



# Hagshaw wind farm cluster community benefit funds

## Introduction

ScottishPower Renewable's (SPR) Hagshaw Hill Wind Farm Repowering, Cumberhead West Wind Farm and Douglas West Wind Farm Extension (part owned by 3R Energy) will shortly be commencing construction and the community benefit funds associated with these wind farms will be available once they become operational, which is currently scheduled for early-mid 2025. The community benefit values for the three wind farms are outlined in the table below:

VALUE	HAGSHAW HILL WIND FARM REPOWERING	CUMBERHEAD WEST WIND FARM	DOUGLAS WEST WIND FARM EXTENSION
Funding per MW	£5,000	£5,000	£5,000
Installed Capacity	79.8 MW	113.2 MW	78MW
Annual Contribution	£399,000	£566,000	£390,000

\* Up to £1,355,000 per year. These figures represent the maximum installed capacity and are subject to change.

SPR has been providing community benefit funds from our wind farms for more than two decades across the UK. Successful funds and projects are typically delivered through a combination of local participation, accountability, leadership and community engagement all of which are linked to a clear vision and a focus on delivering meaningful projects. SPR's funds may be administered by a community company, community trust or a Local Authority.

## Consultation

3R Energy and SPR have consulted with local communities to explore options to manage the funds and what they could be directed towards. This has been done with the aim of developing a robust mechanism to manage the funds and deliver a vision for the area that creates a positive and lasting legacy.

This has included an Ironside Farrar online consultation in 2021, and in person meetings with the surrounding Community Councils and relevant community groups as well as engagement with South Lanarkshire Council (SLC). Following this period of consultation, we are inviting surrounding communities to take part in a vote to decide how the administration of Hagshaw Hill Wind Farm Repowering, Cumberhead West Wind Farm and Douglas West Wind Farm Extension community benefit funds will be structured.

## Options for Administration of Community Benefit

Through consultation to date, we have identified two options for the management of the community benefit funds as listed above. We now ask that Coalburn Community Council, Douglas Community Council, Lesmahagow Community Council and Rigside and Douglas Water Tenants and Residents Association (TRA) formally consult with their communities, then vote for their preferred option. The community's preferred option will be taken forward.

### ■ Option A - Douglas Valley Action Group (DVAG)

SLC has administered community benefit funds from wind farms for over two decades providing £10m worth of funding to local communities through the Renewable Energy Fund (REF) alone in the last fifteen years. The REF focuses on supporting local communities and their priorities as identified in Community Action Plans and by local organisations.

DVAG is a constituted community group set up by the local communities and SLC to direct and make decisions on new community benefit funding within the area with a priority to deliver large-scale transformational change and to develop strategic investment proposals in the Douglas Valley area.

Ten members form DVAG, comprising of representatives from Community Councils in Coalburn, Douglas and Glespin, and Lesmahagow, plus Rigside and Douglas Water TRA, plus individual representatives from each settlement, chosen through a community-led recruitment process. The group is facilitated by SLC and currently has a dedicated Development Officer supporting DVAG and local communities. It works in partnership with the Hagshaw Developer Group, Landowner Forum and Circular Economy Working Group.

Funds from these three wind farms would be paid to SLC and ringfenced for the DVAG to administer and direct as a programme under the REF. DVAG would sign up to a service level agreement with SPR covering governance and management of the funds.

DVAG make decisions on which projects and programmes are developed from the local Community Action Plans, guided by the Development Framework for the Hagshaw Energy Cluster, with an aim to deliver an ambitious and collaborative approach to renewable energy and community development.

### ■ Option B - A Newly Formed Community Company with Third Party Administration

A new community company would be established with an elected board of twelve volunteer Directors, three from each of the above-named community areas. The community company may be a Community Interest Company, a Company Limited by Guarantee, Community Trust or similar depending on the communities preferred setup. It will have reporting responsibilities to SPR, Companies House or OSCR depending on its structure.

The board will make decisions on projects brought forward by local people which would be prioritised against a collective community action plan. The action plan will be developed by each community and will also identify strategic projects across the wider area that will be of joint benefit, to deliver a long-term vision with a positive and lasting legacy.

Community Directors of the community company would sign up to service level agreement with SPR covering governance and management of the funds. A development officer would help to deliver projects and a third-party administrator would be appointed to assist with company administration, grant-making support and building community capacity.

## Submitting community response

Please respond in writing to confirm that this has been added to your meeting agenda, discussed by the wider community and a vote has been taken to confirm your community's preference with the outcome of that vote communicated to SPR at [communitybenefit@scottishpower.com](mailto:communitybenefit@scottishpower.com) by Monday 23<sup>rd</sup> of October 2023.