansion?

WLDC position: ***Extensive exemptions would be required… which is itself an argument against mandatory expansion.***

If mandatory shared ownership were introduced, exemptions would legitimately be needed for:

- Community-owned projects (already community-owned, so no further shared ownership required).
- Small developers and first-of-a-kind technology projects where the transaction costs of shared ownership would imperil project viability.
- Projects with financing structures genuinely incompatible with minority community shareholding.
- Situations where no eligible community organisation exists within the defined community area and creation of one within scheme timescales is not feasible.
- Communities that have formally declined shared ownership through a proper democratic process - communities must retain the right to say no.

The breadth of exemption required to make mandatory shared ownership workable reinforces our view that a voluntary approach with strong supporting infrastructure is the more realistic policy. A scheme that requires extensive exemptions to be fair is a scheme that has not reckoned fully with the diversity of circumstances it applies to.

Question 46: If shared ownership is expanded, how should developers' engagement with communities take place?

Effective engagement would require:

- Early initiation - shared ownership discussion needs to begin at the pre-application stage at the latest; by the time a DCO or planning application is submitted, the opportunity for meaningful community shaping of the offer has largely passed.
- Professional community engagement expertise - dedicated community liaison roles, not bolt-on activity from planning or communications staff.
- Respect for existing community governance - parish councils, community land trusts, and existing community organisations are the natural primary interface, not ad hoc groupings convened for the purpose.
- Transparent documentation - offers, counter-offers, and negotiating positions should be documented and subject to community scrutiny.
- Equitable access to advice - communities should have access to independent professional advice funded by the developer, to redress the asymmetry of information and expertise.
- Time - community governance structures move slowly by necessity, and engagement timetables must accommodate that rather than forcing decisions before communities are ready.

Engagement of the quality described here is expensive and time-consuming for developers, which is a further reason why mandatory shared ownership requirements must be accompanied by realistic timetables.

Question 47: **Are you aware of any risks or potential adverse impacts arising from expanding shared ownership either in line with the 2015 Act provisions or otherwise?**

Yes. The principal risks of expansion, particularly mandatory expansion, are:

- Community financial harm from losses on investments that households cannot afford to lose, particularly in areas with low financial resilience.
- Community division between investors and non-investors, and between communities capable of organising for shared ownership and those not.
- Democratic distortion in community decision-making, where investor rights give disproportionate voice to wealthier residents.
- Delay to energy transition deployment if negotiation periods become protracted or litigation ensues over contested arrangements.
- Regressive distribution of benefits (an ostensibly progressive policy may concentrate benefits in already-advantaged communities unless actively counteracted.)
- Market consolidation if smaller developers cannot absorb shared ownership transaction costs.
- Institutional risk to community bodies taking on obligations they cannot sustain across 35-40 year project lifetimes, with attendant consequences for governance failure and asset stranding.

None of these risks are unmanageable. All of them require active policy attention. Expansion of shared ownership should proceed only where and to the extent that these risks have been adequately addressed in policy design, supporting infrastructure, and community capacity.

Concluding remarks

West Lindsey District Council supports the broad direction of the government's proposals. Mandatory community benefits are needed, overdue, and implementable. Shared ownership is valuable as a voluntary option and would benefit from enhanced supporting infrastructure, but is not yet ready for mandatory universal application.

Underlying our detailed responses are three principles that we would ask government to hold onto as the policy develops toward legislation.

Social licence is the real asset

The fundamental case for mandatory community benefits is not revenue distribution, but the sustainability of public support for the energy transition. We are seeing, in our own district, growing strain in the relationship between communities and developers as the scale of infrastructure becomes more visible and the inconsistency of community treatment becomes more evident. A mandatory scheme is the right response, but only if it is designed to repair trust, not just to redistribute money.

Rural realities must be designed in, not corrected for

Much of the policy discussion in this area assumes a level of community capacity, organisational infrastructure, and financial capability that does not exist in most rural parishes. A scheme that works brilliantly in well-resourced urban settings and then has to be retrofitted to rural context is unlikely to work well anywhere. Start from the reality of a small parish council with a volunteer clerk and an annual precept of £15,000, and then ask how the scheme can meet that community where it is? We feel this is the right starting point.

Longevity matters more than launch

A project consented today may still be generating community benefit payments in 2065. Very few policy frameworks operate on that timescale. The scheme needs to be designed for longevity: resilient to changes in local government structure, adaptable to technological evolution, protected against real-terms erosion through indexation, and with governance structures that can survive changes in personnel, politics, and priorities over four decades. This is a harder design problem than it looks, and it deserves specific attention rather than being left to implementation detail.

We would welcome the opportunity to contribute further as the policy develops. West Lindsey District Council is available to host site visits, participate in working groups, or provide further written evidence as may be helpful. We have considerable experience of the practical realities of hosting large-scale low carbon infrastructure, and our perspective may be of value in shaping both primary legislation and subsequent regulations and guidance.

For further information or to discuss any aspect of this response, please contact:

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