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Jenny Gilruth MSP
Deputy First Minister and Cabinet Secretary for Finance and Local Government
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

27 November 2026

Dear Cabinet Secretary

Subject: Reviewing the Retention of Business Rates for Onshore Renewables

There is growing support for a review of the retention and redistribution of non-domestic rates as part of the wider reform of local government in Scotland. We are writing to express our support for this review and our belief that devolving all non-domestic rates from future onshore renewables will directly support Scottish Government net zero ambitions, drive economic growth and contribute to Community Wealth Building.

While we recognise the objectives of redistribution, the current approach for onshore wind does not fulfil this intention. Onshore wind projects are very capital intensive and as a result the business rates account for a much higher proportion of operational expenditure. Across the Scottish economy, each £1 million paid in Business Rates supports 920 operational jobs. For onshore wind, it supports 10 jobs. Therefore, the operational economic benefits of onshore wind are relatively lower in the areas where the projects are sited.

An onshore wind farm delivers business rates equivalent to approximately £10,000 per MW per year. Should this be combined with community benefit funding of £5,000 per MW this would effectively triple the amount of direct funding that is available to invest locally. By allowing local authorities the opportunity to retain business rates associated with renewable energy development, we believe that this will help to demonstrate locally the long-term economic and social benefits associated with such development. In addition, it

could also help projects to progress faster by enabling local authorities to invest further in capacity to consider such applications.

We very much appreciate that there is a wider review of local authority restructuring. This proposal has been based on the current local authority structure, and we would welcome discussion about how any future restructuring would impact the proposal. However, if this change does not occur until the end of this parliamentary term the majority of the benefits to host local authorities will be lost. This is because there is currently an effective cap on Scottish onshore wind as part of the Clean Power 2030 Action Plan. By doing so now, we believe that it will help to:

- Deliver the economic benefits of renewable energy development directly to host local authorities;
- Demonstrate to communities country-wide the benefits of hosting onshore renewable energy development; and
- Support the swift delivery of onshore renewables ahead of 2030.

The proposal offers Ministers a timely opportunity to demonstrate tangible delivery of the Scottish Government's commitments on community wealth building, a just transition and securing local support for the energy transition. Allowing host local authorities to retain non-domestic rates from new onshore renewable energy developments would ensure that communities hosting nationally significant infrastructure see a visible and lasting benefit through improved local services, strengthening the link between net zero delivery and local prosperity, with no additional public expenditure required. It would also position Scotland alongside emerging approaches elsewhere in the UK, helping to maintain public confidence and community consent as the next generation of renewable energy projects comes forward.

We would therefore urge the Scottish Government to consider this as a matter of urgency.

Yours sincerely,

Signatories

- BiGGAR Economics - Simon Cleary, Energy Transition Director
- Scottish Renewables – Angela Hepworth, Chief Executive Officer
- Prosper – Sara Thiam, Chief Executive Officer
- Foundation Scotland – Giles Ruck, Chief Executive Officer
- British Hydropower Association – Kate Gilmartin, Chief Executive Officer
- Boralex – Lesley McNeil, Head of Marketing, Public Affairs and Communications
- Fred Olsen Renewables Ltd – Euan Hutchison, Development Director (UK)
- Galileo Energy – Colin Williams, Director of Development UK

- Muirhall Energy – Sarah McIntosh, Managing Director
- Renewco Power – Gavin McCallum, Chief Executive Officer
- Renewable Energy Systems (RES) – Callum Whiteford, Head of Marketing, Communications and Corporate Affairs
- Statkraft – Iain Robertson, Head of Scotland
- Vattenfall – Matthew Bacon, Head of Onshore Wind Market Development UK
- OnPath Energy – Robin Winstanley, Sustainability and Community Director