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## **Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure: Working Paper**

### **Introduction**

Nuleaf (the Nuclear Legacy Advisory Forum) is the Local Government Association's (LGA) representative body on radioactive waste and nuclear decommissioning. We also engage in discussions around new nuclear power, including Small Modular Reactors (SMRs)/Advanced Modular Reactors (AMRs) and fusion, and in the wider debate about climate change and the future UK energy system.

Nuleaf is directly supported by over 100 local authorities and national parks across England and Wales and speaks for the wider LGA on these matters. We also host the secretariat for SCCORS (Scottish Council Committee on Radioactive Substances), our sister organisation in Scotland.

Our mission is to deliver the best economic, social and environmental outcomes for nuclear communities. We believe that community benefits are an integral element of this; and have set out our views in **Policy Statement 7<sup>1</sup>**.

Nuleaf participates in high level government work on strategy and policy. We work closely with the Department of Energy Security and Net Zero (DESNZ), the Nuclear Decommissioning Authority (NDA) Group, regulators and other

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<sup>1</sup> [Policy Statements - Nuleaf](#)



stakeholders. We also engage with nuclear municipalities around the world through our membership of GMF Europe (Group of Municipalities with Nuclear Facilities in Europe) and the Nuclear Communities Global Partnership. This enables us to learn from good practice in other countries. As the Working Paper notes, community benefits are a common and accepted part of energy infrastructure development in many other nations.

Nuleaf has advised the UK Government on the development of community benefit schemes, particularly in relation to the Community Investment Funds (CIF) dispersed through the Geological Disposal Facility (GDF) siting process. We work closely with the local authorities that are involved in supporting the allocation of those funds to local initiatives.

Below we set out our views on this Working Paper, and offer a response to the questions on community benefits that are directly relevant to our members interests.

We have not offered detailed commentary on the issues around shared ownership (Part 2), which is less applicable in relation to nuclear facilities. We believe however:

- That the role of local authorities should be recognised in Part 2 – it is not at present. Councils possess relevant expertise and can help connect co-ownership to wider community objectives around net zero and climate change.
- That shared ownership should only be supported where it delivers equivalent or greater benefit than direct community funds. It should be optional, accessible, and not a substitute for guaranteed community benefit contributions.

## Overview

As the paper notes, community benefits are already delivered on a voluntary basis in sectors including nuclear, solar and on/offshore wind, but there is no consistency and benefits are not compulsory.

We support the proposal to develop a mandatory scheme. In the related sector that we focus on, nuclear decommissioning, there is a legal duty (under the Energy Act 2004) to support the economic, social and



environmental wellbeing of nuclear communities<sup>2</sup>. This underpins community benefits provision, particularly in the three priority areas of West Cumbria, Caithness and North Wales.

There are also commitments around radioactive waste management:

- There is an expectation that community benefits will be provided in relation to any new Near Surface Disposal facility<sup>3</sup>.
- Community benefits are required in relation to geological disposal<sup>4</sup>.

Despite this, independent research commissioned by Nuleaf has highlighted that there is an inconsistency in the application of such funds to decommissioning and waste management. Other countries, such as Spain, apply a mandatory approach to community benefits payment for nuclear waste management (See: Appraisal of Support for Nuclear Communities, p34)<sup>5</sup>.

We would like to see a mandatory framework developed in the UK, as advocated in our Policy Statement 7. We believe that there is scope for the proposed approach to community benefits outlined in this Working Paper to be extended beyond nuclear power generation to decommissioning and waste management. The post generation phase of nuclear power cannot be separated from the generation phase, and thus the whole life of a nuclear development should be incorporated within any community benefits scheme.

Our view is therefore that, **across the entire nuclear fuel cycle, we need to develop a framework that ensures a consistent provision of benefits to impacted communities**. Below we expand on our view in relation to some of the questions asked in the Working Paper.

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<sup>2</sup> [Energy Act 2004 – UK Legislation](#)

<sup>3</sup> [Managing Radioactive Substances and Nuclear Decommissioning: UK policy framework](#) (paragraph 8.98)

<sup>4</sup> [The Siting Process for a Geological Disposal Facility \(GDF\) - GOV.UK](#)

<sup>5</sup> [Reports - Nuleaf](#)



## Community Benefits: response to specific questions

*Q1: Do you agree with the principle that developers must provide community benefit funds?*

Yes. We support the government's rationale for a mandatory community benefit scheme. As the Paper notes, this would:

- Recognise the vital role of local communities in hosting infrastructure.
- Increase community acceptability.
- Improve community engagement and facilitate positive lasting relationships benefitting both communities and developers.
- Provide certainty and improve the consistency and quality of community benefits provided.
- Create a level playing field to guarantee that developers approach the provision of community benefits in the same way.

We believe that a clear minimum funding level should be set to ensure the scheme is effective and enforceable.

*Q2: Considering the policy parameters for the scope proposed above, what types of local carbon energy infrastructure should be included within the scope of the policy? Please provide your reasoning.*

We support the inclusion of nuclear and renewable energy schemes along with transmission infrastructure (including underground cables) within the scope of the policy. It is important to cover all low carbon technologies to ensure a level playing field.

The paper (Annex 1) notes that, in terms of what is proposed, nuclear includes both large (Gigawatt) stations and Small Modular Reactors (SMRs). **It should also be extended to incorporate Advanced Modular Reactors (AMRs) and fusion technologies which may become more significant over time.**



We note that this policy only applies to future developments.

Two nuclear power stations are under construction or committed to at Hinkley Point C and Sizewell C. For Hinkley Point C, funding packages have been agreed and are being delivered for impact mitigation during the site preparation and construction phases of the development. However, a commitment to the provision of community benefit packages for new nuclear facilities made by then Minister Sir Michael Fallon in July 2013<sup>6</sup> has not been followed through. This commitment would have provided £128 million in relation to Hinkley Point C. **We therefore urge Government to revisit community benefits for these two very large nuclear power projects and also any relevant successor projects, to ensure both fairness in relation to future nuclear developments, and in relation to promises made to the affected communities by previous Governments.**

We believe that any policy has to operate for the whole life of a nuclear facility, incorporating its decommissioning.

Any new nuclear generation plant developed in the UK is required to develop a fully funded decommissioning plan, setting out how the site will be remediated following closure. This process can take many decades and cannot be separated from the operational phase. In fact, there is a greater need for community benefits during the decommissioning phase as many of the direct benefits (e.g. employment, support for the supply chain) are likely to have diminished, leaving the community as host to land that cannot be used for anything else until the clean-up is complete. **We therefore propose that this policy specifically includes the decommissioning phase of any new nuclear station.**

**We also believe that Government should separately develop a mandatory Community Benefits framework that covers the decommissioning phase of former nuclear sites and those due to close and be decommissioned in the coming years.** The development of such a framework would build on the requirements of the 2004 Energy Act and the existing socio-economic support provided by the Nuclear

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<sup>6</sup> [Community benefits for sites that host new nuclear power stations: Michael Fallon - GOV.UK](#)



Decommissioning Authority (NDA). It could be underpinned by new Government guidance, similar to the recently published guidance on Community Funds for Electricity Transmission Network infrastructure.

*Q3: What would be the impacts on specific low carbon energy infrastructure technologies of bringing them into the scope of this potential scheme?*

The provision of community benefits across the lifecycle of nuclear projects would add to costs but would be unlikely to be a critical factor in determining if projects will go ahead.

Such a scheme would help build community support, something that will be crucial if the Government is to achieve its objectives of developing a diverse new nuclear sector and to see new communities agree to host various types of nuclear reactors.

*Q4: Do you agree that there needs to be provision for amending the scope of the policy in future to ensure that it can be adapted to fit future technological changes, and remains in line with the criteria set out above? Please provide your reasoning.*

Yes. Low carbon technologies are evolving quickly and thus flexibility around the future scope of any mandatory scheme should be ensured. Excluding emerging technologies could create competitive imbalances and reduce public confidence in the fairness of the scheme.

*Q5: Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure? Please provide your reasoning.*

Yes. It makes sense to treat each element in a co-located scheme separately as it would ensure clarity. At the same time we support fund pooling across co-located or adjacent projects to maximise strategic community benefit, particularly in areas with multiple overlapping developments.



*Q6: Do you agree with the proposed mandatory community benefits threshold of 5MW for power generating and storage assets? Please provide your reasoning.*

A threshold of 5MW seems appropriate – as the paper notes it is in line with the Contracts for Difference (CfD) threshold. This will cover most new low carbon schemes, including micro nuclear reactors; while not imposing an undue burden on the smallest schemes of all. Safeguards should be put in place to prevent developers from artificially splitting projects to avoid the threshold.

*Q7: Should the threshold vary by technology in order to accommodate nascent technology? Please provide your reasoning.*

No. New schemes, including those utilising nascent technologies, are likely to operate for considerable periods of time and thus impact on host communities. In the case of nuclear, we may well see deployment of nascent technologies in non-nuclear communities where there will be a particular challenge in gaining the acceptance of local people. A commitment to community benefits may help gain public acceptance of such technologies.

Government can support and incentivise the development and deployment of new technologies through other mechanisms, such as grants, if it wishes.

*Q13: How can significantly larger community funds be best managed (requirements to use regional funds, introduction of a cap on funding, limit on cap duration)?*

Larger community funds will require a greater degree of professional management. In this context we believe that local authorities can play a useful role, drawing on their expertise in managing funds and their ability to work at a strategic level across a larger area.

As noted earlier, we propose the use of pooled or regional funds - particularly at county level to deliver strategic, long-term benefits across multiple affected communities. We do not believe that there should be any cap on fund size or duration, especially for long-lived infrastructure.



*Q19: Do you agree or disagree that we should not produce prescriptive guidance on what the fund can be used for? Are there any other factors that should be considered?*

We agree that prescriptive guidance is not required, although more open guidance, in line with the text set out in this Working Paper, would be helpful. This should support the local community in engaging with the developer and fund administrator to determine the best uses of a fund.

The local authority can play a role in supporting this process. While we agree that funds should not be used for core local government services, there is benefit in considering the scope for funds to be aligned with local authority strategies in areas such as economic development, wellbeing or climate change; as well as with Local Plans and Local Nature Recovery Strategies.

We recommend that community capacity-building and administration costs be eligible for funding, with a suggested cap of 5–20% to ensure value for money.

*Q29: Do you think a case-by-case approach to defining the community is appropriate? Are there any other bodies or groups not listed above that should be part of the engagement process for determining eligibility?*

Defining the community for the receipt of benefits is challenging, as the paper acknowledges. We agree that a flexible, case-by-case approach should be adopted but that this should be informed by comprehensive guidance and ensure all voices are heard. Local authorities should be involved in defining communities, given their strategic oversight and local knowledge.

Nuleaf was involved in consideration of the definition of 'community' as part of the UK Government's Community Representation Working Group (CRWG), that advised on the Working with Communities Policy for geological disposal.

This may prove useful in helping draft any new guidance. The CRWG felt that local government ward boundaries offered a useful way of defining the edges of a recipient community – either based on one or multiple wards. As these are existing boundaries, they are likely to be less controversial than any new boundaries that may be created.