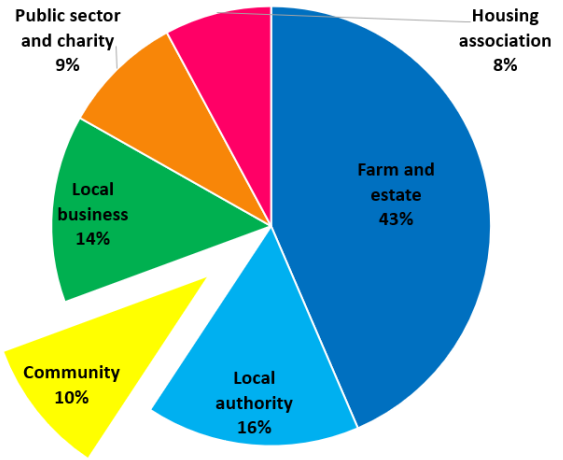
Manifesto recommendations from Scottish Community Coalition on Energy

Context:

There is growing opposition to new clean energy infrastructure, threatening Scotland's climate targets and the UK's clean power targets. The UK Government plans to build the majority of new onshore wind capacity before 2030 in Scotland, but 53 community councils in the Highlands recently supported a joint statement calling for a pause on energy infrastructure developments, and 10% of Scots are against the development of onshore wind.

To build public support for renewables and the energy transition, we must enable and support **increased community ownership and shared ownership** of new and existing electricity and heat infrastructure, and **fair distribution of the wealth** that is being generated and consolidated through renewables.

62% of the public would support a community-owned renewables project in their area, compared to 40% support for a private project. This is partly due to financial benefit: on average, community-owned windfarms provide 34 times more financial benefit per MW (and sometimes more) to the local community than private windfarms. However, equally important is that communities feel a **sense of control and involvement in the energy transition**. Community energy projects drive sustainable behaviour changes and help ensure a **just transition for all**.



Community stakes in shared ownership projects can count towards both targets.

The UK Government has set a target of 8GW of community and local energy by 2030. The more of this we can secure in Scotland, the more funds we'll leverage in from GB Energy's Local Power Plan. The Scottish Government has already set itself a target of 2GW of *local and* community-owned energy by 2030. It is currently at 1.1GW, but only 0.1GW is truly community-owned; the rest is owned by local businesses, farms and estates, local authorities and others (see chart).[1]

Recommended targets for Scotland:

- **By 2030: 1GW of community-owned energy**. We are currently at 0.1GW, so this requires an increase of .9 GW. Achieving this would also achieve Scottish Government's own 2GW target (see above).
- **By 2040: 25%** of energy generation and storage in community hands.

The community energy sector doubled in size every year between 2014 and 2017, when the right policies and incentives were in place. It can do so again, particularly given the UK Government's new commitment to increasing community ownership and shared ownership, the explicit inclusion of supporting community energy in GB Energy's remit, in legislation, and the new funding already coming in to Scotland for community energy.

Alongside targets there must be a commitment to publish a **route map of policies and funding** that will enable the targets to be met. This should include the policies below.

[1] Fig 1: Breakdown of the Scottish Government's category of 'community- and locally-owned energy', using data from Energy Savings Trust's Community and Locally Owned Energy in Scotland 2022 report (2023).

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Manifesto policy recommendations:

1. **Increase the CARES funding package for community energy to £15m/year, rising each year.**[2]
    a) This should include increased, **multi-year capacity-building funding** for community energy organisations to employ **Community Energy Officers or Community Heat Officers**, who will develop projects that meet the need of each community. The funding should be prioritised for areas with higher levels of multiple deprivation, where communities tend to have the least volunteer resource.
    b) Establish a new **Community Heat Growth Fund**, mirroring the Community Energy Generation Growth Fund, but for community-led heat projects including district heating. This should include funding for feasibility studies and capital costs.

2. **Use public land to boost community-owned energy.** When public bodies like Forestry and Land Scotland (FLS) lease land for renewables development or repowering, they should prioritise applications from community companies[3]. This can be achieved by **updating guidance to public bodies, instructing them to:**
    a) Include a scored question on level of community benefit funds in competitive tender processes;
    b) Consider how community-owned energy meets the 'Best Value' test when selling or leasing land under Community Asset Transfer. This requires updating the Best Value in Public Services guidance.
    c) **Publish break clauses and lease end dates** on their land registers, to give community groups advance notice of when renewables leases will become available. (This requires updating the Community Asset Transfer Guidance, section 7.)

    Background: Forestry and Land Scotland host over 100 wind and hydro developments on their public land (2,800 MW), but none of that is community-owned. Over the next two decades much of this will need repowered, and new leases will be issued to take over the site. If one-third of these leases were awarded to community energy organisations rather than private operators, our recommended 1GW target could be exceeded. Cowal Community Energy recently bid for a repowering lease at Cruach Mhor windfarm on FLS land, but FLS awarded the lease to a new private operator based in Europe. This is a missed opportunity to progress towards community energy targets and achieve Community Wealth Building objectives. ***Community benefit funds are on average 34 times higher from community-owned windfarms compared to private windfarms, retaining more wealth in local economies.*** *Public land should be used to support the public good, including through community energy.*

3. **Consult on amending planning legislation** to prioritise the use of land for community-owned energy over privately-owned energy, and to ensure that onshore renewables and storage developments up to 50MW provide a fair deal for local residents. The **Town and Country Planning (Scotland) Act 1997 could be amended to:**
    a) include the principle that "applications for clean energy developments that are **fully or partly community-owned will be prioritised** over applications with no community ownership."[4]
    b) require local authorities to refuse planning consent for renewables and energy storage projects which do not:
        i. **Provide community benefit funds** at the benchmark level set out in the Scottish Government's Good Practice Principles, or any higher benchmark set by the UK Government.
        ii. **Offer community shared ownership** at 20% or more, enabling community organisations and consortiums to own a stake, have a say and benefit financially from returns.

    Background: Consenting electricity projects over 50MW is reserved to Westminster under the Electricity Act, but decisions on projects up to 50MW are devolved and governed by Scottish planning law. Alongside this planning change we'd like CARES funding to extend to legal costs for negotiating community shares and responsibilities.

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[2] Compared to £13m in 2025.
[3] The community company must meet eligibility criteria, e.g. criteria for community bodies in the Land Reform 2003 Act, sect 34.
[4] NPF4 already includes Policy 25 on Community Wealth Building which states that community ownership will be supported, but in practice there is not enough space being made for community energy projects.

4. Update the National Framework Agreement for the Supply of Electricity to **allow local authorities and other public bodies to buy energy direct from community energy groups.** This would mean lower costs for the local authority and a guaranteed income for the community group, retaining wealth in the community.

   *Background: Currently the **National Framework Agreement for the Supply of Electricity** doesn't allow public bodies to buy a percentage of their power from local communities. The current Framework Agreement expires March 2026, and the Scottish Government can grant yearly extensions until 2029. Cabinet Secretary Gillian Martin has indicated that the 2029 version will include improved options for community energy procurement (e.g. 'sleeving' of Power Purchase Agreements), but we want changes to be made before then.*

5. **Support community organisations to lead on developing heat networks** (with Councils or the private sector); to own or co-own companies that operate the networks in the public interest, and to sell community-generated electricity to the networks, lowering energy bills for local households and businesses.
   a) **Amend the Heat Networks (Scotland) Act 2021 to require new heat networks to be operated on a not-for-profit basis**. The non-profit rule in Denmark has led to low prices for consumers, high quality infrastructure and high levels of community ownership.[5] This would need to be paired with changes at UK level to enable local authorities and community organisations to access and underwrite low-interest loans (e.g. from the National Wealth Fund or Scottish Government's Heat Network Fund) for *all types* of heat networks.
   b) **Mandate public sector connections:** All publicly owned buildings should be required to connect to a heat network where one exists and it is viable. This would enable communities to demonstrate heat demand from large 'anchor loads' when developing a business case for a community-led heat network.[6]
   c) **Support regional collaboration:** Heat network zones should accommodate large, cross-boundary systems like the East Lothian–Edinburgh 'heat highway', so that heat can be transported from where it's produced to where it's needed, making projects more financially viable. Scottish Government's Heat Network Support Unit should support joined-up working between local authorities and community organisations.

   Background: There is growing interest in community shared ownership of heat networks amongst community groups and Councils, from Edinburgh to East Lothian, Kinross and Inverurie, building on pioneering examples from Shetland and Aberdeen. Edinburgh Councillors recently agreed that non-profit delivery models are more likely to alleviate fuel poverty and deliver low carbon homes than private sector-led models (see motions pack p. 20). Potential models are explored in the feasibility study for East Lothian Heat. Community leadership can overcome the biggest challenge that heat networks face – getting households and businesses to connect – because community organisations are more trusted than private companies[7].

6. **Establish a Scottish Community Wealth Fund** to equitably distribute a portion of the wealth being generated by Scotland's natural renewable resources. This is a transformative policy that could excite the public about the energy transition, increasing buy-in and promoting a just transition, as well as providing finance for increased community energy ownership. This Fund would not be managed by the Scottish Government, but their role is to give the proposal their support and encourage or incentivise developers to contribute to the fund.

   Background: The Fund would manage contributions from developers of renewables, storage and transmission, with the majority coming from offshore wind. The fund could be seeded with ScotWind lease revenue, and would grow overtime from its investments. Funds would be ringfenced for communities to bid into, to invest in land, buildings, staff or their own renewables (including repowering) – these are all routes to building lasting community wealth, owned by the community. The Fund would be managed by an independent governance board and committee with fund management expertise. Scottish Government could use tax incentives like Renewable Energy Generation Relief or an infrastructure levy to incentivise energy developers to contribute to the Fund. Please see this paper and this blog for further information.

[5] 84% of heat networks in Denmark are owned by consumer co-operatives (See this peer-reviewed study).
[6] The Heat in Buildings Bill may include powers to require public sector buildings to connect; these powers will need to be used.
[7] See p. 21: https://ashden.org/storage/2025/05/Digest-of-evidence-about-the-value-of-community-energy.pdf