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Argyll and Bute Clean Energy Principles – Renewables and Energy Developments supporting a stronger and fairer future for Argyll and Bute

Introduction

The Argyll and Bute region has access to a unique and nationally significant mix of indigenous renewable energy resources in hydro, wind, wave, tidal, biomass and solar. The region's eastern borders are close to Scotland's central belt, while its Western Seaboard is close to Northern Ireland, creating clean energy power capable of supplying large urban areas and rural communities on both sides of the Irish Sea.

To support the development of the energy sector throughout Argyll and Bute, Argyll and Bute Council and Highlands and Islands Enterprise established the Argyll and Bute Renewable Alliance (ABRA). ABRA brings together public, third and private sector partners engaged in the energy sector with a view to working together and aligning partner resources to maximise the benefits of energy development.



These Clean Energy Principles have been considered by ABRA members and aim to support the long-established ABRA vision:

“Argyll and the Islands will be at the heart of renewable energy development in Scotland by taking full advantage of its unique and significant mix of indigenous renewable resources whilst maintaining its natural heritage and maximising the opportunities for sustainable economic growth for the benefits of its communities and Scotland.”



This document will be reviewed and updated regularly by ABRA to ensure that it remains current.

Energy in Argyll

Argyll and the Islands has led the way in renewable and clean energy development and is home to approximately 2 gigawatts of consented and operational renewable/clean energy developments with substantial ongoing activity.

- Onshore, the Cruachan hydro-electric scheme was the first reversible pump storage hydro of its scale in the world and has consent for significant expansion.
- Offshore, small-scale tidal demonstrator projects have helped to inform the developing industry whilst proposals for a new offshore windfarm is in the planning process.
- The grid connected community windfarm development on Gigha was the first of its kind in Scotland, supporting the island's energy needs and providing valuable community income.

Given the area's abundant natural assets and distinguished track record of pioneering and delivering renewables, we are well placed to take further advantage of the economic and social opportunities being offered from renewable energy investment. However, as Argyll and Bute supports the growth in renewables and the transition to net zero, it is important that future benefits are delivered directly to our local communities and local businesses. From the domestic scale through to largescale commercial developments, renewable energy generation and associated energy infrastructure across Argyll and Bute can contribute to Scotland's journey towards net zero as well as reducing energy costs, supporting the local economy and provide a community wealth building opportunity.

As renewable technologies became established across Argyll, community benefit funds associated with this investment were added and they now make a significant contribution to supporting communities in some areas of Argyll. Whilst some of the funds are modest, they were, at the time of establishment, leading the way to the current landscape of community benefit funding which contributes more than £2.6m each year to local communities. This funding, whilst valuable, has proved inconsistent across our area with some communities experiencing no direct benefits. In addition, it is acknowledged that where communities receive a share of the profits from developments these can return much more substantial sources of funding which can be used to deliver local priorities.

An updated approach

Local community benefit funds, whilst important, are just one of the ways in which the energy industry can support our communities. Informed by just transition and community wealth building objectives, there is an increasing emphasis now on the need for inclusive growth, community empowerment and community wealth building that can bring with it enduring economic and social benefits for Argyll and Bute including

those focused on our priorities of affordable housing, improved transport connectivity and increased community wellbeing.

This approach builds on the Highlands and Islands Regional Economic Strategy which seeks to maximise the economic and community benefits from renewable energy investments. Again, these objectives are also replicated in National Planning Framework 4 (NPF4) at Policies 11 and 25 and therefore have a statutory framework, set by the Scottish Ministers, seeking this direction of change and increased community involvement and benefits associated with all renewable infrastructure, including grid infrastructure upgrades where community funds have recently been introduced.

Argyll and Bute Council has created these Clean Energy Principles to set down how it will support the energy industry across the area as well as the expectations for investors to maximise socio-economic benefits and support Argyll and Bute as they become a valuable part of our local economy and communities. The principles are intended to set out clearly the Council's desire to create positive social, economic and environmental impacts arising from private sector investments.

These Principles build on previous guidance and the Renewable Energy Action Plan to provide a single integrated document intended to set out what Argyll and Bute Council and its partners expect from energy investments and how we can support them.

Key principles include: -

- To establish the need for inclusive and fair economic growth, community empowerment and community wealth building when delivering energy projects across Argyll and Bute, including the opportunity for public and third sector investment in projects.
- To maximise the economic and social benefits from the private sector's use of our natural assets.
- To collaborate and work in partnership, across all sectors of the economy wherever possible, to maximise the positive impacts of energy investments in our area.
- To support public service delivery focussed on community priorities and economic opportunity across our area.

We know that we are not starting from scratch, there are already initiatives ongoing which support local communities, engage the local supply chain and are helping to provide essential skills to the next generation of young people that can support the energy industry within Argyll.

Good practice – skills, education and training – Scottish Power**Renewables community benefit funding supporting STEM education**

Community benefit funds from Scottish Power Renewable's Beinn An Tuirc 2 windfarm support ongoing STEM (Science, Technology, Engineering and Mathematics) learning delivered by Argyll based social enterprise ALI Energy. The programme of engagement with school children includes community outreach and provision of information to school pupils from P7 upwards. The highlight of the year has become the annual MAK STEM Fest, an engaging hands on day attended by more than 100 S2 pupils from Tarbert Academy, Campbeltown Grammar School and Lochgilphead Joint Campus. The one day event includes workshops where they can take part in a range of activities delivered by science and engineering based companies operating within Argyll and Bute. As well as providing inspiration, there is the opportunity to speak to companies and understand the opportunities available within this sector in Argyll and Bute.

**Good practice – supporting community wealth building – Achadaduie Wind Farm**

This 3 turbine windfarm, located at Auchadaduie, near Glenbarr, South Kintyre, was developed by Fyne Energy, a subsidiary of Argyll based housing association Fyne Homes, in

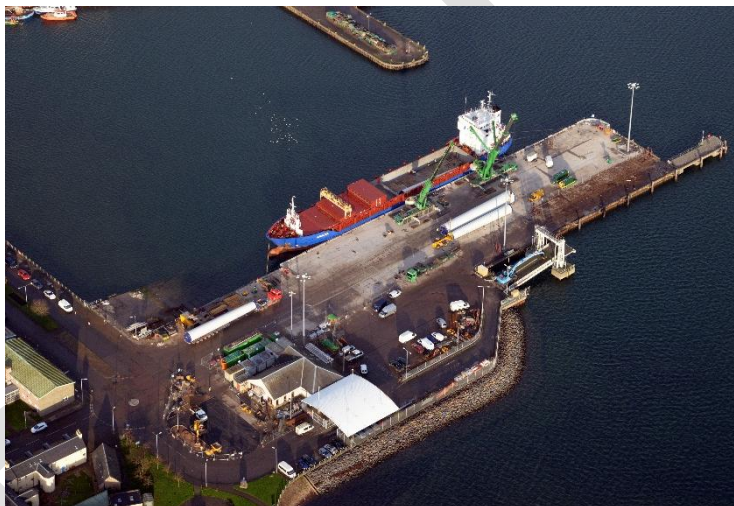
2019. The project aims to deliver 100% of profits for the benefit of communities within Argyll. The project includes the donation of a third of the profits to the local community with the remainder being paid to Fyne Homes to support their ongoing activities. This has allowed Fyne Homes to invest further capital spend in additional properties to replace windows and doors, upgrade heating systems, carry out rewiring and replace kitchens. The profits from the windfarm have also funded a Tenant Welfare Fund, Housing Environmental Fund and a Pilot Void Incentive Fund. These projects support the Association's strategic objectives and benefit their tenants. They are also in furtherance of Fyne Homes charitable objectives.

Fyne Homes have supported the Glenbarr community to ensure that they can make the most of this opportunity. The Glenbarr Community Development

Association has been established and have developed a 5 year business plan based on assumed income of £250,000 per annum, although higher energy prices have meant that some years income has been significantly more than this. Having purchased Dal An Duie woodland, the Glenbarr Community Development Association has recently opened a new car park and is considering opportunities to enhance the value of the woodland to the local community, local nature and through training opportunities. The income from Auchadaduie is enabling the local community to plan for the future as well as offering a source of match funding so that other funding streams can be accessed.

Good practice – supporting transport infrastructure – Campbeltown Port Infrastructure

A £12m infrastructure investment at the Campbeltown / Machrihanish renewables site delivered a major upgrade to the New Quay, creation of a new



gateway road, power lines redirected below road surface, passing places installed on the A83, infill to the inner harbour and works to the Old Pier. The works improved connections between the Harbour and nearby MACC

Business Park supporting economic development within the Kintyre peninsula and enabling the port to operate as an important location for supporting the renewable energy industry in this part of Argyll.

Good Practice – supporting community wealth building – community energy projects

From the original 3 turbine windfarm of the Dancing Ladies of Gigha through the Garmony Hydro Scheme on Mull and on to the ongoing project to make community buildings on Islay energy efficient and renewable energy generating, renewable energy is supporting community wealth building. Whilst the scale of the developments varies, they are all helping



to generate clean energy and deliver local benefits such as reducing running costs or generating income to support local community activities.

Good practice – skills, education and training – investing in the Construction, Engineering, and Renewables Centre in Lochgilphead



Through the Rural Growth Deal, Argyll and Bute Council is providing £1.5 million of funding to support UHI Argyll's campus enhancements at their Construction, Engineering, and Renewables Centre (CERC) in Lochgilphead. The proposal seeks to expand the scope of UHI Argyll's STEM curriculum and significantly increase student volumes at the

organisation's construction and engineering hub in Lochgilphead to meet regional and national skills needs, maximise job opportunities aligned with emerging technologies, tackle the Climate Emergency and support the Just Transition to Net Zero.

Good practice – supporting community wealth building – The Drax Foundation

As well as providing a community benefit fund which has supported Argyll based organisations such as ALI Energy and the Argyll and the Isles Coast and Countryside Trust (ACT) as they deliver their fuel poverty, biodiversity and STEM education activities, the Drax Foundation has been working with Argyll and Bute Council to deliver energy efficient LED lighting in schools close to its Cruachan Pumped Storage Hydro Power Station.



Through continued collaboration and partnership working this document aims to ensure that new investment in our communities is fair for all parties. The Principles apply to all commercial scale energy developments, and we encourage community and public sector organisations to consider where they too can support the objectives set out when developing their own energy projects.

The following Principles will not be fully relevant to all energy developments but should be used to consider how these proposals can support the local communities that they are an intrinsic part of and maximise the economic and social benefits in line with the vision of the Argyll and Bute Renewables Alliance. We welcome this opportunity to work

proactively and productively across the clean energy sector to ensure that each project makes a positive contribution to their local community and that together they build a stronger, fairer, and more sustainable Argyll and Bute.

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The Principles

Maximising Socio-Economic Value

In line with National Planning Framework 4 Policy 11c, investors are required to consider the following themes which demonstrate what maximising socio-economic value looks like in Argyll and Bute. It is acknowledged that this list is extensive and that investors may wish to demonstrate why a particular Principle or Commitment is not applicable or appropriate to their proposals.

Theme 1: Housing and workforce	
<i>Why: Housing is a key priority outcome in the Argyll and Bute Outcomes Improvement Plan 2024-2034, and the lack of housing choice is a major barrier to economic growth. Argyll and Bute Council have consequently announced a housing emergency to help acknowledge this situation. The use of existing housing stock to accommodate temporary construction workers can have a negative impact on availability to local communities whilst use of accommodation normally used for tourism can impact on economic activity of the area.</i>	
Investors will: a) Produce a housing strategy to address how workers will be accommodated during the construction period and, if appropriate, during operation; b) When delivering large scale accommodation provision, where appropriate provide legacy housing/ accommodation and/or provide financial contributions to wider housing development including enabling infrastructure;	We will: c) Ensure our Local Housing Strategy addresses the need for worker accommodation; d) Provide clear policy guidance/financial models on what is expected from investors in terms of housing both temporary and legacy; e) As requested, provide information of vacant property which may be suitable for accommodating workers; f) Early engagement - respond to any pre -application stage proposals as to what may be expected from individual development proposals in terms of housing including infrastructure requirements.
Other partners: registered social landlords, community housing trusts, private sector property owners, Scottish Government, UK Government	
Theme 2: Supporting strategic economic infrastructure	
<i>Why: for the energy industry and other sectors to function efficiently and effectively key strategic infrastructure must be in place, sufficient for demand and reliable. This covers grid enhancements; utility investments; transport and digital connectivity.</i>	
Investors will: a) Consider where there are opportunities to support Argyll and	We will: f) Continue to lobby and advocate for a grid network for Argyll and Bute

Bute communities through continued and targeted investment in the local grid network to address capacity issues; b) Deliver local legacy benefits when undertaking infrastructure improvements associated with energy developments; c) Engage with the Local Development Plan process to ensure that infrastructure requirements are identified and mapped at the earliest possible stage; d) Provide information and evidence through the ABRA when infrastructure issues are impacting on potential energy developments; e) Supporting our natural capital through sensitive project proposals, remediation and mitigation where appropriate;	which is fit for purpose to meet clean energy opportunities and to meet the development needs of our communities and enable economic opportunity; g) Make provision of sufficient employment land through the Local Development Plan process; h) Identify key growth areas through our Strategic Development Frameworks and LDP; i) Early engagement - respond to any pre-application stage proposals as to what may be expected from individual development proposals.
Other partners: SSE Networks, NatureScot, National Energy System Operator, Scottish and UK Governments, HiTrans, SPT, HIE, Scottish Enterprise, BT Openreach, mobile phone operators	
Theme 3: Supporting transport infrastructure <i>Why: Transport infrastructure is a key priority outcome in the Argyll and Bute Outcomes Improvement Plan 2024-2034. Taking opportunities to deliver improvements to transport connectivity can support the resilience of a local community and support the future economic growth of the area.</i>	
Investors will: a) Deliver local legacy benefits when undertaking transport infrastructure improvements associated with developments, where appropriate; b) Support community led transport initiatives, council assets maintenance and improvements and council subsidised transport services where relevant to developments; c) Where relevant, incorporate active travel and recreational paths into projects;	We will: e) Identify clear transport priorities through our Local Transport Strategy; f) Early engagement - respond to any pre-application stage proposals as to what may be expected from individual development proposals; g) Lobby external bodies for infrastructure improvements which benefit the communities of Argyll and Bute; h) Promote Campbeltown as an energy port for Operations and Maintenance activities associated with offshore energy developments.

d) Provide information through ABRA when transport infrastructure issues are impacting developments;	
Other partners: Transport Scotland, HiTrans, SPT, local communities	
Theme 4: Supporting Community Wellbeing and environmental stewardship <i>Why: Community Wellbeing is a key outcome in the Argyll and Bute Outcomes Improvement Plan 2024-2034. It is important that communities can engage with development proposals and understand how they will impact them.</i> <i>Our environment is essential for our way of life and is a key asset for Argyll and Bute as a place to live, visit and work in. There is a need to care for this environment and wherever possible enhance it to benefit future generations.</i>	
Investors will: a) Prioritise community wellbeing while minimising negative environmental, economic and community impacts; b) Engage with communities including through liaison with the Council's Strategic Engagement Group to support best practice in engagement with our communities; c) Support community and third sector capacity building as part of engaging with communities including supporting the preparation, or update, of a community action plan; d) Utilise local community facilities, where appropriate, when developing clean energy opportunities; e) Ensure that energy projects conserve and enhance the natural environment considering biodiversity enhancement; landscape impacts; habitat restoration and climate change resilience measures;	We will: f) Provide clear guidance on what is expected on engagement and collaboration with local communities; g) Continue to support community development activities which align with the priorities of local communities; h) Set our clear requirements through the LDP on expectations associated with our natural environment to inform the regulatory process.
Other partners: local communities, NatureScot, SEPA, ACT	
Theme 5: Supporting Community Wealth Building <i>Why: Energy developments should aim to strengthen local ownership, retention of wealth in local areas and increase economic and social resilience. The Community Wealth Building (Scotland) Act 2026 aims to embed Community Wealth Building as a statutory approach to economic development in Scotland, including through energy developments, ensuring that local people and places benefit directly from economic activity.</i>	

Investors will: a) Engage proactively at an early stage with Argyll and Bute communities and the council to offer them the opportunity to participate in shared ownership models for all new renewable energy developments, including gifted shares where possible; b) Create Argyll and Bute based jobs wherever possible; c) Commit to the Fair Work principles, the Living Wage and inclusive recruitment; d) Look to maximise procurement opportunities for Argyll and Bute businesses throughout the lifetime of the project through active engagement with the local supply chain including specific local engagement events and support as required; e) Provide support – financial or in kind - for third sector organisations supporting activities which address fuel poverty; f) For projects of scale, provide support – financial or in kind – for community projects within areas directly impacted by new developments through contractor and sub-contractor delivered procurement-based community benefit schemes; g) Support local community-based renewable projects through in-kind support where skills align; h) Consider whether there are opportunities to support the other Argyll and Bute key sectors – food and drink, agriculture and aquaculture, tourism and creative industries – when undertaking energy projects;	We will: i) Where possible, support local communities to identify opportunities for shared community ownership for new energy related developments; j) Examine all opportunities for council investment in energy related developments, subject to detailed business cases, regulatory considerations, adherence to financial rules, and legal due diligence; k) Support local business engagement through the Business Gateway Service including raising awareness of supply chain opportunities; l) Identify opportunities for collaboration at a local level to maximise socio/economic impacts m) Maintain up to date information about community funding opportunities on the Council's website to ensure that communities can maximise any support provided; n) Early engagement - respond to any submitted pre -application stage proposals as to what may be expected from individual development proposals.
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Other partners: local communities including development trusts and community councils, local supply chain businesses (micro and SMEs), HIE, Argyll and Bute Employability Partnership, DWP, Local Energy Scotland, ALI Energy, GB Energy

Theme 6: Skills, education and training

Why: Local people and businesses require support and training to be able to work in and support the future development of the energy sector. Engaging local people in energy projects can help to address key issues including population retention and attraction as well as supporting community wealth building opportunities.

Investors will:

- a) Provide information through ABRA to identify any skills shortages, or barriers, to local people engaging with future clean energy opportunities;
- b) Engage with local schools and colleges to help raise awareness of the opportunities within the energy sector;
- c) Consider supporting the Rural Growth Deal Skills programme including the STEM classroom initiative that aims to inspire young people across Argyll and Bute in STEM related employment;
- d) Support retraining and upskilling of the local workforce to engage with the energy sector, where required;
- e) Engage with the Argyll and Bute Employability Partnership and commit to local Apprenticeship programmes;
- f) Provide support to non-energy sector businesses, including mentoring where appropriate, to expand into the renewables sector;

We will:

- g) Support careers days and similar through our schools;
- h) Operate the Argyll and Bute Employability Partnership and welcome energy related companies to join;
- i) Distribute information about energy training opportunities for businesses through our Business Gateway service;
- j) Lobby further and higher education providers for suitable courses to support renewables and energy skills including continuing professional development;
- k) Through our Rural Growth Deal, support enhanced STEM education provision in Lochgilphead, Dunoon and Oban;
- l) Early engagement - respond to any pre -application stage proposals as to what may be expected from individual development proposals.

Other partners: Workforce Argyll, HIE, Argyll and Bute Employability Partnership, DWP, Skills Development Scotland, Argyll College –UHI, University of the Highlands and Islands, ALI Energy

As an important part of the community of Argyll and Bute, energy developers are also strongly encouraged to support community wellbeing and prosperity in the following ways.

Theme 7: Community Benefit Funds – Strategic and Local

Why: Community benefit funds have become a valuable way for energy projects to support local communities with clear guidance emerging from both the UK and Scottish Governments. Currently community benefits are inconsistent in their approach and predominately localised with many communities not directly benefiting. There is now a need for a more consistent approach and for additional funds to be considered for strategic investment and wider distribution across Argyll and Bute.

Investors will:

- a) Create a community benefit fund for the lifetime of the project at a level not less than that set by the Scottish Government, currently £5,000 per MW of installed capacity for onshore wind, or for grid infrastructure at the level set by UK Government;
- b) Ensure that this fund is managed in an open, fair and transparent way by the local community and without them incurring administration charges;
- c) Where annual community benefit payments are made, ensure these are index linked and increase in line with inflation;
- d) Encourage communities to contribute a proportion of the community benefit fund to the Strategic Wealth Fund that will support and enable affordable housing, improved transport connectivity, community wellbeing and community wealth building activity, this is especially important where local services centres fall beyond the identified local community boundary. Where this is not agreed, there will be an expectation that funds will support activities delivered in local service centres which benefit the local area;

We will:

- f) Monitor and publish information about community benefits funds operating across Argyll and Bute;
- g) Operate the Argyll and Bute Windfarm and Renewables Trust as an umbrella organisation to facilitate governance arrangements
- h) Maintain information about community funding opportunities on the Council's website to ensure that communities can maximise support provided.
- i) Create a Strategic Fund Partnership to manage a new Strategic Wealth Fund for Argyll and Bute. Members of the partnership to include appointed Councillor(s), representatives of public agencies, clean energy/renewables companies, and community and partner representatives from our Community Planning Partnership.
- j) Encourage communities to contribute to a strategic wealth fund that will address community priorities of housing, transport infrastructure and community wellbeing as identified in the [2024-2034 Outcomes Improvement Plan for Argyll and Bute](#). Where this is not agreed, there will be an expectation that funds will support

e) Consider the opportunity to make direct or in-kind contributions to the strategic fund to enable wider benefits to be made to communities that currently do not receive local funding;	activities delivered in local service centres which benefit the local area; k) Create an Investment Priorities Strategic Plan which focuses on the agreed priorities of the Argyll and Bute Community Planning Partnership: - i. Transport Connectivity ii. Housing choice and affordability iii. Community Wellbeing including skills development.
Other partners: local communities, Local Energy Scotland, ALI Energy	
Theme 8: Tackling Fuel Poverty <i>Why: Rising energy costs is placing a significant burden on our local communities and local businesses. There is a need to address this issue as a matter of priority particularly given the quantum of clean energy that is produced in Argyll and Bute and exported outwith our area.</i>	
Investors will: a) Agree to work in collaboration with local communities and the public sector to support energy advice and support; b) Be open to exploring where community energy schemes and smart grid options can help drive energy costs down for local users;	We will: c) Continue to offer energy advice working with our partners and deliver energy conservation schemes such as the HEEPs initiative; d) Lobby for a social energy tariff across Argyll and Bute including a lower standing charge. https://www.argyll-bute.gov.uk/my-community/community-planning/argyll-and-bute-outcomes-improvement-plan-2024-2034
Other partners: local communities, ALI Energy, Home Energy Scotland, housing associations and local housing trusts, SSE Networks	
Theme 9: Innovation and collaboration <i>Why: by working together we can be a stronger voice and ensure that we are working efficiently to maximise the benefits of the energy sector in Argyll and Bute. Working in collaboration across sectors can also facilitate innovation as the pace of economic change accelerates.</i>	
Investors will: a) Work collaboratively with other developers to share information, resources and infrastructure in such a way as minimises disruption and maximises benefits;	We will: f) Support ABRA; g) Promote good news stories and demonstration projects which highlight the benefits of the energy industry within Argyll and Bute;

b) Support the activities of ABRA including lobbying for further development of the local grid and other infrastructure to help unlock future investment opportunity and social/economic benefits for local communities; c) Share information and examples of good practice through ABRA to help to promote the benefits that the clean energy sector is delivering in Argyll and Bute and to promote continual improvement and shared learning; d) Highlight and support innovation solutions which could support the energy industry within Argyll and Bute; e) Share data which could support the activities of ABRA partners as they work to deliver the ABRA vision;	h) Identify future growth opportunities and places where further investment in the local grid network will be required; i) Where possible, support innovation activities which support the energy industry within Argyll and Bute and deliver local benefits.
Other partners: HIE, Crown Estates Scotland, Forestry and Land Scotland, NatureScot, other ABRA members, ACT, Third Sector, local communities	

Revisions:

<u>Version number</u>	<u>Date</u>	<u>Changes made</u>
1.0		Principles finalised

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