

# Impact Assessment of SSE Renewables Achany and RWE Rosehall Wind Farms Community Benefit Funds

A report to

**RWE**



February 2025





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# Executive Summary

The SSE Renewables Achany and RWE Rosehall wind farms community benefit funds have delivered substantial and enduring benefits for the local communities and provided valuable insight on how such benefits could be maximised elsewhere.

SSE Renewables Achany and RWE Rosehall wind farms have a combined capacity of 63 MW and have contributed a total of £2.8 million in community benefit since 2010. This funding has generated a wide range of impacts across the three rural community councils, in which they are located: Ardgay and District, Creich, and Lairg.

## Cumulative Benefits to Date

This report estimates that to date this funding has:

- generated wellbeing benefits valued at between £10.1 and £14.5 million;
- supported the creation of around £11.8 million local economic value; and
- enabled the creation of around 18 long term jobs.

**This implies every £1 of funding has generated between £3.56 and £5.12 in wellbeing benefits for the local area and around £4.18 in economic value.**

These impacts are inextricably linked to the activity of five key delivery bodies, which have played a vital role in supporting the social and economic development of the local area. The funding provided has been instrumental in developing the capacity of these (and other) local organisations and the role they have played in maximising the impact of the funding cannot be underestimated.

## The Foundations of Future Prosperity

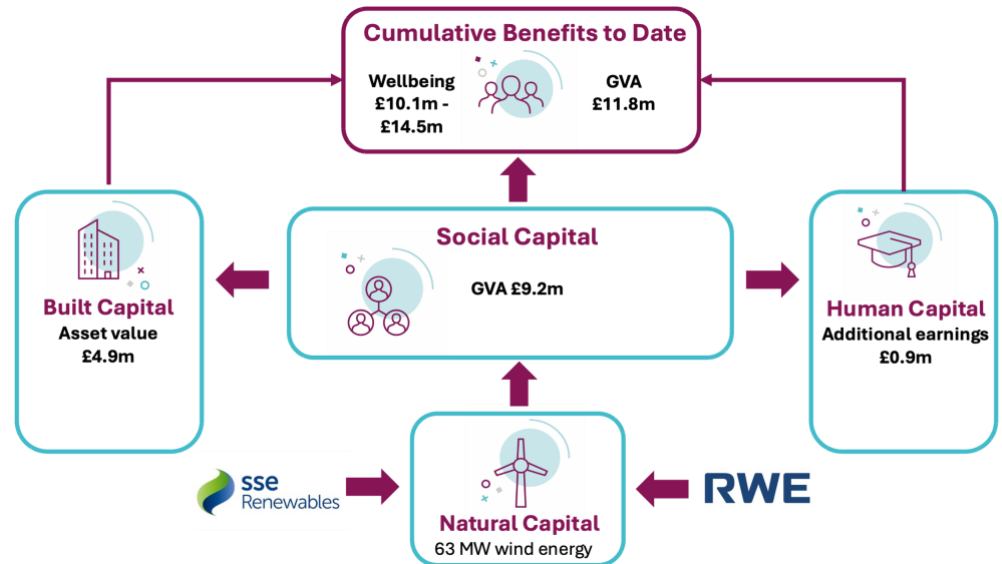
An important finding of this study is that, as well as supporting current social and economic value, the Achany and Rosehall wind farm community benefit funds have been used to help establish the conditions needed to sustain these benefits into the future. It was estimated that the funds have led to the creation of stocks of human, economic and (particularly) social capital valued at:

- £9.2 million in social capital;
- £4.9 million in economic capital; and
- £0.9 million in human capital.

These contributions and the relationship between them are depicted overleaf.



## Summary of Benefits Generated by the Achany and Rosehall Wind Farms Community Benefit Funds



Source: BIGGAR Economics

## The Value of Collaboration

This report has illustrated how, when administered effectively, with the active engagement and support of local people, community benefit funding has the potential to generate substantial benefits and a legacy for host communities. It also shows the critical success factors that have enabled these benefits include:

- a commitment to **locally led delivery** by people with direct lived experience of the local challenges and in-depth understanding of local aspirations;
- the provision of **long-term support** for and recognition of the value of local delivery organisations with the capacity to transform the ideas and aspirations of the community into reality; and
- **a collaborative ethos** and collective approach to administration that amplifies community capacity and enables delivery of large-scale, aspirational projects.

The Achany and Rosehall wind farm community benefit funds are unusual in that they are administered using a multi-community and multi-developer collaborative model believed to be unique in Scotland. This collaborative model has multiple benefits, but this study suggests chief amongst these is the ability to support the development of a rich and deep civic ecosystem comprised of meaningful social relationships, structures that enable collective action and positive norms of civic engagement, reciprocity and trust.

The evolution of this social capital and the ongoing benefits it will generate for the communities affected is the defining achievement of the Achany and Rosehall wind farm community benefit funds. There is much to be learned from this approach.

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# 1. Introduction

BiGGAR Economics was commissioned in 2024 to assess how the community benefit funding associated with SSE Renewables Achany and RWE Rosehall wind farms has affected the communities.

## 1.1 SSE Renewables Achany and RWE Rosehall Wind Farms

Achany and Rosehall wind farms are located adjacent to one another near Lairg in central Sutherland, Highland. Achany is a 38MW wind farm owned by SSE Renewables and Rosehall is 24.7MW wind farm owned by RWE.

The two wind farms each have an associated community benefit fund, for which three community council areas are eligible: Ardgay and District, Creich, and Lairg. The area is known locally as the Kyle of Sutherland, with Lairg located inland.

**Figure 1-1 Location of SSE Achany and RWE Rosehall Wind Farms**



Source: Kyle of Sutherland Development Trust

The Achany wind farm community benefit fund is administered by SSE's in-house community investment team and the Rosehall wind farm community benefit fund is administered by Foundation Scotland, an independent grant-making charity. Given the overlap of the wind farms community benefit funds and the area of benefit, SSE Renewables and Foundation Scotland work together to administer the funding. This collaborative arrangement has been in place since the Achany wind farm community benefit fund started in 2010.



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## 1.2 Objectives

The objectives of this study are to:

- assess the social, economic and environmental value of the SSE Renewables Achany and RWE Rosehall wind farms community benefit funds from inception;
- evidence the outcomes they are contributing to across a range of factors, including but not limited to:
  - community infrastructure, local capacity and capability
  - social networks and social cohesion
  - meeting the needs of different demographics
  - skills development, job creation and economic development
  - local businesses and supply chain
  - environmental protection and enhancement
- understand conditions and aptitudes that can make this kind of opportunity work best; and
- understand the benefits of a collaborative approach to stewarding community benefit funds both between different providers of funding and between the communities benefitting from it.

## 1.3 Stakeholder Consultations

A key part of this study involved discussing the benefits and impact of the funds with stakeholders. BiGGAR Economics, Foundation Scotland, and SSE Renewables, would like to thank all the stakeholders who contributed information to this assessment. The extent and depth of analysis would not have been possible without the input of representatives from: Kyle of Sutherland Development Trust, Lairg and District Learning Centre, Lairg and District Community Initiative, Kyle of Sutherland Hub, The Bradbury Centre, Ardgay & District Community Council, Creich Community Council, Lairg Community Council, funding panel members, Highland Council, and Highlands and Islands Enterprise.

## 1.4 Overview of the Funds

### 1.4.1 Value of the Funds

The SSE Renewables Achany Wind Farm community benefit fund was established in February 2010, based on an inflation indexed £2,500 per MW. The initial fund therefore amounted to £76,000 per year, but by 2024 had increased to £126,743 per year. RWE Rosehall Community Fund, established in August 2012, was also based on an inflation indexed £2,500 per MW. In the first year, the fund totalled £61,000 but by 2024 had increased to £98,911.<sup>1</sup>

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<sup>1</sup> Foundation Scotland and SSE Renewables.



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As of September 2024, a total of £2.8 million from 219 individual grants had been approved.

#### **1.4.2 Fund Administration**

Applications for funding are made through a competitive application process and decisions about what is funded are made by an independent decision making panel. The panel comprises 12 people, made up of four representatives from each of the three community council areas. Two of these are nominated from the respective community council and two from the wider community.

While decisions about which projects to support are made jointly by the panel, the two funds are notionally split into three parts, one for each of the three communities.

#### **1.4.3 Eligibility and Fund Objectives**

Any not-for-private-profit group working to benefit people in any of the three community council areas can apply. The funding supports charitable activities that address priorities identified through various community consultation exercises, including those activities intended to:

- enhance quality of life for local residents;
- contribute to vibrant, healthy, successful and sustainable communities;
- promote community spirit and encourage community activity; and
- undertake the projects identified in the Ardgay, Creich & Lairg Community Action Plan.

The aim of the funds is to support a broad range of community activity and development that will help build a vibrant local economy, support and encourage thriving communities, and make the area an attractive place to live, work, and visit, for people of all ages.

The remainder of this report is structured as follows:

- section 2 explains the approach taken in assessing the impacts of the funds;
- section 3 provides an overview of relevant national and regional policies and the socio-economic context of the communities of Ardgay, Creich and Lairg;
- section 4 outlines how the Achany and Rosehall wind farms community benefit funds have sustained and built delivery capacity within five key delivery bodies;
- section 5 explains how the funding has contributed to the physical fabric of the communities and generated economic activity in the local area;
- section 6 describes how the funding has helped to build community cohesion;
- section 7 describes how the funding has generated economic and wellbeing benefits through the development of skills;
- section 8 explains the critical success factors that have enabled this to happen and assesses the value this has added to local social capital stocks; and
- section 9 summarises the value of the benefits, draws together the main conclusions of the report and identifies some future opportunities.



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## 2.

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# Approach

This study uses the activities of five key delivery bodies to illuminate the benefits generated by the Achany and Rosehall wind farms community benefit funds. It considers contributions to both current wellbeing and economic output, and long-term productive capacity.

## 2.1 Desk-based Review

An initial review of the awards made by the two funds was undertaken to identify common themes. This review identified five main types of projects funded:

- **community capacity** - core operational and staffing costs of local organisations and professional support to develop operations;
- **local amenities and events** – support for local groups to purchase equipment, undertake minor refurbishment of local amenities and small spaces, or provide specific events and services.
- **skills and development** - training and employability support including funding for apprenticeships, training courses and educational visits and events;
- **infrastructure and facilities** - investment in the acquisition, development or redevelopment of important community buildings, housing, or other significant infrastructure projects;
- **biodiversity and nature** - projects designed to enhance the natural environment or people's engagement and understanding of it.

A breakdown of the projects across these categories is provide in Table 2-1. This shows almost half of the total funding (44.9%) was used to develop community capacity, mostly through awards to support core operating costs. It also highlights that only 1.3% of Achany and Rosehall wind farms community benefit funding was used to support biodiversity and nature projects, suggesting this could be an area which may require greater focus in the future.





**Table 2-1 – Number and Value of Funded Projects by Funding Type**

| Funding Type                  | Total Value of Funded Projects (£million) | No of Projects | Proportion of Funding |
|-------------------------------|---|----------------|-----------------------|
| Community capacity            | 1.3                                       | 65             | 44.9%                 |
| Local amenities and events    | 0.4                                       | 55             | 14.5%                 |
| Skills and development        | 0.4                                       | 30             | 13.5%                 |
| Infrastructure and facilities | 0.3                                       | 20             | 10.5%                 |
| Biodiversity and nature       | <0.1                                      | 5              | 1.3%                  |
| Other                         | 0.4                                       | 44             | 15.3%                 |

Source: Funding award list provided by SSE Renewables and Foundation Scotland

Almost two thirds (64%) of the total Achany and Rosehall wind farms community benefit funding was awarded to five key delivery bodies:

- Kyle of Sutherland Development Trust;
- The Bradbury Centre;
- Lairg Learning Centre;
- Lairg and District Community Initiative; and
- Kyle of Sutherland Hub.

The amount each organisation received is shown in Table 2-2.

**Table 2-2 – Number and Value of Funded Projects for 5 Key Organisations**

| Organisation                            | Number of Funded Projects | Total Value of Funded Projects |
|---|---------------------------|--------------------------------|
| Kyle of Sutherland Development Trust    | 34                        | £789,238.33                    |
| Bradbury Day Care Centre                | 13                        | £151,854.33                    |
| Lairg Learning Centre                   | 15                        | £215,351.16                    |
| Lairg and District Community Initiative | 18                        | £398,628.40                    |
| Kyle of Sutherland Hub                  | 14                        | £264,576.00                    |

Source: BIGGAR Economics analysis of Achany and Rosehall wind farms community benefit funding records

Whilst several other important community organisations have also been supported by the Achany and Rosehall wind farms community benefit funds, due to the high proportion of expenditure awarded to these organisations, attention and analysis was focused on their impact.



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## 2.2 Identifying and Analysing Benefits

The next step was to identify the main benefits generated by the activities of the five key delivery bodies, and to establish which of these benefits could be quantified. These benefits were explored through consultation with key stakeholders including representatives from the community councils, fund panel members, main beneficiaries, and relevant public sector bodies.

### 2.2.1 Benefits and Time-scales

Benefits are considered across two time scales:

- cumulative benefits capture the total value of benefits realised to date;
- contributions to capital stocks reflect the current value of the future stream of benefits expected to arise from the capital created.

Cumulative benefits were assessed using two metrics:

- wellbeing benefits were quantified using Wellbeing Adjusted Life Years (WELLBYs) – a HM treasury approved measure of improvements in a person's well-being that is defined as a one-point change in life satisfaction on a scale of 0 to 10, affecting a single person over the course of a year. Where one WELLBY is worth £15,400<sup>2</sup> in 2023 prices; and
- economic benefits were measured in terms of the contribution high levels of social capital make to local gross value added (GVA), a widely used measure of economic activity.

Contributions to capital stocks were assessed as follows:

- contributions to social capital were quantified in terms of Gross Value added (GVA) – a widely used measure of economic activity;
- contributions to human capital were assessed using the present value of future life time earnings arising from qualifications; and
- the value of economic capital was assessed based on the estimated financial value of the assets in question.

Benefits that could not be quantified were assessed qualitatively with reference to appropriate comparators and relevant contextual information.

### 2.2.2 Attribution of Effect

None of the five key delivery bodies is entirely dependent on the Achany and Rosehall wind farms community benefit funds for income so to avoid overestimating the impact of the funds it was necessary to make an assumption about the proportion of their impact that could reasonably be attributed to them.

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<sup>2</sup> Uplifted from 2019 prices (£13,000) using GDP deflator growth (ONS series MNF2), and real GDP per capita growth (ONS series IHXW) in conjunction with the marginal utility of income elasticity parameter of 1.3 as recommended in the HM Treasury Green Book.



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On average it was found that the five key delivery bodies received around 14% of total income from the Achany and Rosehall wind farms community benefit funds. However, feedback from consultees suggests that because much of this is used to cover core operational costs it is disproportionately important. Based on the discussions with key stakeholders and the professional judgement of the BiGGAR Economics team, it was estimated that 25% of the impact of these organisations could be attributed to the Achany and Rosehall wind farm community benefit funds.

### **2.2.3 Assessing the Value of Other Projects**

Where appropriate, estimates of the benefits arising from the activity of the five key local delivery bodies was then used to assess the benefits of projects delivered by other organisations that are likely to generate similar benefits.



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## 3. Ardgay, Creich and Lairg

This section provides the national and regional strategic context for the two funds. It also explains the socio-economic structure of Ardgay, Creich and Lairg and their local priorities.

### 3.1 Strategic Context

Since the community benefit funds were established in 2010 (Achany wind farm) and 2012 (Rosehall wind farm), regional policies and the strategic context for the delivery of community benefit from onshore wind development in Scotland have advanced. It is now well-established that renewable energy generation will play a crucial role in Scotland's energy transition and its journey toward achieving net zero emissions by 2045. It is also recognised that this holds the potential to drive significant social and economic change, particularly for the communities that host energy infrastructure.

#### 3.1.1 Scotland's Onshore Wind Policy Statement and Sector Deal

The Scottish Government's Onshore Wind Policy Statement (2022)<sup>3</sup> and the Sector Deal (2023)<sup>4</sup> set out commitments from the Scottish Government and the onshore wind industry to deliver on the collective ambition of 20GW of onshore wind in Scotland by 2030 whilst maximising benefit to Scotland. The sector deal encapsulates the collective vision to use the development of the onshore wind sector to drive economic growth, create high-quality jobs, reduce carbon emissions, and ultimately benefit the communities of Scotland.

#### 3.1.2 Scotland's National Strategy for Economic Transformation

In 2022, the Scottish Government also released the National Strategy for Economic Transformation<sup>5</sup> which sets out its ten year ambitions for Scotland's economy. The Scottish Government's vision is to create a wellbeing economy where society thrives across economic, social, and environmental dimensions, delivering prosperity for all of Scotland's people and places. A key longer-term challenge is to address deep-seated regional inequality, which includes rural and island areas, such as Ardgay & District, and Creich and Lairg, that face problems such as a falling labour supply, poorer access to infrastructure and housing.

#### 3.1.3 National Performance Framework

Scotland's National Performance Framework<sup>6</sup>, first published in 2018, sets out the ambitions of the Scottish Government to provide a vision for national wellbeing

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<sup>3</sup> Scottish Government (2022), Onshore Wind Policy Statement

<sup>4</sup> Scottish Government (2023), Onshore Wind Sector Deal

<sup>5</sup> Scottish Government (2022), Scotland's National Strategy for Economic Transformation

<sup>6</sup> Scottish Government (2018), National Performance Framework,



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across a range of economic, social and environmental factors. The framework includes ‘increased well-being’ as part of its purpose and combines measurement of how well Scotland is doing in economic terms with a broader range of well-being measures. The National Performance Framework is designed to give a more rounded view of economic performance, progress towards achieving sustainable and inclusive economic growth, and well-being across Scotland.

The National Performance Framework also sets out outcomes and indicators which illustrate the progress Scotland is making. The outcomes outlined in the National Performance Framework are that people in Scotland:

- grow up loved, safe and respected so that they realise their full potential;
- live in communities that are inclusive, empowered, resilient and safe;
- are creative and their vibrant and diverse cultures are expressed and enjoyed widely;
- have a globally competitive, entrepreneurial, inclusive and sustainable economy;
- are well educated, skilled and able to contribute to society;
- value, enjoy, protect and enhance the environment;
- have thriving and innovative businesses, with quality jobs and work for everyone;
- are healthy and active;
- protect and fulfil human rights and live free from discrimination;
- are connected and make a positive contribution internationally; and
- tackle poverty by sharing opportunities, wealth, and power, equally.

#### **3.1.4 National Planning Framework 4**

In 2023, the Scottish Government published Scotland’s fourth National Planning Framework (NPF4)<sup>7</sup>. This framework is designed to guide Scotland’s spatial development to 2045. It sets out national planning policies, designates national developments and highlights regional spatial priorities. The NPF4 brings socio-economic impacts to the fore for renewable energy projects. In particular, it highlights the requirement for developers to do what they can to ensure that the benefits of the project are realised locally.

Policy 11 states that all renewable development proposals should maximise net economic impact, including local and community socio-economic benefits. With the intention of creating productive places, Policy 25 specifies that development proposals should align with local or regional community wealth building strategies and the economic priorities of the area.

#### **3.1.5 Community Wealth Building**

In 2021, the Scottish Government committed to embedding Community Wealth Building in the economic strategies of public bodies. Community wealth building is a relatively new approach to economic development, designed to increase the flow and retention of wealth in local areas. Its five-pillar approach aims to provide

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<sup>7</sup> Scottish Government (2023), National Planning Framework 4

communities in Scotland with greater ownership over the wealth and assets in their area.

**Figure 3-1: The Five Pillars of Community Wealth Building**



Source: EDAS, 2023. Implementing Community Wealth Building

Highland Council agreed a Community Wealth Building Strategy at a meeting of its full council in September 2024. It sets out a three-year vision for retaining greater wealth and maximising spending within and for the communities of the Highlands, through harnessing organisational power and enabling community led activity. Whilst the strategy is primarily focussed on Highland Council’s own actions, it will need positive engagement and cooperation with communities to fulfil its objectives.

### 3.1.6 Highlands and Islands Enterprise 2023-2028 Strategy

The strategy published by Highlands and Islands Enterprise (HIE) for the period 2023 to 2028<sup>8</sup> focuses on achieving net zero, fair and inclusive growth, and regional transformational opportunities. The renewable energy sector and the low carbon economy are identified as significant economic, social, and industrial, opportunities for the region, both now and in the future.

The strategy recognises that recent years have seen a succession of economic shocks, culminating in the present cost of living crisis that is particularly acute in island and rural mainland communities and businesses. The strategy commits to supporting community wealth building opportunities and aims to achieve inclusive growth for all areas in the region with population growth, labour supply, and improvements to infrastructure and services, being key areas of focus.

### 3.1.7 Summary of Strategic Context: Challenges and Opportunities

The value and opportunity offered by Highland’s natural resources are understood at a strategic level to be a catalyst for social and financial investment in areas such as

<sup>8</sup> HIE (2023), Highlands and Islands Enterprise Strategy 2023-28



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Sutherland. Over the past 10-15 years, national and regional strategies have increasingly recognised the importance of communities in strengthening local and regional economies. Community wealth building is now a feature across several national, and social enterprise activity is recognised as a conduit for new opportunities to support wealth creation and wealth retention within local economies.

Regional strategies highlight challenges of regional inequity, peripherality and rurality, particularly in relation to:

- lack of access to appropriate and affordable housing;
- childcare and transport – constraining employment potential;
- population attraction and retention;
- sustainable transport and transport decarbonisation;
- sustained infrastructure investment to enable opportunity; and
- mobile and broadband connectivity.

## 3.2 Socio-Economic Profile

This section considers the socio-economic profile of the area eligible for the Achray and Rosehall community benefit funds, i.e. the community councils of Ardgay and District, Creich, and Lairg, within the context of the Highland Council area and Scotland as a whole.

The following study areas are referenced:

- The Local Area (Ardgay and District, Creich, and Lairg Community Councils, comprised of the 2011 Scottish data zones Sutherland South – 01, Sutherland South – 02, and Sutherland South – 09);
- Highland; and
- Scotland.

### 3.2.1 Population

In 2021, the Local Area had an estimated population of 2,510 people, which represented 1.1% of the total population of Highland. With a population of approximately 235,860 in 2021, Highland accounts for 4.4% of the total population of Scotland (5,418,400).

Over the period of 2005 to 2021, Highland's population grew by 8.2%. Within this broad trend, the rate of change was uneven across the age groups, with the proportion of people aged 65+ increasing by 47%, while the proportion of the working-age population (aged 16-64) increased by 2.2%.

The Local Area followed a similar, but more marked trend, with the working-age population declining by 5%, and the proportion of the population aged 65+ increasing by nearly 57%.



These demographic trends in Highland, and more acutely in the Local Area, suggest that a declining working-age population is supporting an increasingly ageing population, presenting a challenge to economic and labour market stability. This skewed demographic also places increasing pressure on healthcare and other services required by an aging population.

**Table 3-1: Population Change, 2005 - 2022**

|                 | Local Area  | Highland    | Scotland    |
|-----------------|-------------|-------------|-------------|
| 0-15            | -25.1%      | -7.1%       | -3.6%       |
| 16-64           | -5.0%       | 2.2%        | 2.8%        |
| 65+             | 56.9%       | 46.7%       | 29.7%       |
| <b>All Ages</b> | <b>6.4%</b> | <b>8.2%</b> | <b>6.0%</b> |

Source: ONS (2022), Population Estimates – local authority based by single year of age.

### 3.2.2 Employment by Sector

Several sectors in the Local Area are over and under represented compared to the national average. Most notably, the accommodation and food service activities sector, often associated with tourism, is a significant source of employment for the Local Area, accounting for 24.2% of employment<sup>9</sup>. This proportion is significantly higher than that of Highland or Scotland, with this sector accounting for 12.2% and 8.2% of employment, respectively.

Employment supported by the tourism sector is often seasonal and associated with lower wage levels, meaning that it is less productive than other sectors. Given that the Local Area is heavily dependent on tourism employment, it is important to generate employment in more productive sectors which could contribute to increasing living standards across the Local Area and addressing the strategic priorities of the region.

### 3.2.3 Economic Activity, Earnings and Employment

In 2022, Highland had a slightly higher than average share of the population who are economically active (78.8%) compared to Scotland, where the share of the population who are economically active is 77.9%. This indicates that there is a relatively tight labour market in the region.

This is substantiated by the unemployment rate in Highland being 0.7 percentage points below the Scottish average (3.4%) and the median annual gross wage of residents in Highland was 2.7% lower than the average across Scotland (£29,842).

<sup>9</sup> ONS (2022), Business Register and Employment Survey.





**Table 3-2: Key Labour Market Indicators, 2022**

|  | Highland | Scotland |
|--|----------|----------|
| Economic Activity Rate                         | 78.8%    | 77.9%    |
| Unemployment Rate                              | 2.7%     | 3.4%     |
| Median Annual Gross Income (resident analysis) | £29,049  | £29,842  |

Source: ONS, (2023), Annual Survey of Hours and Earnings. ONS, (2023), Annual Population Survey.

### 3.2.4 GVA by Area

Estimations of regional gross value added (GVA) for the Local Area, Highland and Scotland in 2022 is presented in Table 3-3. GVA is a standard measure of the economic activity generated in an area and relates to the value of goods and services produced, minus the cost of any inputs required in the production process.

It was estimated that Highland generated £6,957 million GVA in 2022, accounting for 4.2% of the total GVA generated by Scotland (£165,714 million). The Local Area contributed £35 million, or 0.5%, to the total GVA of Highland.

The Local Area comprises 1.1% of the total population in Highland and therefore, by population, is less productive than Highland as a whole. This may be for several reasons, including the relatively low proportion of working-age individuals, and the dependence on low productivity sectors, such as tourism.

**Table 3-3: GVA by Area, 2022**

|                         | Local Area | Highland | Scotland  |
|-------------------------|------------|----------|-----------|
| GVA (£ million)         | 35         | 6,957    | 165,714   |
| Total number of workers | 620        | 127,050  | 2,622,000 |

Source: ONS, (2023), UK small area gross value added estimates.

### 3.2.5 Loneliness

In the Highland Council area, 81% of the population feel lonely none or almost none of the time, whilst 17% feel lonely some of the time, and 2% most or all the time. These rates of loneliness are not as high as other parts of Scotland. However, the rates are higher for those living in small towns (21% feeling lonely some of the time and 4% most or all the time) and for single pensioners (28% feeling lonely some of the time and 5% most or all of the time). However, in general these rates have improved at a higher rate within Highland since 2019 compared with the rest of Scotland, with less reporting loneliness, particularly within these core groups.<sup>10</sup>

<sup>10</sup> Scottish Household Survey, 2019-2022.



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### 3.3 Essential Features of Ardgay, Creich and Lairg

The settlements of Ardgay, Creich and Lairg are located to the landward end of the Dornoch Firth, on Scotland's northeast coast, around an hour's drive north of Inverness. Together the settlements and areas between them extend to approximately 680 square miles. Lairg is the largest settlement in the area with around 900 people closely followed by Bonar Bridge and Ardgay. The area is not on a main driving route due to the Dornoch Bridge, which enables people to bypass the area as they travel north or south on the A9.

The area is predominantly rural in character and is formally classified as "very remote rural"<sup>11</sup> under the Scottish Government's urban/rural classification system, the most rural designation within the eight-fold system used to classify all parts of Scotland on a rural/urban spectrum.

Between 2005 and 2021 the population of the local area grew by 6%. However, this growth was skewed by a rapid increase in people over the age of 65 and a decline in young people. This aging population, coupled with limited, or low paying, economic activities for working-aged people intensifies the area's risk of economic and social decline. Health issues, poverty, and social isolation, all tend to increase with age and are compounded by lack of transport and the means to make social connections.

### 3.4 Local Priorities

In 2022 around a dozen local community organisations came together to review existing community action plans for the community council areas of Ardgay, Creich and Lairg. The review, which was commissioned by SSE Renewables, involved an intensive community engagement exercise that ensured every household in the local area had the opportunity to contribute, and resulted in an engagement rate of over 16% of the local population.

The output from the review was a new action plan<sup>12</sup> that was intended to provide organisations operating in the area with a strong mandate for taking forward projects designed to help achieve local priorities. The plan is structured around four important themes, each of which identifies various specific local priorities. A summary of these themes and priorities is provided in Table 3-4.

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<sup>11</sup> Scottish Government (2022), Urban Rural Classification 2020. Eight fold OS maps accessed via <https://www.gov.scot/publications/scottish-government-urban-rural-classification-2020/documents/> December 2024

<sup>12</sup> Voluntary Action in Badenoch and Strathspey (2022), Ardgay, Creich and Lairg Community Action Plan: Looking to 2030.



**Table 3-4: Local Priorities**

| <b>Climate Conscious Communities</b>   | <b>Culturally Vibrant Communities</b>  | <b>Economically Thriving Communities</b>   | <b>Socially Connected Communities</b>  |
|--|--|--|--|
| <p><b>Priority: Community resilience</b><br/> <b>Actions:</b> develop local food provision initiatives and a support scheme to help people and businesses insulate their properties and reduce energy bills.</p> | <p><b>Priority: Lairg</b><br/> <b>Actions:</b> improve water sports infrastructure at Little Loch Shin, develop Ferrycroft’s attractions, improve visitor information, support local shows and galas.</p>  | <p><b>Priority: Strategy for local jobs and businesses</b><br/> <b>Actions:</b> develop a working group to create local jobs strategy and provide assistance to help keep local shops and hospitality businesses open.</p> | <p><b>Priority: Support young people</b><br/> <b>Actions:</b> improve access to community owned affordable housing, improve regular and accessible transport and upgrade play areas.</p> |
| <p><b>Priority: the Natural Environment</b><br/> <b>Actions:</b> improve active travel infrastructure and enhance support for the maintenance of community woodlands.</p>  | <p><b>Priority: Creich</b><br/> <b>Actions:</b> support Bonar Bridge FC with infrastructure, improve land and access areas in Bonar Bridge, maintain flower displays and make a feature of the bridge.</p> | <p><b>Priority: Increase tourism opportunities</b><br/> <b>Actions:</b> keep Falls of Shin open, invest in new accommodation offerings, invest in public toilets and improve digital connectivity.</p>                     | <p><b>Priority: Sustainable community spaces</b><br/> <b>Actions:</b> Develop KoS Hub, support and maintain Bradbury Centre, provide financial support to village halls.</p>             |
|  | <p><b>Priority: Ardgay</b><br/> <b>Actions:</b> develop a community market and a path to Bonar Bridge.</p>   | <p><b>Priority: Cross-community cooperation</b><br/> <b>Actions:</b> operate cross community group to administer windfarm monies.</p>  | <p><b>Priority: Access to local provision of quality social care</b><br/> <b>Actions:</b> explore delivery options and opportunities to improve training provision.</p>                  |

Source: Ardgay, Creich and Lairg Community Action Plan



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## 4. Building Capacity

The Achany and Rosehall wind farms community benefit funds have sustained and built capacity in five key delivery bodies. Building community wealth in these third sector organisations has delivered a wide range of benefits.

### 4.1 Local Delivery Bodies

#### 4.1.1 Lairg and District Community Initiatives

Lairg and District Community Initiatives (LDCI) was established in 2002 to distribute community benefit funding from the (then) newly operational Lairg wind farm. Initially the organisation was solely comprised of volunteers, but in recent years it has been able to employ a part time development worker.

The development worker is employed by the Kyle of Sutherland Development Trust (KoSDT) using funds secured by LDCI from the Achany and Rosehall wind farms community benefit funds. These funds also make a small contribution to the annual £33,000 running costs of the organisation.

The LDCI runs several projects in the local area, including a lunch club for older residents, a local newsletter, a regular winter festival and a programme of health walks. Over the years the group has also delivered a small number of complex capital development projects including a small housing development and a major refurbishment of a children's play area at Ferry Croft. LDCI is also responsible for maintaining the community owned Church Hill Wood.

LDCI does not receive any support for project-specific costs from the Achany and Rosehall wind farms community benefit funds, however all the projects it delivers are supported by their development worker, who's salary is paid using regular core funding provided by the Achany and Rosehall wind farms community benefit funds. Therefore, this funding is essential to the group, and without it, most of the projects would not exist.

#### 4.1.2 Lairg and District Learning Centre

The Lairg and District Learning Centre (LDLC) is an independent centre providing local facilities and resources to support learning and skills development throughout Sutherland. It aims to make learning accessible, fun, and affordable. It is also a space for people to congregate and feel part of the community.

LDLC was established as a charity in 2001 and, after renovating the disused school house in Lairg, opened in 2004. The school house, leased from Highland Council, has



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four classrooms and a café and provides offices for the small team of four local staff. The Centre also provides a range of services including room hire and office services, and is supported by a bank of freelance local tutors and volunteers.

In addition to administering the Kyle of Sutherland Apprenticeship Scheme (KoSAS), LDLC receives Achany wind farm community benefit funding to cover their running costs and other learning activities. Although the wind farms only contribute about 10% of LDLC's running costs, the learning centre would find it difficult to exist without this support. This funding not only contributes to the salaries of two core staff to carry out essential IT support, administration and management, but also funds staff time to source further funding.

The Centre responds to demand for learning and offers structured and accredited courses. Their offerings range from one-off engagements to courses provided across multiple weeks ranging from language classes, IT & digital skills, woodworking, sewing, art, music, meditation, creative writing, film making, cooking, foraging, walking, growing, composting, first aid, upcycling, food fermentation, paddle boarding, and storytelling. Between August 2022 and August 2023, the Centre delivered 342 learning opportunities to 1,150 learners.

The Learning Centre also supports the Highland Council Employability Team, helping young people who have left school but are not in work or studying, and adults who are seeking work but need support to overcome barriers to employment.

Beyond the courses it offers, the Centre also aims to combat social isolation. The Centre's café is open four days per week for people in the community to drop in. It provides a safe warm place for the community to congregate and older members of the community to access help in using their phones or the internet. The Centre also supports learning and social events in other local venues including Lairg Community Centre, Bonar Bridge Community Hall, and Ardgay Hall.

#### **4.1.3 The Bradbury Centre**

During 1993/94 it became apparent to The Highland Council Social Services that there was an urgent requirement for a purpose-built Day Care Centre for the elderly and younger adults with special needs in the Bonar Bridge/Ardgay area. At that time the Day Care unit was operating from the Ardgay Church Hall, and although Social Services were extremely grateful, it was deemed unfit for long term use.

The Creich, Croick and Kincardine District Day Care Association was setup for the specific purpose of providing this service to the local community and in 1996, a plot of land was purchased from The Highland Council. After a local fundraising campaign and a donation from the Bradbury Foundation, The Bradbury Centre opened in 1998 providing a purpose-built health and wellbeing centre in Bonar Bridge for the over 60's and those with special needs.

The Centre is a vital part of the community and enables the elderly to continue to socialise and be part of the community. It provides transport to the Centre, wellbeing



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activities, lunch and outings; it can also provide personal care which opens access to elderly people who would otherwise be unable to attend. Being co-located with the Creich Surgery and the Migdale Hospital makes it ideal for supporting local older people in recovery from illness or those receiving rehabilitation and reablement. The Centre is oversubscribed with a long waiting list and referrals from the NHS.

Part funded by NHS Highland, the Centre is also highly reliant on fundraising and donations. Applications are made to the Achany and Rosehall wind farms community benefit funds every two years and this contributes to approximately 9% of the Centre's core costs, supporting the three general assistants who work a combined total of 50 hours per week. The Rosehall wind farm community benefit fund also supported architect's fees and refurbishment costs for the extension of the Centre, enabling it to cater for more people every day.

The Bradbury Centre is a key employer in the local area, providing jobs for eight local people, of whom three are directly supported by wind farm funding, and relies on over 20 local volunteers.

#### **4.1.4 Kyle of Sutherland Development Trust**

The Kyle of Sutherland Development Trust (KoSDT) was formed in 2011 with an ambition to increase the economic, environmental, and social, health of the community and to increase future resilience through long-term, sustainable interventions that empower residents.

KoSDT was set up to work in partnership with, and to support, other organisations to deliver services and seek investment for the disadvantaged, remote rural area of the Kyle of Sutherland. The Achany and Rosehall wind farm community benefit funds were an important part of the reason why the Trust was established: trustees recognised there would be a need for a vehicle to ensure the benefits of the funding were maximised.

Since 2011, KoSDT has been responsible for securing around £10 million of external investment into the area, from several investors including to the Achany and Rosehall wind farm community benefit funds.

The Trust employs 16 staff (9.5 FTE's) (inclusive of LDCI's development worker) and has delivered several large capital investment projects working with strategic partners, neighbouring community groups, and residents. It has developed a community café, food larder and physical activity programme aimed at stimulating sustainable and inclusive economic growth, and to increase leisure, health and wellbeing support.

Every four years the KoSDT applies to the Achany and Rosehall wind farms community benefit funds to support the staff costs of five core staff. Whilst this funding only contributes around 10% of KoSDT's total funding income, the long-term nature of the funding is critical to KoSDT's operations because it has enabled them to attract and retain an unusually high calibre team.



#### 4.1.5 Kyle of Sutherland Hub

The Kyle of Sutherland Hub is a charity and social enterprise providing access to leisure and recreational activities. After years of planning by a group of volunteers, the Hub opened its doors to in August 2017. At that time there were no indoor play or leisure facilities in the local area. The hub now provides a café, soft play area, a gym, and rooms for hire, as well as a free activity programme for the community.

The Hub started with the intention of providing more for young people to do, but quickly realised there was a wider need, and began offering activities for the whole community. Their main aspiration is to reduce social isolation by providing access to social activities for all members of the community. The Hub aims to enhance the social, physical, intellectual, creative and emotional well-being of the residents from the three remote rural parishes within the Kyle of Sutherland, as well as those living in nearby outlying communities and tourists.

The Hub has six full time and one part time members of staff. It receives annual funding from the Achany and Rosehall wind farms community benefit funds representing around 20% of total income, directly supporting the salaries for two core staff, and playing a foundational role for the Hub as it underpins their ability to deliver other projects.

## 4.2 Impact on Employment

One of the main ways in which the Achany and Rosehall wind farms community benefit funds support community organisations, is by providing funding to cover some or all of, the salaries of core staff. This supports local employment whilst enabling the organisations to operate and deliver impact for the local communities and raise further funding from wider sources.

### 4.2.1 Employment Impact 2023/24

Across the five key delivery bodies, the funds currently provide essential funding for 13 core staff, essential to the operations of these organisations. This funding has played a foundational role for these organisations and underpins their ability to deliver projects and services and supports a further 33 jobs (see Table 4-1).

**Table 4-1: Employment Impact, 2023/24**

| Organisation             | Jobs Directly Supported | Total Jobs Supported by Organisation |
|--------------------------|-------------------------|--------------------------------------|
| KoSDT                    | 5                       | 16                                   |
| Bradbury Day Care Centre | 3                       | 8                                    |
| Lairg Learning Centre    | 2                       | 2                                    |
| LDCI                     | 1                       | 1                                    |
| Kyle of Sutherland Hub   | 2                       | 7                                    |
| <b>Total</b>             | <b>13</b>               | <b>33*</b>                           |



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Source: BIGGAR Economics based on consultations with relevant organisations. *\*Sum does not total to avoid double counting of LDCI development worker employed by KoSDT.*

Consultation with the five key delivery bodies confirmed that the roles directly supported by funding from the Achany and Rosehall wind farms community benefit funds are often core operational positions. An important part of these roles involves developing projects and initiatives and applying for funding to enable them to be delivered. It is therefore reasonable to assume that a proportion of all the jobs within these organisations are ultimately attributable to the funding received.

The exact proportion of jobs that can be attributed in this way is necessarily a matter of judgement, however, based on the information provided by consultees it was assumed that 25% of the 20 jobs within these organisations that are not directly funded by the Achany and Rosehall wind farms community benefit funds could be attributed to the funding. Taken together with the 13 directly supported posts this amounts to approximately 18 long-term positions across the five key delivery bodies.

Outwith the five key delivery bodies, the Achany and Rosehall wind farms community benefit funds also support several shorter or fixed term job roles across several other organisations within the local communities, including:

- Lochview Rural Training – core staff;
- Lairg Primary School - playground supervisor;
- Lairg Community Association - PT administrator and hall staff for Indoor Play Centre;
- East Sutherland Community Care Forum - development worker; and
- East and Central Sutherland Citizens Advice Bureau – part time advisor.

#### **4.2.2 Cumulative Impact of Employment**

The long-term funding from Achany and Rosehall wind farms community benefit funds has allowed for the generation of long-term employment opportunities for residents within these organisations and for professional development to take place.

Using available data and consultation responses, it was possible to estimate the employment across the five key delivery bodies on an annual basis since 2017. In aggregate, this was estimated to amount to approximately 300 employment opportunities<sup>13</sup>, many of which likely to be short or fixed-term. Under the assumption that 55% of employment opportunities across the five key delivery bodies are attributable to the Achany and Rosehall wind farms community benefit funds (as seen in 2023/24), it was estimated that since the funding began, approximately 160 employment opportunities are attributable to the Achany and Rosehall wind farms community benefit funds.

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<sup>13</sup> Due to the way data is collected it is not possible to provide an accurate assessment of FTE or headcount employment. The estimate provided in this section therefore represents the number of people whose employment has been supported by the funds since 2010. An 'employment opportunity' could therefore capture various types of opportunity from a temporary, part-time job lasting a few months to a full time permanent job.





Given that the jobs across these organisations are likely to be rewarding because they play a direct role in helping to address the strategic priorities of the region, and are considered to be high-quality opportunities, though most fixed term, employment of this kind is likely to have a wide range of wellbeing benefits for employees. **The wellbeing benefit of 160 employment opportunities was estimated to amount to 73.6 WELLBYs, worth £1.1 million in 2023 prices** (as defined in Section 2.2.1).

### 4.3 Leveraged Investment

The Achany and Rosehall wind farms community benefit funds have also played a crucial role in providing the resources to leverage additional investment to maximise the impact of these community organisations.

The Achany and Rosehall wind farms community benefit funds have contributed approximately £162,500 to the total running costs of the five key delivery bodies in 2023/24, equating to 14% of their total income. Table 4-2 illustrates that this proportion varies across the five key delivery bodies, ranging from 9-43% of total annual income.

By leveraging the £162,500 of Achany and Rosehall wind farms community benefit funding, the five key delivery bodies have been able to secure nearly £1 million further funding in 2023/24. As such, every £1 of Achany and Rosehall wind farms community benefit funding received, has enabled these organisations to generate nearly, £7 (£6.94) of additional funding in 2023/24<sup>14</sup>.

**Table 4-2: Proportion of Funding from Achany and Rosehall Wind Farms Community Benefit Funds, 2023/24**

| Organisation                            | Funding from Achany and Rosehall wind farms | Total Income (inclusive wind farm funding) | Proportion of funding from A&R wind farm funds |
|---|---|--|--|
| Kyle of Sutherland Development Trust    | £50,000                                     | £500,000                                   | 10%  |
| Bradbury Centre                         | £12,500                                     | £140,000                                   | 9%   |
| Lairg & District Learning Centre        | £15,000                                     | £130,000                                   | 12%  |
| Lairg and District Community Initiative | £25,000                                     | £58,000                                    | 43%  |
| Kyle of Sutherland Hub                  | £60,000                                     | £300,000                                   | 20%  |
| <b>Total/average</b>                    | <b>£162,500</b>                             | <b>£1,128,000</b>                          | <b>14%</b>                                     |

Source: BiGGAR Economics based on stakeholder Interviews

<sup>14</sup> It was not possible to determine whether this leverage ratio was typical across the period.



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## 4.4 Summary

The community benefit funding from Achany and Rosehall wind farms has sustained and built capacity in five key delivery bodies:

- Kyle of Sutherland Development Trust;
- The Bradbury Centre;
- Lairg Learning Centre;
- Lairg and District Community Initiative; and
- Kyle of Sutherland Hub.

The long-term funding provided by the Achany and Rosehall wind farms community benefit funds has been critical to the existence and continued operation of these organisations, supporting approximately 18 long-term positions, and providing the necessary resources to leverage an additional annual investment of nearly £1.0 million in 2023/24.

These resources have allowed for financial stability and professional development to take place within these organisations, enabling them to undertake more impactful and more ambitious projects, including the development of capital assets and the wider regeneration of local communities.



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## 5.

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# Making Places

The Achany and Rosehall wind farms community benefit funding has helped transform the physical fabric of the communities supported, enhancing wellbeing of those who live there and generating spending that supports local businesses.

As described in Table 2-1 a little over 10% of the funding provided by the Achany and Rosehall wind farms community benefit funds has been used to support major capital investments such as new housing, community facilities and business space. A further 14.5% has been used to support smaller investments in equipment for local groups, minor refurbishment of community facilities and various community events.

All of this helps make the local area a better place to live by enhancing the quality of the physical environment and creating opportunities for local people to meet, socialise and take part in hobbies and activities with friends and neighbours. The expenditure associated with this activity also helps support local businesses and employment, helping to create a more vibrant and resilient local economy and further enhancing the quality of life of those who live there.

This section examines, and (where possible) quantifies these effects.

### 5.1 Capital Assets

Achany and Rosehall wind farms community benefit funding has been used to support the necessary feasibility studies and the employment of project development officers, enabling KoSDT, Lairg and District Community Initiative, the Bradbury Centre, and the Kyle of Sutherland Hub, to develop several new buildings and community facilities. These fall into three broad categories: local business spaces, community amenities, and affordable housing.

#### 5.1.1 Local Business Spaces

In the 1980s, Ardgay was an important waypoint for those travelling through the north of Scotland, a bustling highland town with independent shops, hotels and other services. The opening of the Dornoch Bridge in the early 1990s, which diverted traffic away from the village, coupled with wider social and economic trends, changed this dramatically heralding the start of a long period of economic decline.

By the early 2000s, Ardgay had become noticeably run down. At the entrance to the village were the fire damaged remains of a derelict hotel and an old barn separated by an area of unkempt, rough ground. This site was in a prominent gateway location, providing an unavoidable reminder for residents of the village's declining fortunes.



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This site has since been comprehensively redeveloped by the KoSDT. The old Lady Ross Hotel has been demolished, and the old barn has been completely redeveloped into a modern business centre that now houses the Trust along with a local architect and a hairdresser. Although the redevelopment was not funded directly by the Achany and Rosehall wind farm community benefit funds, the project was led by the KoSDT, which was established as a direct response to the creation of the funds. It is therefore reasonable to attribute the project in large part to the funds.

Another capital investment project led by KoSDT that did receive substantial funding from the Achany and Rosehall wind farm community benefit funds was the Shin Falls Visitor Centre. The centre closed after burning down in 2013 but was subsequently acquired, renovated and reopened by the Trust in 2017.

Following a challenging period during the Covid19 pandemic a decision was taken to sell the centre to a private operator. Despite some controversy at the time when efforts were made to identify a community operator for the facility, the centre is now open and operating as an independent business that provides employment for local people and an incentive for visitors to stop in the area.

### **5.1.2 Community Amenities**

Two minutes further along the main road from the site of the former Lady Ross Hotel there was also the disused remains of an old coal yard. This site was acquired by the Kyle of Sutherland Hub and redeveloped into a purpose-built community building that incorporates a gym, soft play area, café and community spaces.

In 2014, at a time where many Post Office branches were being relocated into other shops, there was significant support from the community for the Bonar Bridge Post Office to remain operating in its existing location. KoSDT acquired the Post Office and its adjoining house to allow this to happen, retaining its two existing jobs and supporting four additional postal delivery roles.



As part of the regeneration of Bonar Bridge, a community garden was also created next to the Post Office and the community centre. The Bonar Bridge Community Kitchen Garden was opened in March 2024, growing a wide range of flowers, and fruit and vegetables, which are harvested and used by the community café next door.

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In Lairg, the Achany and Rosehall wind farms community benefit funds have also contributed to the regeneration of a playpark at the Ferrycroft Visitor Centre. LDCI led the delivery of this project after it received considerable support from the local community. With more than seventy children from the Lairg and Rosehall communities gathering for its opening in 2024, the refurbished park is a modern facility that enables children of all ages and abilities to play and build connections.



### 5.1.3 Affordable Housing

As part of the redevelopment of the Bonar Bridge Post Office, KoSDT also renovated the former Post Master’s house, which is now let as social housing. In partnership with Albyn Housing Association, KoSDT delivered an further four affordable homes on the land neighbouring the site of the former Lady Ross Hotel, each with a conservative estimated value of approximately £200,000<sup>15</sup>.

In partnership with Albyn Housing Association, LDCI also helped deliver eight supported housing units, for which the local community had identified a need for. Funded through the Achany and Rosehall wind farms community benefit funds, a project officer was employed and various technical studies were commissioned, all of which were essential for the progression of the project. In 2024, the eight homes were completed and fitted with health monitoring technology and disabled access, allowing elderly and disabled residents to continue living at home.

### 5.1.4 Value of Capital Assets

The total value of these assets was estimated at around £4.9 million (see Table 5-1).

**Table 5-1: Financial Value of Capital Assets Developed**

| Type of Asset                               | Estimated Value   |
|---|-------------------|
| <b>Affordable Housing</b>                   | <b>£2,485,000</b> |
| LDCI – 8 affordable housing units           |                   |
| KoSDT – 4 affordable housing units          |                   |
| Post Master’s House                         |                   |
| <b>Community Facilities</b>                 | <b>£1,740,000</b> |
| KOS Hub                                     |                   |
| Post Office                                 |                   |
| <b>Business Spaces</b>                      | <b>£660,000</b>   |
| Redevelopment of Shins Falls Visitor Centre |                   |
| KoSDT Centre                                |                   |
| Ferrycroft Playpark                         |                   |
| Bonar Bridge Community Kitchen Garden       |                   |
| <b>Total</b>                                | <b>£4,885,000</b> |

Source: BIGGAR Economics analysis.

The nature of the funding provided by the Achany and Rosehall wind farms community benefit funds toward each of these projects varied considerably. For some projects (e.g. post office in Bonar Bridge) the funds were used to support acquisition of the site while for other projects (e.g. the Falls of Shin visitor centre) the

<sup>15</sup> Source: Solace Scotland (2023), Housing in Scotland, Current Context and Preparing for the Future.



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funds were used to support refurbishment work or (as in the case of the new housing developed by LDCI) the cost of professional project managers and feasibility studies.

The value of funding provided also varied significantly from project to project. For example, approximately 50% of the cost of refurbishing the Bonar Bridge post office were met by the Achany and Rosehall wind farms community benefit funds whereas only around 1% of the cost of developing the Kyle of Sutherland Hub and the affordable housing project led by LDCI were provided by the funds. Consultation with those involved in delivering the projects however confirms that even for those projects that only received a small proportion of the total required investment, the funding received played a critical role in enabling the developments to take place.

According to those involved, the contributions from the Achany and Rosehall wind farms community benefit funds were critical to the progression of the projects, either because they helped to get the project off the ground and/or because they provided the initial funding needed to secure wider investment. As one stakeholder put it:

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**“The funding was critical because it got the ball rolling and enabled us to secure match funding from other sources.”**

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Or, as another consultee explained:

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**“If we had not received any wind farm funding it is difficult to see how any of this could have occurred.”**

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Consultees involved with the delivery of capital investment projects

Outwith the five main recipients of the Achany and Rosehall wind farms community benefit funds, several other community organisations have been awarded funding to develop and enhance local community assets. These projects include the:

- installation of a new kitchen in Ardgay Hall;
- replacement of carpets, windows, and doors, in Bonar Bridge Golf Club;
- refurbishment of Bonar Bridge Community Hall;
- refurbishment of Bonar Bridge Football club-house;
- structural survey and architectural services for Culrain & District Hall;
- refurbishment of Invershin Community Hall;
- development of Kyle of Sutherland Youth Group facility (the precursor to the Kyle of Sutherland Hub); and the
- refurbishment of the committee room in Rosehall Village Hall.



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Together, all these projects have helped to transform the physical fabric of the communities in which they support, helping to restore civic pride and provide high-quality spaces for business activity, social interaction, and play.

#### **5.1.5 Wellbeing Benefits of Reduced Exposure to Vacant and Derelict Land**

The transformation of one building or site is valuable, but when such projects happen in tandem it can unlock wider regeneration benefits that are often more than the sum of the parts of the individual projects. This is exactly what happened in Ardgay between 2017 and 2019 when the redevelopment of the old Lady Ross Hotel and adjacent land coincided with the development of the Kyle of Sutherland Hub.

These developments happened on substantial gateway sites that anyone living in Ardgay would have seen daily. Research has shown that this type of investment can result in substantial improvements in the wellbeing of those living nearby.

Living within 1,000 metres of a substantial vacant and derelict site is associated with a 0.038 lower life satisfaction (0.038 WELLBYs per person per year worth £585).<sup>16</sup> It is therefore reasonable to assume the remediation of these sites would have had a positive effect on the wellbeing of those living nearby.

The population of Ardgay is around 500, so this implies that the wellbeing benefit of the regeneration equates to 19.0 WELLBYs, worth £0.3 million each year. Since 2019, when all the developments were completed, this equates to a cumulative wellbeing benefit of £1.5 million.

As discussed above these projects received funding from several different sources so it would not be appropriate to attribute this benefit entirely to the Achany and Rosehall community benefit funds. It was not possible to ascertain exactly what proportion of project costs were secured from different sources, however based on consultation with those involved who confirmed the important role played by this funding and BiGGAR Economics experience of similar projects elsewhere it was determined that it would be reasonable to attribute (at least) 10% of the wellbeing benefits to this funding. As such, the **cumulative wellbeing benefit of reduced exposure to vacant and derelict land attributed to the Achany and Rosehall community benefit funds was estimated at £0.1 million.**

## **5.2 Supply Chain Expenditure**

One of the main drivers of impact considered in a traditional economic impact assessment is supply chain expenditure. However, in the case of the Achany and Rosehall wind farms community benefit funds, the supply chain expenditure is likely to have stimulated local economic activity by supporting local businesses, contributing to employee wages, and generating further salary expenditure.

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<sup>16</sup> Krekel, C., Kolbe, J., & Wüstemann, H. (2016). The greener, the happier? The effect of urban land use on residential well-being. *Ecological economics*, 121, 117-127.

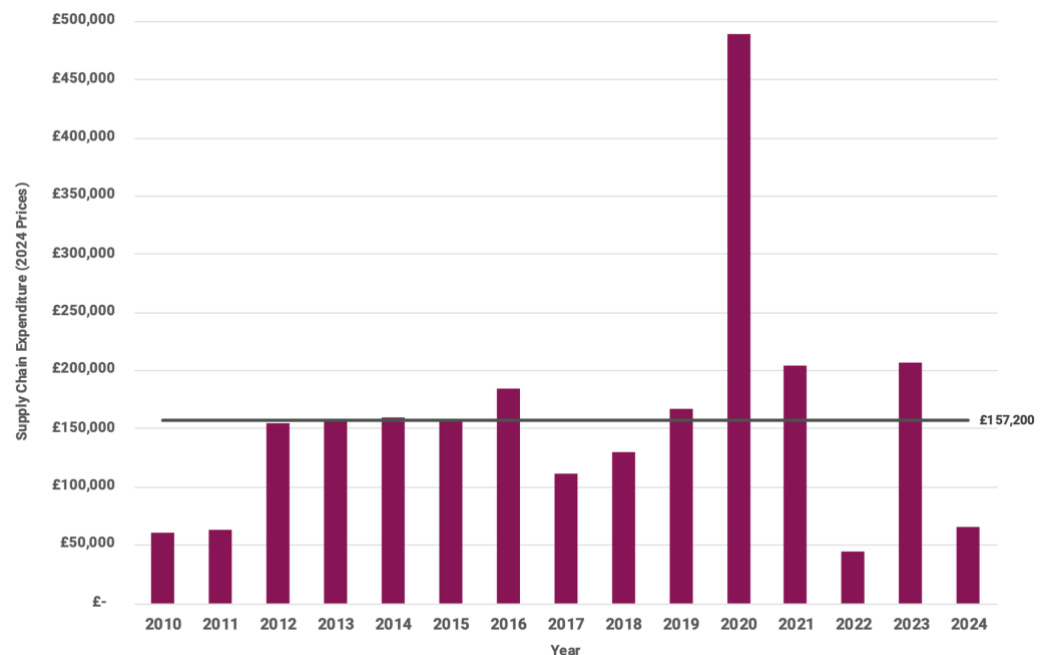


Approximately 68% of the Achany and Rosehall wind farms community benefit funding has been used by local community organisations for the procurement of goods and services. Examples of this include the awards contributing to the production of the community newsletter led by the Ardgay and District Community Council, the installation of a new kitchen in the Ardgay Public Hall, and equipment for Bonar Bridge School’s theatre projects.

Accounting for inflation, Achany and Rosehall wind farms community benefit funds have funded a total of £2.4 million (£1.9 million before adjustments for inflation) in supply chain expenditure since 2010, with an annual average of £157,200, as illustrated in Figure 5-1. Whilst the level of expenditure fluctuates most notably in 2020, funding awards during this time were largely associated with establishing COVID-19 contingency funds and procuring personal protective equipment.

It is not possible to accurately estimate how much of this spending may have been retained in the local area but it is reasonable to assume that some of it would have been and that this spending would have helped support local jobs and businesses.

**Figure 5-1: Supply Chain Expenditure, 2010-2024**



Expenditure of this kind supports local businesses and jobs, enhances the services delivered by the organisations themselves, and generates economy activity in the local area, creating more vibrant communities and contributes to the wider regeneration of the local area.





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## 5.3 Summary

The community benefit funding from Achany and Rosehall wind farms has helped to transform the physical fabric of the communities supported, improve the wellbeing of residents, and generate economic activity through the development of economic capital and supply chain expenditure.

The Achany and Rosehall wind farms community benefit funds have helped to generate economic activity within local communities by funding a total of £2.4 million in supply chain expenditure (in 2024 prices), equating to an annual average of £157,200. A proportion of this expenditure is expected to be retained within the local economy, supporting local businesses and jobs, and creating more vibrant communities.

The Achany and Rosehall wind farms community benefit funds have also been instrumental in the development of several capital assets, including affordable housing, community benefits and businesses spaces, **generating an estimated value of £4.9 million in economic capital and a cumulative wellbeing benefit of reduced exposure to vacant and derelict land worth £0.1 million.** Whilst these buildings are long-term assets that add to the cumulative economic wealth of local communities, their most significant value lies in the activities that take place within them. The following chapter considers some of these activities and the impacts that they generate for local communities.



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## 6.

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# Connecting Communities

The projects supported by the Achany and Rosehall wind farms community benefit funding have helped build community cohesion, primarily by addressing social isolation but also by helping keep people in the community and alleviating poverty. This has had valuable impacts on wellbeing.

A key objective of many of the projects supported by wind farm funding has been to build connections within the community. This has been achieved primarily through establishing community spaces and holding regular events, but also through supporting people to remain in their communities.

This section explores some of the key activities that have contributed to community life and seeks to assess their wellbeing impacts. This includes examining the wellbeing impacts of:

- alleviating social isolation;
- opportunities for volunteering;
- alleviating poverty; and
- enabling people to remain in their communities

## 6.1 Alleviating Social Isolation

Many of the projects have enabled people to come together, whether by providing spaces for people to meet up regularly or having one off community events. This includes regular activities at the Bradbury Centre, the community café run by the KoSDT, and the Kyle of Sutherland Hub's activity programme. The Kyle of Sutherland Hub, for example, has tackled social isolation by providing engaging activities for young people (see case study below for more).

The Achany and Rosehall wind farms community benefit funding has also contributed to community life by supporting the work of other local organisations. For example by providing funding for a community bus service, a befriending project, supporting gala week, funding for staff to assist with various community activities, producing community newsletters and magazines to keep people updated on what is happening in and around the community, as well as various COVID community support funds, including contributions to contingency funds and personal protective equipment.



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Projects of this kind are likely to have had a wide range of benefits, including greater opportunities to engage, improved social connections, and a shared understanding of community challenges and how to deal with them. Whilst it is not possible to track every single benefit across all the funded projects, a useful way to get an idea of the benefits of these increased social opportunities is by assessing how the five main funding recipients have helped to reduce loneliness.

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## The Kyle of Sutherland Hub

A desire to reduce social isolation by providing engaging activities for young people has always been the inspiration and motivation for the Hub.

In the early 2000s the nearest soft play facilities for young children living in the Kyle of Sutherland were an hour's drive away, in Inverness, and the closest leisure centre was 45 minutes drive away, in Dingwall. The Kyle of Sutherland Hub was born when a group of determined volunteers got together with the intention of changing this.

The Hub began life in an old double decker bus, but by 2017 had progressed to a bright, modern, colourful new building fully equipped with a range of facilities for the whole family. This includes both indoor and outdoor soft play facilities, a 16-station fitness suite, a café, and a dedicated space for young people to play, socialise and engage in extra-curricular activities.

The Hub also offers a full programme of activities for all age groups including fitness classes, health and wellness activities, dancing, coffee mornings, after school and holiday clubs and much more. In 2023, the Hub provided 686 different activities and attracted 7,500 visitors of whom around 1,500 were regular users. The total population of the local area is around 2,500, which suggests the activities available at the Hub are valued highly by local people.

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### 6.1.1 Impacts of Loneliness on Wellbeing

Loneliness has a substantial impact on wellbeing, being linked to poorer physical and mental health outcomes. Research shows that the difference between feeling mildly lonely versus moderately lonely impacts upon a person's life satisfaction on average by 0.7 units on a 0 to 10 scale.<sup>17</sup> This means that if a person were to experience mild as opposed to moderate loneliness for a period of one year from regularly attending

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<sup>17</sup> The HM Treasury recommended value taken from The Loneliness Monetisation Report by Peytrignet, Garforth-Bles, & Keohane (2020).



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a community event, this would be worth 0.7 WELLBYs. In monetary terms, where one WELLBY is £15,400 in 2023 prices, the wellbeing shift from moderate to mild loneliness would be worth £10,780 in 2023 prices.

As highlighted in section 3.2.5, rates of loneliness in the Highland are lower than in other parts of Scotland. Whilst these lower rates can't be fully attributed to the wind farm funded projects, there will have been some beneficial impact on loneliness. As such, examining the likely impacts of various projects on loneliness provides a useful way to understand the wider impacts.

### **6.1.2 Wellbeing Impacts of Main Funding Recipients in 2023/24**

Addressing social isolation within the local community is an explicit and important objective for many local organisations. To help achieve this many groups deliver activities, events and other opportunities for people to meet and socialise. The first step in estimating the wellbeing impacts associated with these activities is to establish how many people have participated in events or activity programmes funded by the wind farms.

Consultations carried out with the Kyle of Sutherland Development Trust, the Kyle of Sutherland Hub, the Bradbury Centre, Lairg and District Community Initiatives and the Lairg Learning Centre, indicated that 2,944 people were supported over the space of a year in 2023/2024 in those five projects.

The consultations, however, revealed that not everyone attended regularly and that some of those who were supported may have also been supported by one of the other projects, and therefore that may be some duplication in beneficiary count. Since those not regularly attending are unlikely to have experienced shifts in their sense of loneliness, it was necessary to make some adjustment for this possibility. A further adjustment was also needed to account for the possibility of double counting those who attended multiple projects. After adjustments for both these factors based on the consultations, it was estimated that approximately 1,500 people were regularly attending one of these five projects.

Since only 25% of those in the Highland report that they feel lonely some or most of the time (see 3.2.5), not everyone who regularly attends will have experienced shifts from moderate to mild loneliness. Under the assumption that only 25% of the 1,536 who attend are likely to have experienced a change in their level of loneliness, it is estimated that 384 will have experienced an increase of 0.7 WELLBYs (the impact on a person's life satisfaction per year from reduced loneliness). This amounts to an impact on wellbeing because of reduced loneliness from projects delivered by the five key delivery bodies in 2023/2024 of 268.8 WELLBYs, worth £4.1 million.

Attributing 25% of this to the wind farm funding means that the wellbeing benefit of reduced loneliness attributable to the five projects in 2023/2024 amounts to 67.2 WELLBYs, worth £1.0 million.



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### 6.1.3 Cumulative Wellbeing Impacts of Main Funding Recipients in 2023/24

It is expected that there would have been wellbeing impacts across other years from the five key delivery bodies. This section quantifies what these effects.

The number of people supported by the five key delivery bodies across previous years was estimated based on the consultations, annual reports, and assumptions around how attendance may have grown over time. Once the same adjustments were made to account for non-regular attendees and the possibility of double counting, as per section 6.1.2, the cumulative impact on loneliness from the five key delivery bodies across the lifetime of the wind farm funding is estimated to be 1369.7 WELLBYs, worth £21.1 million.

Attributing 25% of this to the wind farm funding means that the cumulative wellbeing benefit of reduced loneliness attributable to the five projects amounts to 342.4 WELLBYs, worth £5.3 million.

### 6.1.4 Wellbeing Impacts of Total Wind Farm Funding

Many of the projects delivered by other organisations (i.e. not the five key delivery bodies) would have also reduced social isolation and generated wellbeing benefits. These benefits are more difficult to estimate owing to limited data and no clear understanding of how people might have been influenced.

However, one way of gauging potential impacts on social isolation of some of the other projects is to scale up the impacts based on the impacts realised by the five key delivery bodies.

Funding monitoring information suggests the five key delivery bodies received £162,500 in funding in 2023/2024 (see Table 4-2). This resulted in a wellbeing impact estimated at 47.6 WELLBYs, worth £0.7 million, suggesting one WELLBY was produced for approximately each £3,400 of funding.

By applying this ratio to all the funding awarded since 2010 for projects designed to deliver local amenities and events, enhance biodiversity and nature, and other projects for which no data was available, the **total wellbeing benefit from reduced loneliness from engaging with all Achany and Rosehall wind farms community benefit funded projects could be as high as 628.6 WELLBYs, worth £9.7 million.**

This approach is based on the assumption that the nature and scale of benefits realised by projects delivered by other organisations is similar to those delivered by the five key delivery bodies. If this is not the case, and projects delivered by other organisations are less impactful, the total impact would be less than £9.7 million.

## 6.2 Opportunities for Volunteering

Another likely impact from the wind farm funding that is expected to have resulted in improvements to wellbeing is the increased opportunities for volunteering. Although many of the projects employ staff, volunteers are vital in helping to deliver many of



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the services. Without the support of volunteers, it would be difficult to realise many of the benefits.

However, there are also personal wellbeing benefits from regularly volunteering. These wellbeing benefits stem from people being able to help and support others and generating the feeling of meaning and purpose, whilst also providing social contact that individuals might not have otherwise had. Volunteering can also help a person develop new skills which can be beneficial to their sense of achievement.

Research has shown that those who volunteer regularly (once a week) have 0.1 higher life satisfaction (on a zero to ten scale) on average per year than those who do not volunteer regularly<sup>18</sup>. Therefore, for each regular volunteer that a project supports for a period of a year will bring wellbeing benefits of 0.1 WELLBYs, worth £1,540, in addition to any services that they deliver.

### **6.2.1 Annual Wellbeing Benefit from Volunteering of Main Funding Recipients**

The consultations with the five key delivery bodies revealed that these organisations jointly engaged 154 volunteers in their activities in 2023/2024. However, the consultations also revealed that whilst most of these volunteers were regular and were unlikely to have volunteered across multiple organisations, it is necessary to adjust for this possibility to estimate the wellbeing benefit from volunteering.

Based on information from the consultations, a downward adjustment of 25% was made to account for a quarter of volunteers not volunteering regularly. A further 25% downward adjustment was made based on the likelihood that a quarter of volunteers volunteer across multiple projects. This suggests these five projects supported 87 regular volunteers in 2023/2024. **The wellbeing benefits to volunteering from four of the five key delivery bodies in 2023/2024 were estimated to be nearly 8.7 WELLBYs, worth £0.1 million.**

### **6.2.2 Total Wellbeing Benefit Across the Lifetime of the Wind Farm Funding**

Based on the information available, a total of 933 volunteers participated in the Achany wind farms community benefit fund projects. While volunteer data for the Rosehall wind farm community benefit fund projects was not available, it was assumed that the projects attracted a similar level of participation. Based on this assumption, the combined total of volunteers across both the Achany and Rosehall wind farms community benefit funds projects over the lifetime of the funding, was estimated to be 1,367. This amounts to approximately 90 volunteers per year of the funding.

After similarly adjusting for the possibility of both non-regular volunteering (25% reduction) and volunteering across multiple organisations (a further 25% reduction), this gives an estimate of 769 regular volunteers across all projects and all years. This amounts to 51 volunteers on average per year of funding. **The wellbeing**

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<sup>18</sup> Several studies have shown that regular volunteering is associated with enhanced life satisfaction. For example, Fujiwara et al. (2013), Binder and Freytag (2013) and Lawton et al. (2020).



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**benefits associated with this level of volunteering across the lifetime of the wind farm funding were estimated to be 76.9 WELLBYs, worth £1.2 million.**

## 6.3 Alleviating Poverty

A number of funded projects aim to tackle poverty. For example, Helping Hands is a 3-year financial support programme that provides contributions of up to £250 to help local people in need with heating costs. There is also a community larder in Ardgay that provides essential food items for those who cannot afford them. Those who use these services are likely to be suffering serious financial hardship and this support is likely to enable them to get through the worst of the winter, for example.



## Not Just a Free Lunch

**What started as an effort to alleviate poverty quickly became an exercise in reducing social isolation.**

In 2016, motivated by a desire to address local food insecurity, staff from the Kyle of Sutherland Development Trust started a new community café. The premise was simple: once a week the Trust would transform the community hall in Bonar Bridge into a temporary café and provide a nutritious lunch for anyone who needed it in return for whatever they could afford to pay.

Since 2016 the café has gone from strength to strength. In the first week, 11 people attended; by 2024 the café was regularly attracting 50-60 people every week. Those attending are provided with a healthy, home cooked meal, which they eat at communal tables alongside other guests. Payment is by voluntary donation.

Everyone is welcome at the café and regular users include everyone from pre-schoolers to octogenarians. The atmosphere is lively and friendly, and the sense of community is palpable.

Since 2016 it has become clear the primary benefit of the café is not financial but social. Most regular users are older people, many of whom would otherwise eat alone. For these people the café provides an opportunity to sit down and eat with others, somewhere warm and friendly, and perhaps even to make new friends.

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A reduction in the anxiety related to financial hardship is also expected to have resulted in improvements to a person's wellbeing. Research has shown that an



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improvement to someone's financial satisfaction is linked to a 0.3 higher life satisfaction on a 0 to 10 scale<sup>19</sup>, which if lasting for a full year, would equate to 0.3 WELLBYs (£4,620). Although the impact might be much larger, this suggests a project, like Helping Hands, that eases the financial difficulties of around 40 people<sup>20</sup> would have a total wellbeing benefit worth £0.2 million per year. Attributing 25% of this to the wind farm funding means that **Helping Hands has a wellbeing benefit from easing financial difficulties of 3.0 WELLBYs, worth £46,200.**

The food larder (which regularly supports around 75 people), is also expected to have had a wellbeing benefit because of relieving anxiety around financial hardship worth £0.3 million in 2023/2024. Attributing 25% of this to the wind farm funding means that **the food larder has a wellbeing benefit from easing financial difficulties of almost 5.6 WELLBYs, worth a little under £90,000.**

From a cumulative perspective, there are impacts in previous years. Whilst Helping Hands has only recently begun, the food larder has been active since 2016. Based on the consultations conducted as part of this study and assumptions around how attendance has grown over time, the cumulative wellbeing impacts from the food larder because of reduced financial anxiety are estimated to be £1.6 million. Attributing 25% of this to the wind farm funding means that **the cumulative wellbeing benefit from easing financial difficulties amounts to 26.7 WELLBYs, worth £0.4 million.**

## 6.4 Support to Remain in the Community

The Achany and Rosehall wind farms community benefit funding has also been used to enable people to remain in their own homes, helping combat social isolation and improving quality of life. Since there is very limited capacity in care homes in the area this means that they would otherwise either need to move outwith the local area or manage at home alone, with likely detrimental consequences for their wellbeing.

The Bradbury Centre, for example, as described in the case study below, supports those over the age of 60 and adults with special needs, allowing 23 clients to remain in their homes. Research has shown providing people with home or community care is beneficial to their wellbeing, and increases the life satisfaction of those supported. This research suggests an effect of 0.18 WELLBYs<sup>21</sup> per person per year. This would be in addition to any wellbeing benefits from reduced social isolation estimated in Section 6.1. This means this sort of support is worth £2,772 for each year a person receives support. **The wellbeing benefits of this project in supporting people in their homes is estimated to be 4.1 WELLBYs, worth £63,800 per year.**

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<sup>19</sup> Source: Medgyesi, M., & Zólyomi, E. (2016). Job satisfaction and satisfaction in financial situation and their impact on life satisfaction. European Commission, Directorate general for employment, social affairs and inclusion, 6, 2016.

<sup>20</sup> Estimate based on consultation with LDCI

<sup>21</sup> Based on Kadowaki, Wister, & Chappell (2015) based on a sample in Canada and Wang, Fan, & Li (2022) based on a sample in China.





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Since the start of the project, it is estimated that there has been a cumulative wellbeing benefit from supporting people to remain in their homes of 15.6 WELLBYs, worth £0.2 million. Attributing 25% of this to the Achany and Rosehall wind farms community benefit funding implies **the wellbeing benefit from supporting people in their homes is estimated at 3.9 WELLBYs, worth £60,000.**

The smart homes that have been built with support of the Achany and Rosehall wind farms community benefit funding are also expected to generate wellbeing benefits similar to that of providing home or community care. Smart homes include sensors fitted to doors, windows, and cooking appliances, which can detect changes in a resident's behaviour and support them being in their own home as opposed to a care home outside of the community. There are four smart homes in total, therefore creating the potential to support up to four people per year. **The smart homes, once fully occupied, will provide wellbeing benefits of 0.7 WELLBYs per year, worth a little over £11,000.**



## The Bradbury Centre

A purpose-built Health and Wellbeing Centre in Bonar Bridge for the over 60's and those with special needs. The Centre is combatting social isolation and providing vital services for some clients who would otherwise not be able to leave their homes, or would be living in care facilities outwith the area.

The Bradbury Centre currently caters for 64 people; most of these are over 85 years old, with many in their 90's, and the oldest participant being 101. It caters for several clients with dementia and special needs. The Centre is open four days per week and can cater for up to 28 people at a time. On a Monday and Friday participants are at the Centre all day, arriving for breakfast at 9.30am, followed by activities, lunch, and afternoon activities before leaving at 4.30pm. Activities include yoga, reflexology, music and movement and entertainment. Clients are picked up in the Bradbury minibus, by volunteer drivers or by centre staff. Tuesdays and Wednesdays operate as a shorter day for more locally based clients.

The centre enables clients to continue to socialise and be part of the community, to make new friends and catch up with old acquaintances. The centre also helps clients pick up prescriptions, go to the doctors, and takes them to the post office, physio appointments, etc. They also take everyone for their flu vaccinations.



The Centre is unusual in that it also provides personal care support for clients. This has several vital benefits for the community:

- people who couldn't otherwise leave their homes can make use of the centre;
- it provides valuable respite support for families; and
- as there are no care homes in the area, the Bradbury Centre is enabling local people to remain in the community. Approximately 23 clients are able to stay at home rather than be cared for in a care home or hospital.

## 6.5 Summary

The wellbeing impacts from reduced social isolation, volunteering, alleviating poverty, and enabling people to stay in the community, are summarised in Table 6-1.

These figures show that the Achany and Rosehall wind farms community benefit funding has generated wellbeing benefits worth multiple times the value of the funding provided.

**Table 6-1: Summary of Wellbeing Impacts**

| Wellbeing Benefit            | Impacts in 2023/2024<br>(Five key delivery bodies)<br>(£ million) | Cumulative<br>Impacts (£ million) |
|------------------------------|---|-----------------------------------|
| Alleviating social isolation | £1.0  | £5.3 - £9.7                       |
| Volunteering                 | £0.1  | £1.2                              |
| Alleviating poverty          | £0.1  | £0.4                              |
| Remaining in community       | <0.1  | <£0.1                             |
| <b>Total</b>                 | <b>£1.3</b>   | <b>£6.9 - £11.3</b>               |

Source: BIGGAR Economics Analysis



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## 7.

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# Unlocking Human Potential

The Achany and Rosehall wind farms community benefit funds have been used to develop skills that have generated economic and wellbeing benefits that far exceed the amount invested.

Around £400,000 of the Achany and Rosehall wind farms community benefit funding has been used to support skills and development. This has included 36 apprenticeships, and a variety of other training events and workshops. These have all helped people acquire skills and improve their employment prospects, which generates personal, economic, and wellbeing, benefits and helps to fill skills gaps in the region.

This section provides an overview of the Kyle of Sutherland Apprenticeship Scheme highlighting the vital role apprenticeships play in local community life. The wellbeing and economic impacts of the apprenticeships, which have been made possible by the Achany wind farm community benefit fund, are then assessed. The importance of the training events and workshops are also discussed and illustrated using case studies.

## 7.1 Apprenticeships

Apprenticeships can help people into well-paid and secure employment. They offer an opportunity for on-the-job training that results in skills that can bring a lifetime of income and wellbeing benefits.

### 7.1.1 Kyle of Sutherland Apprenticeship Scheme

The KoSAS, capitalised from the Achany wind farm community benefit fund, began as a pilot scheme in 2010 with grants for two apprentices. The hope was that the scheme would stimulate economic regeneration in the local area by supporting local businesses and creating employment opportunities for young people. The aim of the scheme is to enable participants to achieve a nationally recognised SVQ level 3 qualification and encourage them to stay in the area by providing opportunities for progression into local employment.

Businesses face several costs that can make it difficult for them to take on apprentices. This includes costs such as wages, whilst the apprentice is in college, and for specialist tools. The scheme was therefore designed to offset some of these costs to local business in the wind farm catchment area.

The scheme is also designed to alleviate challenges facing local businesses and employees who face geographical constraints, including issues around transport, by aligning work hours with bus timetables, for example.



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After the success of the pilot, which resulted in direct benefits to both the business and apprentices, as well as indirect benefits to the local area with respect to enhanced services and additional local spending, the scheme was expanded.

To date, there have been 36 apprenticeships, supported by just under £0.3 million of funding. The scheme remains an ongoing success, generating economic and wellbeing benefits to individuals and the local communities. The value of these benefits is estimated in the next section.



## KoS Apprenticeship Scheme

The KoSAS has supported 36 young people from the local area to develop their skills and secure employment in the area.

The scheme provides monetary support to local businesses and other organisations (micro or SME) based in the community council areas of Ardgay, Creich and Lairg towards the cost of recruiting and training an apprentice. Young people residing in these areas who don't have an apprenticeship offer but would like to find one can contact the scheme coordinator at Lairg and District Learning Centre to help to match them with a local organisation that may consider taking on an apprentice.

Examples of apprenticeships that have been supported in the past include joinery, plumbing, butchery, mechanical, equine, heavy plant, business, electrical and personal training. In 2024 there were four apprentices on the scheme gaining experience in butchery, construction, bricklaying and administration.

The KoSDT and LDLC have both taken on apprentices who have thereafter secured long-term employment supporting the ongoing operation of these organisations and delivering a range of benefits to the local communities.

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### 7.1.2 Economic Impact of Apprenticeships

The economic impacts of the KoSAS are considered in two ways. The first is through the improved productivity capacity of the apprentice, reflected in the wage premium they receive from skills, and the second with regard to equipping them with skills that underpin the local economy. These impacts illustrate how the apprenticeships add to human capital.

Apprentices acquire skills and experience that make them more productive than they otherwise would have been. By completing their apprenticeship, apprentices will



increase their labour market productivity and therefore their earnings potential over their working lives. This reflects an increase in human capital. An indication of this productivity gain and benefit to human capital can be obtained by estimating how much extra an apprentice is likely to earn over their lifetime, otherwise known as their earnings premium.

This can be estimated by assessing the average earnings for different types of education levels. Based on apprentices gaining an SVQ level 3 qualification, an overall additional earnings premium is estimated at £25,286<sup>2223</sup> for each apprentice. Hence, the **total earnings premium across all 36 apprenticeships, and therefore the addition to human capital, is estimated to be 0.9 million.**

### 7.1.3 Apprenticeships Providing Skills that Underpin the Local Economy

KoSAS equips people with skills to do the jobs required for a functional economy. Research by City & Guilds looks at the jobs that keep the country running based on a survey of 10,000 working-aged people in the UK and economic analysis from labour market economists Emsi Burning Glass UK. Among its findings, the research highlights critical threats to the economy because of challenges faced in the market for key worker jobs. Essential jobs can be categorised into ten key job sectors<sup>24</sup>, including:

- education;
- construction;
- energy and utilities;
- government and public services;
- IT, communications, & finance;
- transport & logistics;
- healthcare;
- social care;
- food production, agriculture, and animal care; and
- retail.

A key recommendation of the City and Guilds study is that there should be better access to relevant skills development, training and qualifications throughout people’s working lives. A lack of relevant skills, experience or qualifications is one of two key reasons that put people off working in these jobs, along with low pay. In this context, KoSAS is of fundamental importance to the economy with all of the 10 key jobs sectors above covered by the apprenticeships supported to-date.

### 7.1.4 Wellbeing Impact of Apprenticeships

A key benefit of developing new skills is the positive impact it can have on a person's wellbeing. This improvement can occur for several reasons. Firstly, gaining new skills

<sup>22</sup> The earnings premium is estimated as the average across three methods. Each method estimates an earnings premium over 5 years for SCQF Level 7+, which is equivalent to an SVQ Level 3. The first is based on the present discounted average earnings premium for different qualifications over 5 years averaged across men and women, the second is based on adapting BiGGAR economics university earnings model, and the third is derived from Office for National Statistics earnings by education level.

<sup>23</sup> The evidence available only allows us to estimate the additional earnings for young people who have participated in apprenticeships, up to the age of 30. However, the skills acquired during an apprenticeship would likely continue to enable learners to earn higher earnings throughout their life, and if that is the case then the impact we've presented would be an underestimate.

<sup>24</sup> City and Guilds (2022), Great Jobs: recognising the essential jobs that keep the UK working



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enhances employment opportunities, potentially leading to more fulfilling roles. Secondly, many of the skills that are learnt can be applied directly to everyday life. Lastly, the process of developing new skills can itself contribute to wellbeing by fostering a sense of fulfilment, encouraging meaningful engagement with the world, and promoting creative thinking.

In the book, *The Origins of Happiness*, the authors illustrate the wellbeing benefit of an additional qualification, using the British Cohort Study<sup>25</sup>. **Error! Reference source not found.** illustrates their results and shows that an additional qualification has a positive effect on how satisfied a person is with their life overall (0.10, on a 0-10 life satisfaction scale). About a third of the overall effect is driven by income (0.03), whereas other benefits to a person's wellbeing arise due to them having better mental health (0.02) and a reduced likelihood of criminal behaviour (0.01). Once all these indirect effects are accounted for a direct effect of additional qualifications remains (0.04).

Given these estimates, a new qualification such as that gained through KoSAS, would be expected to influence life satisfaction directly by 0.025 and indirectly by 0.064 per apprentice per year of life<sup>26</sup>. If a working life is assumed to be 40 years<sup>27</sup>, then this would be a total of 2.56 life satisfaction units, with at least one unit being a indirect impact i.e. not via income.

This means each apprenticeship has a wellbeing benefit worth £39,424 across an individual's life, which implies the 36 apprenticeships funded have generated **£1.4 million of personal wellbeing benefits** for those supported.

## 7.2 Training Events and Workshops

Approximately £60,000 of the wind farm funds were used to support various training events and workshops across the community. This included the delivery of science workshops in rural schools, developing training and adult education classes, and enhancing career prospects. This would have enhanced skills and improved employment prospects, as well as resulted in wellbeing benefits.

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<sup>25</sup> This follows around 17,000 people born in England, Scotland, and Wales in a single week of 1970.

<sup>26</sup> In the British Cohort Study, an individual's highest qualification is denoted by 6 categories – whether they have 1 - no qualifications, 2 - CSEs, 3 - O-levels, 4 - A-levels, 5 - a degree, or 6 - higher degree, with the highest qualification being between O-levels and A-levels (3.31) and a standard deviation of approximately one and a half categories (1.57). Under the assumption that obtaining an apprenticeship is equivalent to an increase in one category in the British Cohort Study, a new qualification would therefore be expected to influence life satisfaction directly by 0.025 (0.04/1.57) and indirectly by 0.064 (0.10/1.57) per graduate per year of life.

<sup>27</sup> Although limitations in the data only enable additional earnings to be estimated for five years post-qualification, there is reliable evidence that qualifications has a positive effect on individual wellbeing over the life course therefore it is appropriate to use a longer time scale when estimating this benefit.



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### 7.2.1 Wellbeing Impacts of Training Events and Workshops

From a wellbeing perspective, short courses that can increase productivity are associated with a life satisfaction increase of 0.045 units.<sup>28</sup> Under the assumption that the wellbeing benefit lasts at least half a year (0.022 WELLBYs). With respect to one WELLBY being worth £15,400 in 2023 prices, this means a short course is estimated to be worth £347 in wellbeing terms.

Whilst it is not practical to evaluate the effect of every project, case studies can help articulate some of these benefits realised.

**Lairg and District Learning Centre**, as well as administering KoSAS, provide learning opportunities for the community. Between August 2022 and August 2023 the Learning Centre delivered 342 learning opportunities for 1,150 learners.

Lairg and District Learning Centre's offerings ranged from one off engagements to courses across multiple weeks ranging from language classes, IT & digital skills, woodworking, sewing, art, music, meditation, creative writing, film making, cooking, foraging, walking, growing, composting, first aid, upcycling, food fermentation, paddle boarding, employability skills, storytelling, and more.

Whilst these brought benefits to wellbeing by helping to reduce social isolation (see Section 6), it is expected they would also have generated additional wellbeing from learning. It is estimated these courses would have delivered wellbeing benefits worth an estimated £0.4 million. The Lairg and District Learning Centre received funding to support these courses indirectly through, for example, staff wages, as well as receiving funding from multiple sources. Attributing 25% of this to the Achany and Rosehall wind farms community benefit funding means **the wellbeing benefit from learning generated by Lairg and District Learning Centre's courses amounted to £0.1 million.**

**Lochview Rural Training** is a well-established social enterprise (see case study). With the help of £20,000 of Achany and Rosehall wind farms community benefit funding, they have engaged with a total of 319 individuals (187 youths and 132 adults). It is estimated that the Achany and Rosehall wind farms community benefit funds have enabled the Lochview Rural Training to deliver wellbeing benefits worth around £0.1 million.

It is likely that other training events and workshops would have had similar impacts. Were this to be the case, the £0.1 million of funding used to directly support training events and workshops is estimated to have wellbeing benefits worth £0.3 million.

Combining the wellbeing benefits of both the Lairg and District Learning Centre, whose training events and workshops were not funded directly, and the estimate of those directly funded suggests an **overall wellbeing benefit from training events and workshops is estimated to be worth £0.4 million.**

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<sup>28</sup> Dolan and Fujiwara (2012), the Department for Business, Innovation and Skills.



# Lochview Rural Training

A community based social enterprise promoting crofting to the next generation and providing opportunities to understand the value of rural life.

Lochview Rural Training Centre promotes rural skills, delivers training for adults and young people, and offers a place for family days out. By increasing awareness and enhancing knowledge they promote understanding of the value of rural life.

In 2023, Lochview Rural Training Centre received £20,000 from the Achany and Rosehall wind farms community benefit funds to contribute to the Centre Manager's costs over two years. This core funding has enabled the Manager to develop a programme of rural skills training and activities, including courses in needle felting, tugging and lambing, drystone dyking, and wool spinning. The centre offers a 50:50 mix of youth and adult training, with adult training subsidising youth programmes.

The training centre is based on a croft and provides practical learning for budding crofters alongside adult training. It also supports Highland Council's employability scheme and provides health and wellbeing opportunities for NHS Highland.

The Centre also has several volunteers who help out at the centre and gain valuable experience learning about practical livestock care and crofting in general including legislation, and paperwork involved. So far they have achieved 3 VOSCAR (volunteer Oscars) awards, 18 Dynamic Youth awards and 12 Saltire Awards

## 7.3 Summary

Around £300,000 of the Achany and Rosehall wind farms community benefit funding has been used to fund apprenticeships. It is estimated this resulted in £0.9 million in additional earnings, a direct addition to stocks of human capital. It was also estimated apprenticeships generated £1.4 million in personal wellbeing benefits.

The Achany and Rosehall wind farms community benefit funding has also been used to support training events and workshops delivered by other groups. It was not possible to estimate the impact of all of these, by extrapolating data for a couple of key projects it was possible to estimate these events may have generated wellbeing benefits of around £0.4 million, around five times the value of funding received.

Taken together this implies the **total wellbeing benefits of training supported by Achany and Rosehall wind farms community benefit funding is around £1.8 million.**





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## 8.

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# Critical Success Factors

The Achany and Rosehall wind farms community benefit funds have been instrumental in the evolution of high levels of social capital in Ardgay, Creich and Lairg that will help sustain high levels of wellbeing in the future.

As the preceding chapters have illustrated, the community benefit funding provided by the Achany and Rosehall wind farms has helped deliver a variety of projects and initiatives that have generated tangible benefits for people living in Ardgay, Creich and Lairg. From new social housing and community amenities to social activity programmes and exercise classes these outputs have benefited multiple groups: the very old; the very young; and everyone in between.

What has not yet been considered is the critical success factors that have enabled these benefits to be realised. This is the focus of this chapter.

### 8.1 Locally Led Delivery

Chapter 3 of this report painted a picture of the communities of Ardgay, Creich and Lairg. It showed the communities are characterised by an increasingly aging population (+57% between 2005-21) and a decreasing number of young people (-5% between 2005-21). This highlights a requirement for more affordable housing and (higher paying) jobs for working age people; and greater support for older people, particularly in relation to healthcare and the effects of poverty and social isolation, all of which are all known to increase as people get older. The geographical isolation of these communities compounds the area's risk of economic and social decline, and its low population (1% of Highland) means that it is at risk of deprioritisation in the provision of services.

#### 8.1.1 Addressing Local Needs

This study has shown how local organisations are providing services that directly address these challenges. They do this by making life better for older people by helping them remain in the community and reducing the social isolation and economic hardship that often go hand in hand with ageing. It has also shown how they are providing learning opportunities across all sectors of the population. Young people are being trained via local apprenticeships in delivering essential skills such as plumbing and joinery, which are in notoriously short supply in rural areas. Small but essential practical initiatives are keeping essential services operating.

It is not surprising that this activity aligns well with the needs of the local community as described above, given that it (like the Achany and Rosehall wind farms



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community benefit funds) is run by local people embedded in the community with direct lived experience of the issues involved.

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## **Critical Success Factor #1: Locally led delivery by people with direct lived experience of the challenges facing the community and in-depth understanding of local aspirations.**

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### **8.1.2 Delivering Local Priorities**

When reviewed alongside the Ardgay, Creich and Lairg Community Action Plan (see Table 3-4) it is apparent the projects and initiatives supported also align well with the priorities identified by local people. For example:

- the Community Café and Kitchen Garden run by the KoSDT and the Lairg Food Larder run by the LDCI discussed in chapter 6 are all examples of local food initiatives, the development of which was identified as a priority under the Climate Conscious Communities theme;
- the creation and operation of a joint panel to oversee wind farm monies is one of the priorities identified in the Economically Thriving Communities theme;
- the development projects described in chapter 5 align closely with the priorities outlined under the Culturally Vibrant Communities theme; and
- the affordable housing described in section 5.1.3 and support provided for the Bradbury Centre described in section 6.4 have contributed directly to the priorities identified in the Socially Connected Communities theme.

Evidence gathered for this study suggest this progress is a marked contrast to what has gone before. There have been other initiatives in the past with similar aspirations to the community action plan, but consultees felt these had made little difference. The evidence presented in this report suggests this is no longer the case.

While everyone interviewed as part of this study acknowledged the significant and ongoing socio-economic challenges facing the local area, many people also expressed optimism for the future. No one was suggesting recent changes are likely to reverse the negative social and economic trends experienced in recent years, but most people felt they had gone some way to mitigating them.

### **8.1.3 Empowering Communities**

The most obvious way the Achany and Rosehall wind farms community benefit funds have supported locally led delivery is by giving communities the means to meet their own objectives and the power to make decisions about how these are deployed. This has been achieved through the funding panel comprised of local people who are responsible for deciding how funding is allocated and which projects should be supported.



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Another important contribution was the support provided to develop the Ardgay, Creich and Lairg Community Action Plan. Based on extensive consultation with local people, the plan articulates a shared community vision and provides a clear mandate for future action.

All of this has served to instil a positive sense of purpose and independence within the local community and a powerful belief in the capability of local people and organisations to deliver change.

## 8.2 Building Local Capacity

This report has focused extensively on projects delivered by the five key delivery bodies described in chapter 4. This was not to diminish or downplay the valuable work delivered by other local groups, but rather to recognise the important role professionally staffed organisations play delivering local priorities.

These organisations matter because they can provide the skills needed to develop projects and the practical experience and time needed to make them happen. They are the catalyst that can help transform the ideas and enthusiasm of community volunteers into action.

This finding is consistent with recent economics research, which has focused on the importance of societal institutions for driving prosperity. The 2024 Nobel Prize in Economics for example was awarded “*for studies of how institutions are formed and affect prosperity*”<sup>29</sup>. Acemoglu, Johnson, and Robinson’s work has improved understanding of how the quality of societal institutions explains differences in prosperity between nations.

### 8.2.1 Funding Core Operations

The Achany and Rosehall wind farms community benefit funds have played a critical role in the development of these five key delivery bodies. Some were formed directly in response to the creation of the Achany and Rosehall wind farms community benefit funds. Others pre-date the wind farms but have been able to develop largely because of the support they have received from the two funds. In all cases those consulted as part of this study were clear that the Achany and Rosehall wind farms community benefit funds had been critical for enabling them to become what they are today.

One of the main reasons for this is the funding provided to support core operations.

It is a common complaint within the third sector that financial support for the core operations of an organisation is extremely difficult to secure. This is because most funders are focused on supporting projects that will directly generate positive outcomes for target beneficiaries. The link between core funding and project outcomes is less direct and therefore has traditionally been less attractive

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<sup>29</sup> <https://www.nobelprize.org/all-nobel-prizes-2024/>



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investment proposition. The Achany and Rosehall wind farms community benefit funds enable organisations to overcome this challenge.

### **8.2.2 A Long-Term Approach**

Another important way the Achany and Rosehall wind farms community benefit funds have supported the development of local delivery capacity is by providing long-term support for up to four years. This is unusual approach within the third sector, much of which operates on annual funding cycles, but it has major advantages.

One of these is that it enables local delivery organisations to provide greater job security for staff than is often possible in the third sector. This benefits individual staff helps by improving job security and staff retention. It is also likely to have been a factor in enabling some local organisations to attract a particularly high calibre of staff.

An important consequence of this is that it frees staff from having to spend a significant proportion of their working hours trying to secure enough funding to ensure they will still have a job next year and so enables them to spend more time on developing and delivering projects that will directly benefit communities.

Another important benefit of this long-term approach is that funds can be used to support longer term projects. This has enabled local groups to take a longer term, more strategic approach and enabled “more mature conversations” to happen about the strategic priorities of the local area and how these should be progressed.

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## **Critical Success Factor #2: Providing long-term support for and recognising the value of local delivery organisations.**

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### **8.2.3 Has Traditional Civic Engagement Been Displaced?**

It could be argued that the civic engagement enabled by the Achany and Rosehall wind farms community benefit funds might have displaced other types of civic engagement, such as volunteering, that might otherwise have taken place in other organisations. This view was expressed by some of those consulted as part of this project, so it is important it is given due consideration.

To do this it is necessary to look beyond the local area.

The Scottish Government has been tracking changes in social capital at a national level since 2013 using an index<sup>30</sup> that covers four themes: social networks; community cohesion; social participation; and community empowerment. It shows

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<sup>30</sup> Scottish Government (2024), Social capital and community wellbeing in Scotland (available at: <https://www.gov.scot/publications/social-capital-community-wellbeing-scotland/pages/3/>)



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social capital has fallen significantly since 2013 with particularly large falls in social participation and community empowerment.

It therefore seems very likely that the decline in traditional forms of civic engagement observed by some consultees are part of a wider social trend rather than something that has been caused by the Achany and Rosehall wind farms community benefit funds.

## 8.3 A Thriving Civic Ecosystem

All the projects described in this report have generated benefits for those involved, but it is only when viewed as a collective that the full extent of the change unlocked by the Achany and Rosehall wind farms community benefit funds becomes apparent. When looked at in this way it becomes clear the projects are a not simply a collection of unrelated activities, but the product of what one consultee described as a “thriving civic ecosystem”. As with any ecosystem, this ecosystem is based on a rich network of relationships.

### 8.3.1 Christmas Lights and Football Shirts

These relationships include those between members of the community brought together because funding has been secured that enables them to engage in a shared hobby or interest. Funding records show the Achany and Rosehall wind farms community benefit funds have supported various such groups from sports clubs (football, sailing, golf) that have received funding for equipment to the group responsible for Lairg’s Christmas lights.

As Chapter 6 revealed, the activity of these groups can materially enhance the wellbeing of those involved. However, part of their value lies not in what they do but in the relationships they help to foster, which can provide the basis for future collaboration. While sometimes disparaged as trivial or unimportant, these kinds of projects can provide a springboard for larger, more ambitious projects in the future so they should not be overlooked.

### 8.3.2 Outward Looking Relationships

A distinctive characteristic of the civic ecosystem in Ardgay, Bonar Bridge and Lairg are the connections that exist between local groups, local government and development agencies. Often based on previous working relationships, these connections matter because they can be used to amplify local efforts and help secure additional financial and political support for local priorities.

While not directly attributable to the Achany and Rosehall wind farms community benefit funding, these connections reflect the unusually high calibre of staff working in the local third sector, which for the reasons described above, is in part a consequence of the long-term approach to funding described above.



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### 8.3.3 Bringing Communities Together

Ardgay, Bonar Bridge and Lairg are traditionally district communities with little collaboration or mingling. The administration of the fund across these communities has meant the communities have had to collaborate for the collective good.

One advantage of this is that it enables a more strategic approach to be taken, which encourages partnership working and has enabled some services to be expanded across all three communities. A good example of this is the apprenticeship scheme described in section 7.1.1. Another is the collaborative delivery of affordable housing in Lairg (in section 5.1.3).

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## Critical Success Factor #3: encouraging strategic collaboration on large-scale, aspirational projects through the collective administration of funds.

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Other advantages of the collective administration of funds include:

- **Reduced Volunteer Burden** - decisions about how to allocate the funds are made by the same panel at the same time and applicants can apply for both funds simultaneously. This enables volunteer time (always a scarce commodity) to be used more efficiently;
- **Scale of Support** - although most awards have been relatively small, many larger projects have also been supported including 33 for more than £20,000. Funding of this scale is not trivial. In some cases, particularly during the Covid19 pandemic, it has meant the difference between survival and closure for some local organisations. In several cases this has been made possible by the joint funding of a project by both funds.
- **Smother Funding Distribution** – funding can be draw down from whichever fund has the highest available balance. This means if panel members from one community are keen to support a project but lack the funds to do so they can borrow funds from the other community's pot, which is then returned to once the following year's funding allocation is received. As above, in several cases this has enabled projects to be jointly funded by both funds.
- **Better Coordination of Support** – having a single panel for both funds ensures greater awareness of local need and better visibility of which local projects may be seeking funding, enabling improved coordination of support.

### 8.3.4 Administrative Discipline

Some consultees expressed the view that the involvement of SSE Renewables and Foundation Scotland in the administration of the funds has provided a level of professionalism that might otherwise have been difficult to achieve. The expertise of those involved was recognised and credited with providing a welcome degree of rigour to decision making. Consultees also recognised the experience SSE



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Renewables and Foundation Scotland bring to the panel and acknowledged the potential for knowledge sharing this creates.

It is however important to acknowledge that these views were not universal. Some consultees expressed concerns about the extent to which panel members could be held to account for decisions while others highlighted the potential for conflicts of interest to arise. At least one consultee suggested that fund administrators could play a helpful role in addressing such concerns by taking a more proactive approach to enforcing decision making rules and standards.



## Positive Partnerships

The provision of core funding has been the key to enabling complex, multi-agency collaboration.

Lairg and District Community Initiatives (LDCI) was established in 2002. As a small, volunteer-led organisation, with no dedicated professional support, it initially focused on relatively small and simple projects, such as producing a local newsletter. This began to change around 2009 when the group became aware of an acute and growing shortage of supported accommodation for older people in the local area.

At the time no public body had any plans to address this so LDCI decided to act and began working up proposals. This project was a lot more complicated than anything LDCI had attempted before, and the group quickly realised they were going to need professional support. Lacking the administrative capacity to employ someone directly they approached the Kyle of Sutherland Development Trust (KoSDT) for help.

Being the recipient of regular core funding from the Achany and Rosehall wind farms community benefit funds the KoSDT already had a small team of permanent staff and the administrative systems in place to support them. This meant that when approached by LDCI the organisation had the capacity to help.

Together the two organisations agreed that KoSDT would appoint a specialist housing development consultant, to be paid for by the LDCI using Achany and Rosehall wind farms community benefit funds. This arrangement enabled LDCI to progress the project while avoiding the administrative burden of employing someone directly.

A suitable site was acquired using funding from the Scottish Land Fund and development finance was secured from the Scottish Government. A partnership was then established with Albyn Housing Association to deliver eight new homes

The new homes were completed in March 2024, making them the first new social housing to be delivered in Lairg since the mid-1990s.

This was an ambitious, complex multi-agency project that took several years to deliver. It is unlikely it would have happened without the initiative of the LDCI, but almost inconceivable it could have been delivered entirely by volunteers. The support provided by partners, particularly the KoSDT was critical and the core funding provided by the Rosehall and Achany wind farms community benefits is what ultimately enabled this support to be provided.



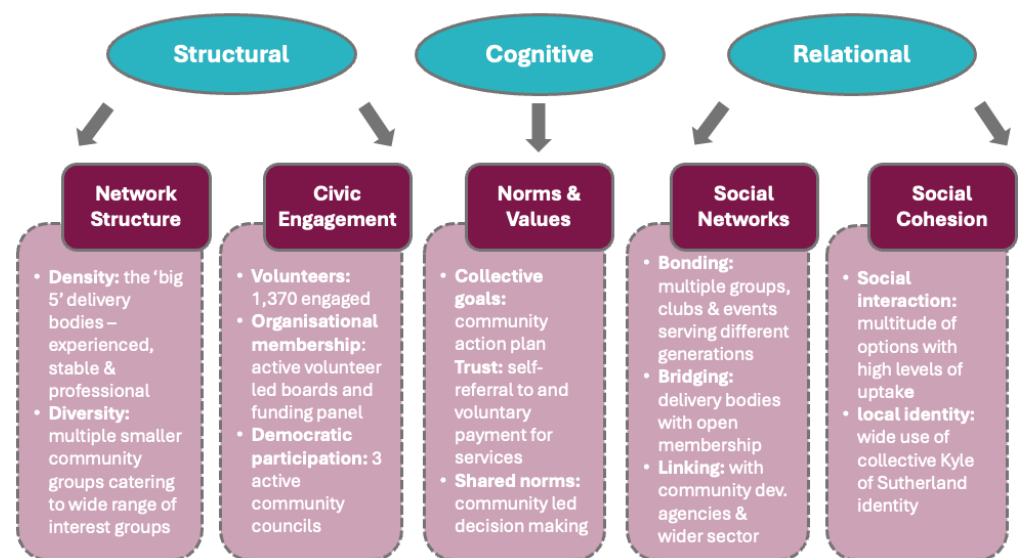
## 8.4 Putting it All Together

The analysis above shows that Ardgay, Creich and Lairg share a number of important characteristics that have are both consequences and drivers of the benefits described elsewhere in this report. These characteristics include structural elements, not least of which is the network of local delivery organisations; a rich and deep pool of inter-personal relationships that underpin collaborative action; and a shared belief in the ability of the community to realise a common vision for the future.

These characteristics are all important features of social capital. Often described as "the glue that holds society together", the concept of social capital is multi-faceted and difficult to define, however, a systematic review by academics at the University of Pretoria found "general consensus" it covers three main dimensions: structural, cognitive and relational.

Figure 8-1 maps the characteristics described above onto these dimensions and shows the extent of social capital in Ardgay, Creich and Lairg. From this it is clear the three communities enjoy a very high and multi-dimensional level of social capital.

**Figure 8-1 Dimensions of Social Capital in the Kyle of Sutherland**



Source: BIGGAR Economics, adapted from Acquah et al. (2014).

## 8.5 The Value of Social Capital

The contribution high levels of social capital can make to the wellbeing of those living in the local area was considered in chapter 6 but social capital also has economic value. This value arises for several reasons, the most direct of which is the important contribution community groups in the area make to securing funding and investment for local projects.



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Less direct effects arise because strong social networks tend to lead to higher levels of trust, which can enable cooperation, lead to greater innovation, reduce the costs of doing business, and improve efficiency and creativity. Practical manifestations of this could include a business securing a new contract after learning about an opportunity through local contacts or someone securing a new job after being recommended by someone known to their new employer.

Consultees who contributed to this research provided anecdotal evidence that confirms these types of effects are occurring in the local area with some regularity.

It is not possible to trace these effects directly, but research evidence can be used to construct an estimate. A study<sup>31</sup> by academics from the London School of Economics for example used data on membership of voluntary associations in 190 European regions (a proxy for social capital) to show a one standard deviation increase in social capital<sup>32</sup> is linked to an increase of c.3.4% in GDP per head.

By assuming 'membership of voluntary associations' is broadly equivalent to the number of regular volunteers supported by the Achany and Rosehall wind farms community benefit funds, these findings can be used to estimate the economic value of the local civic ecosystem.

### **8.5.1 Estimating the Cumulative Economic Value of Social Capital**

The starting point for estimating this impact was to establish the baseline level of volunteering using data from the Scottish Household Survey, which suggests 29% of Highland adults regularly volunteered in 2023. This equates to around 400 people in the local area so a one standard deviation increase would be around 70 people.

Data gathered during the consultation programme suggests the Achany and Rosehall wind farms community benefit funding supported nearly 90 volunteer roles in the local area in 2024 and an average of around 50 regular volunteers per year since 2010. This equates to around 75% of one standard deviation, equating to around 2.5% of total economic value, or around £1.0 million GVA in 2023.

The cumulative value of this impact was then estimated by undertaking the same calculation for each year since 2010. In this way it was estimated that **social capital supported by the Achany and Rosehall wind farms community benefit funds accounts for a total of around £11.8 million of total economic value generated in the local economy since 2010.**

### **8.5.2 The Current Value of Future Benefits from the Civic Ecosystem**

However, social capital, like other types of capital is a productive asset. This means it does not just generate value today, but also drives future value. The value of such assets can be estimated by working out the total value of the future stream of

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<sup>31</sup> Muringani, J., Fitjar, R. D., & Rodríguez-Pose, A. (2021). Social capital and economic growth in the regions of Europe. *Environment and Planning A: Economy and Space*, 53, 1412-1434.

<sup>32</sup> Defined as 1 standard-deviation above the mean or c 17.3% difference in volunteering rates



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benefits they are likely to generate and then applying an appropriate discount factor to reflect the preference for benefits that occur in the present rather than the future.

To do this it is necessary to make some assumptions about the duration of the future stream of benefits likely to be generated.

The Achany and Rosehall wind farms community benefit funds have recently started to make funding awards to cover core operational costs for four years rather than one. This suggests the future stream of benefits is likely to be sustained until at least 2028.

Beyond this, the value of future benefits will depend on whether delivery bodies manage to secure further core funding. If they do, the stream of benefits will continue; but if they do not it is likely to gradually diminish. How long this process would take is uncertain so for illustrative purposes a period of 5<sup>33</sup> years was assumed.

Based on these assumptions it was estimated that **the present value of the future stream of benefits generated by the social capital created by the Achany and Rosehall wind farms community benefit funds would amount to £9.2 million.**

## 8.6 Summary

This chapter has shown that one of the most important changes the Achany and Rosehall wind farms community benefit funding has enabled since 2010 is the evolution of a deep, rich and multi-dimensional stock of social capital across the three communities. It has also identified three critical success factors that have enabled this to happen:

- **locally led delivery** by people with direct lived experience of the challenges facing the community and in-depth understanding of local aspirations;
- the provision of **long-term support** for and recognising the value of local delivery organisations; and
- the **encouragement of strategic collaboration** on large-scale, aspirational projects through the collective administration of funds.

**It is estimated that this social capital has enabled around £1 1.8 million GVA to be generated in the local area since 2010 and might be expected to generate a future stream of benefits with a current value of around £9.2 million.**

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<sup>33</sup> As the duration of this benefit is uncertain a conservative estimate of 5 years has been adopted to avoid overestimation, however it is possible the benefit could endure longer than this, which would increase the value of the benefit. To illustrate, increasing the duration of the benefit to 10 years would increase the present value of the benefit to £12.4 million.



# 9.

## Summary and Conclusions

The Achany and Rosehall wind farms community benefit funds have generated substantial benefits for local communities and created a valuable legacy of human, economic, physical, and social capital that will underpin future wellbeing.

### 9.1 Summary Impacts

The funding awarded to date from the Achany and Rosehall wind farms community benefit funds has made a substantial contribution to the wellbeing of people of Ardgay, Creich and Lairg with a financial value of at least £10.1 million.

A breakdown of this impact is provided in Table 9-1. Data limitations mean that estimates for some of these sources of impact (highlighted with an \*) were based only on activity by five key delivery bodies. If these sources of impact were to be scaled up to take account of activity delivered by other organisations, the total value of wellbeing benefits could be up to £14.5 million.

**Table 9-1: Cumulative Wellbeing Benefits**

| Wellbeing Benefit                          | Value of Wellbeing Benefit (£m) |
|--|---------------------------------|
| Employment*                                | 1.1                             |
| Reduced social isolation*                  | 5.3 - 9.7                       |
| Volunteering                               | 1.2                             |
| Alleviate poverty*                         | 0.5                             |
| Community based care                       | <0.1                            |
| Training                                   | 1.8                             |
| Reduced exposure to vacant & derelict land | 0.1                             |
| <b>TOTAL</b>                               | <b>10.1 - 14.5</b>              |

Source: BIGGAR Economics Analysis. Note: Totals may not sum due to rounding.

This implies each £1 of funding invested has generated between £3.56 and £5.12 in wellbeing benefits for the local area.



In addition to this, it was also estimated that the funds support more than 18 long term jobs<sup>34</sup> in the local area and several temporary positions.

It was also estimated that since 2010 around £11.8 million GVA has been generated due to the contributions the funds have made to social capital in the local area. This equates to an impact of around £4.18 GVA for every £1 invested.

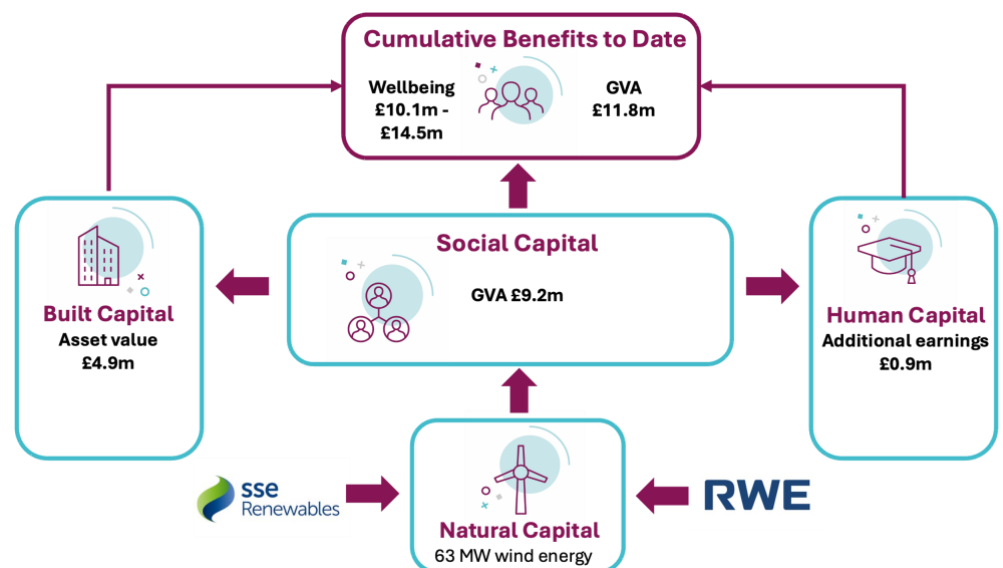
This economic impact is directly linked to the activity of five key delivery bodies, which have played (and are expected to continue to play) a vital role in supporting the social and economic development of the local area. The funding provided has been instrumental in developing the capacity of these (and other local) organisations but the role they have played in maximising the potential of this funding should not be underestimated.

This capacity has led directly to the accumulation of important stocks of human, economic and (especially) social capital in the local area, including:

- social capital stocks worth £9.2 million (based on expected contributions to future economic growth);
- economic capital stocks worth £4.9 million (homes, community amenities and business space); and
- human capital stocks worth £0.9 million (based on the additional earnings of apprentices supported by the funds).

A summary of these benefits is provided in Figure 9-1.

**Figure 9-1 Summary of Benefits Generated by the Achany and Rosehall Wind Farms Community Benefit Funds**



Source: BIGGAR Economics Analysis

<sup>34</sup> Some of the jobs supported have been part time so this is a headcount estimate not full time equivalent.



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It should be noted that these benefits relate only to those generated by the community benefit funds, they do not include the economic or environmental benefits of the wind farms themselves. The benefits measured also do not take account of the contribution these wind farms make to Scotland's commitment to reach net zero emissions of all greenhouse gases by 2045.

## 9.2 Conclusions

Over the past decade, national and regional strategies have increasingly recognised the importance of communities in strengthening local and regional economies. Third sector activity is recognised as a conduit for new opportunities to support wealth creation and wealth retention within local economies.

This study recognises and quantifies the achievements of third sector activity supported by community benefit funding. It also illustrates the Onshore Wind Sector Deal (2023) in action, delivering a collective vision to use the development of the onshore wind sector to drive economic growth, create high-quality jobs, reduce carbon emissions and enhance community wellbeing.

It has shown how the community benefit funding associated with the Achany and Rosehall wind farms has delivered real and substantial benefits both for the economy and the wellbeing of those living there. It has also identified three critical success factors that have enabled this to happen:

- **locally led delivery** by people with direct lived experience of the challenges facing the community and in-depth understanding of local aspirations;
- the provision of **long-term support** for and recognition of the value of local delivery organisations; and
- **encouragement of strategic collaboration** on large-scale, aspirational projects through the collective administration of funds.

It illustrates how, when administered effectively, with the active engagement and support of local people, community benefit funding from onshore wind farms can generate real value for host communities and support a just transition to net-zero.

### 9.2.1 Valuing Benefits

A secondary finding emerging from this analysis is that how the impacts of community benefit funds are measured matters. This study is (to the knowledge of the authors) the first of its kind undertaken in Scotland. It is distinctive in two respects: firstly because it focuses primarily on assessing the contribution funding has made to the wellbeing of the communities supported; and secondly because it attempts to quantify the long term value of benefits generated by considering contributions to different types of capital stocks.



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Traditional approaches to economic analysis that focus on flows of money through the supply chain are not well suited to assessing the benefits of long-term programmes of funding because they are not designed to capture activity at a very local level. Economic metrics such as GVA would also be incapable of capturing the full range of benefits generated because they are designed to capture changes in economic activity alone rather than social value. Wind farms are also long term investments so it is important any assessment of the benefits they generate takes a similarly long term approach. This report has done this by focusing on contributions to capital stocks rather than current economic output.

Capital stocks provide the productive capacity needed to drive future social and economic development. These contributions therefore represent the legacy the funds have generated for the local community and the foundation upon which future benefits will be built.

## 9.3 What's Next: Challenges and Opportunities

While this study has shown that the Achany and Rosehall wind farms community benefit funding has delivered multiple benefits for the local area, more can always be done. Consideration of future challenges and opportunities is outwith the remit of this study, but the research revealed some valuable insight that is summarised below for completeness.

### 9.3.1 Community Resilience

Feedback from stakeholders suggests they see themselves as a community that is surviving rather than thriving. However, this study illustrates that the community has become more resilient and empowered, and they are now in a good place to build upon what they have learnt and look outwards for opportunities as well as within.

The community benefit funding from Achany and Rosehall wind farm community benefit funds have ten years left to run and there are concerns that the activities funded to date may not be sustainable beyond this. As highlighted above, much of the impact realised because of the funding to date is associated with the five key delivery bodies. However, as important as these organisations are, they remain fragile and (in most cases) critically dependent on third party funding. A major challenge for the future will therefore be how to sustain these organisations and maintain the capacity embedded within them in the longer term.

### 9.3.2 Legacy Benefits

The aspiration for sustainable funding of community services and activities is associated with stakeholders' desire to create legacy benefits from the wind farm funding. There is a feeling of disconnect between the windfarm and communities and a lack of awareness that the activities in the area are due to community benefit funding. Some stakeholders feel that the recipient communities have no direct links with the wind farms, or, as one consultee put it have "no skin in the game".



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It is beyond the remit of this study to consider how this might be addressed, however developing better synergies between wind farm developers could create opportunities for the community to become more involved/invested in the windfarm and for the wind farms to become more involved/invested in the communities. If this could be achieved then it could provide the community with a more sustainable income and greater awareness of the social and economic benefits of wind farms.

### **9.3.3 Strategic Projects**

The Achany and Rosehall wind farm community benefit funds have supported a wide range of activity. Some of this is typical of the type of activity supported by other wind farms elsewhere in the country, but this study has also highlighted examples of more strategic projects and initiatives that are less common. The delivery of affordable housing in partnership with regional social housing providers and the support provided for apprenticeships through the Kyle of Sutherland Apprenticeship scheme are both examples of these kinds of projects.

Both models have the potential to be replicated elsewhere (or potentially expanded within the region should additional funding become available). Ensuring the lessons from this experience are widely shared could therefore enhance the legacy of the funds by helping other areas to replicate and learn from this experience.

### **9.3.4 A Collaborative Approach**

The Achany and Rosehall wind farm community benefit funds are also unusual in that they are administered using a multi-community and multi-developer collaborative model believed to be unique in Scotland. This collaborative model has multiple benefits (see section 8.3). Chief amongst these is the ability to support the development of a rich and deep civic ecosystem comprised of meaningful social relationships, structures that enable collective action and positive norms of civic engagement, reciprocity and trust.

The evolution of this social capital and the ongoing benefits it will generate for the communities affected is the defining achievement of the Achany and Rosehall wind farm community benefit funds. There is much to be learned from this approach.



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