



Community Asset Transfer Scheme (CATS): Community Access to Wind Repowering Pilot

Asset Transfer Request Guidance - Option to Lease

DRAFT: 30 September 2026

STATUS OF THIS GUIDANCE

This guidance is published in draft form as part of the CATS Repowering Pilot. It will be reviewed and updated throughout the pilot to reflect feedback, experience, and learning from its application.

We welcome feedback on the content, clarity, and usability of this guidance. Any comments, questions, or suggestions for improvement can be sent to fls.communities@forestryandland.gov.scot.

1. General Guidance

The CATS Repowering Pilot – Community Access to Wind Repowering Pilot reflects Scottish Government policy that recognises onshore wind repowering as a major opportunity to expand full community ownership of renewable energy assets. It supports the Scottish Government’s commitment to prioritise community use of public land for renewable energy, and forthcoming updates to the Community Asset Transfer Guidance which will advise relevant authorities to give particular consideration to land that may be capable of supporting community-owned, leased or controlled renewable energy generation, storage or associated infrastructure.

The pilot offers the opportunity for a Community Transfer Body to develop and deliver a repowered commercial wind farm for the benefit of their community. It enables community-led approaches that retain economic value locally, strengthen community wealth and ensure the benefits of the transition to net zero are felt most strongly in the communities that host renewable energy projects.

1.1. What is Repowering?

Repowering a wind farm means removing the old turbines and installing newer, often more powerful models. Repowering can:

- Extend the productive life of a proven wind energy site by many years
- Increase renewable energy output from the same land area
- Improve project economics through higher energy yields and lower operating costs per MWh
- Potentially make use of existing grid infrastructure and established access routes
- Continue to generate income from public land and provide community benefits

1.2. CATS – Community Access to Wind Repowering Pilot

The CATS Pilot: Community Access to Wind Repowering provides a dedicated window for eligible Community Transfer Bodies to explore the feasibility of repowering a wind farm site on the national forests and land and developing an asset transfer request. Community Transfer Bodies who note interest in one of the notified CATS Pilot sites will have 12 months to make a request for an Option to Lease the site through CATS before FLS will consider negotiations with commercial developers for a lease extension or begin commercial tendering of the repowering opportunity. This ensures communities have time to prepare their asset transfer request.

FLS will evaluate all valid asset transfer requests for wind repowering against the the CATS Repowering Pilot Evaluation Criteria **to be published.**

An **Option to Lease** (or Option agreement) for a wind farm is a legal contract that grants a renewable energy developer the exclusive right to investigate a specific area of land within an

agreed timeframe before committing to a full construction lease. The Option to Lease gives a community body who wants to repower one of the pilot sites the exclusive right to secure a long-term land lease only after confirming a site is economically and legally viable.

If planning consent is granted and the developer wishes to proceed with the project, they will exercise the Option which triggers the legal requirement for both parties to enter into the long-term Lease agreement which will cover the construction and operational phases of the project.

1.3. Eligibility

To be eligible to make an asset transfer request for an Option to Lease under the Community Empowerment (Scotland) Act 2015, you must be a “community-controlled body” as defined in [Section 19](#) of the Act. The Scottish Government’s [Asset Transfer Guidance for Community Bodies](#) Section 5 provides further guidance on the requirements. The key criteria are that your articles, constitution or rules must:

- **define the community represented by the body** – the members of the defined community, the “Ordinary Members”, must control the organisation, ie have voting rights, elect trustees, make up the majority of trustees.
- **be open to any member of that community** – an individual who is a member of the community must have the right to join with no additional requirements. Trustees or Directors must accept applications from any eligible member of the community.
- **ensure that the majority of members are community members** – so the body is always “community-controlled”, Ordinary Members must always be in the majority.
- **ensure that members of the community control the body** – as well as the points above, the majority of trustees or directors must be Ordinary Members elected by the Ordinary Members.
- **one of the purposes must be the promotion of a benefit for that community**
- **provide that surplus funds or assets are applied for the benefit of the community**

FLS also has a duty to ensure that your structure and governance is appropriate for the responsibilities you are seeking to take on. For an Option to Lease for repowering a wind farm, your Community Transfer Body must also be incorporated as one of:

- Company limited by guarantee
- Scottish Charitable Incorporated Organisation (SCIO) or
- Community Benefit Society (BenCom)

2. Key Stages

2.1. Pre-asset transfer: initial feasibility and pre-planning

The development of your asset transfer request covers the initial feasibility and pre-planning to allow the Community Transfer Body to determine if: the repowering is a viable proposition; identify appropriate structures for the Community Transfer Body to make the asset transfer request; agree community and other partners required to deliver the project; engage with the planning authority to check no major changes to national and local planning policy since existing site developed; confirm any off-site land arrangement such as compensatory planting; and engage with the DNO and the current operator to understand the handover of the grid connections. Your initial feasibility should include a preliminary site layout, yield, and basic financial modelling to allow you to state in the asset transfer request the rental that will be paid.

During this period, you must also carry out community consultation to be able to set out the level and nature of the community support for the community-led asset transfer request to repower the wind farm.

Support for community bodies to develop an asset transfer request is available:

- [Local Energy Scotland](#) manages the Scottish Government's Community and Renewable Energy Scheme (CARES). CARES provides funding, advice and practical support to help communities develop successful renewables projects.
- [Development Trust Association Scotland \(DTAS\)](#) promotes, supports, and represents Development Trusts across Scotland. DTAS delivers the Community Ownership Support Service (COSS) funded by the Scottish Government to support community groups in sustainable asset transfer. DTAS also delivers the Democratic Finance Scotland programme funded by Scottish Government, Acorns to Trees and Esmée Fairbairn Foundation, to support communities to consider and use alternative methods of raising funding and finance to secure their long-term financial sustainability.
- [Community Energy Scotland](#) is a member-led, independent organisation providing practical and technical support for community project development.

2.2. Asset Transfer Request

2.2.1 Validation of your asset transfer request

Part A of the asset transfer request form covers the information that must be included to make a valid asset transfer request.

On receipt of your asset transfer request, FLS will check that your organisation is an eligible Community Transfer Body and that your request contains all the required information.

We will confirm receipt of your request within 5 working days and you will receive a formal acknowledgement letter within 10 working days to confirm whether your Request is valid.

To be valid, an asset transfer request must include the information set out in the [Scottish Government's asset transfer guidance for community transfer bodies](#) Section 8: How to Make an Asset Transfer Request. You should complete the asset transfer request (see CATS Repowering Form Guidance) and you may provide additional information to support the evaluation of your request.

If the request is not complete, FLS will write to you within 10 working days to request the information required to validate your asset transfer request, with a deadline for a response.

If you do not submit your valid asset transfer request by the stated deadline or if you do not provide the additional information required to validate the asset transfer request by the deadline given for that information, FLS will consider the process to be at an end and will determine the most appropriate route for the future management of the asset which may include engaging with the incumbent developer or offering the repowering opportunity on the open market.

2.2.2 Notification and Representations

Your asset transfer request will be made available online. FLS will publish your request on our website and make other people aware that an asset transfer request has been made, and of how they can make representations about it. This will include:

- Notifying any tenant occupier of the land the asset transfer relates to, including any group which has an agreement for regular use of the land
- Putting up a notice on or near the land

The notices will state that the asset transfer request and associated documents can be inspected online and set a deadline of at least 20 working days for people to make representations about the request.

If any representations are received in response to these notices, FLS will send copies to the Community Transfer Body and publish the representations online. FLS will advise you of the deadline by which the Community Transfer Body can respond to the representations, which will be at least 20 working days from the date on which the copy is sent.

In the event that the Community Transfer Body considers any information supplied by it is either commercially sensitive or confidential in nature, this must be specifically highlighted to FLS with the reasons for its sensitivity or confidentiality and an explanation of the grounds for exempting or excepting that information from publication. You should note that even where you indicate

that any information is commercially sensitive or confidential in nature, FLS may disclose such information under FOI or EIRs if a request is received. The final decision as to whether information should be disclosed shall be at FLS's sole discretion. Information marked as commercially sensitive or confidential by the Community Transfer Body should not be taken to mean that FLS accepts any duty of confidence by virtue of that marking.

2.2.3 Evaluation

FLS will undertake a robust and thorough evaluation of your request. FLS will consider the principles and recommendations set out in the Scottish Government's [Community Empowerment \(Scotland\) Act 2015: Asset Transfers Social Value Guidance](#) as part of its assessment and evaluation of asset transfer requests.

The decision on the request will consider advice from relevant officers including property, legal, finance, and energy development within FLS and Scottish Government, commissioning external specialist advice as required and the recommendation of the CATS Evaluation Panel.

- **Evaluation of commercial terms** - We will assess the commercial terms submitted as part of your proposal to ensure they are fair and reflective of current market conditions. To maintain an independent and transparent process, we will appoint an external professional adviser to compare proposed rents and fees against relevant market evidence.
- **CATS Evaluation Panel** - FLS has appointed a seven-person independent CATS Evaluation Panel to provide independent and impartial advice to FLS on asset transfer requests. The Panel members have a breadth of experience and expertise and will evaluate proposals against the aims of the Community Empowerment (Scotland) Act 2015 and the CATS Repowering Pilot Evaluation Criteria **to be published**. The CATS Evaluation Panel will make a recommendation to FLS to support the decision-making by FLS' Chief Executive.

We may also ask you for more information during the assessment and evaluation process, prior to finalising the decision on the asset transfer request.

Some questions will be more important to FLS than others. To ensure this is correctly reflected, each question will be given a weighting. Therefore, the score awarded to your answer to each question will be multiplied by the weighting to calculate your final weighted score for that question.

2.2.4 Decision

Once FLS has evaluated your asset transfer request, we will issue a decision notice within six months from and including the date the valid asset transfer request was received. The decision notice will set out whether the request has been approved or refused, and the reasons for that decision.

If your request is approved, this will be accompanied by an Option to Lease with a **deadline of six months for the Community Transfer Body to submit an offer** to enter into an Option to Lease the site, based on the terms and conditions specified in the decision notice. A draft Option to Lease agreement document will be provided to Community Transfer Bodies who note interest, and on request.

The decision notice will set out the commercial terms on which FLS is prepared to agree to the transfer. This may be the same as or different from the terms set out by the Community Transfer Body in the asset transfer request. The decision notice may also include conditions that the Community Transfer Body would need to meet before FLS would enter into the Option to Lease, for example having the appropriate level of insurance in place to carry out works under the option.

If you do not receive a decision by the deadline, you may seek a review by the Scottish Ministers within 20 working days of the deadline for the decision to be issued. **You may also seek a review by the Scottish Ministers if your request is refused, or if the request is agreed but the decision notice specifies material terms or conditions which differ to a significant extent from those specified in the request.** The application for a review must be made within 20 working days of the decision notice. Guidance on requesting a review is available at [Asset transfer - Community empowerment - gov.scot](https://www.gov.scot/publications/asset-transfer-community-empowerment/pages/22.aspx).

2.2.5 Offer

Further guidance to be developed on the format of the offer from the community.

2.3. Option to Lease

An Option to Lease Agreement is a legal agreement between a landowner and a developer that grants the developer the exclusive right, but not the obligation, to enter into a lease over the land at a future date. The agreement secures the site for the developer while key project development activities are undertaken.

The option period is typically three years, often with provisions for reasonable extensions where additional time is required to complete project development milestones. During this period, the developer usually pays the landowner an option fee in return for the exclusive right to investigate and develop the site.

The option period allows the developer to undertake detailed feasibility studies, environmental and technical assessments, planning activities, site investigations, and grid connection work before committing to a long-term lease and the associated rental payments.

2.4. Long-term lease

A lease is a legally binding agreement that grants a developer the right to occupy and use land for a specified period in exchange for agreed rental payments and compliance with the lease terms.

The lease period begins once the developer exercises its Option to Lease and secures the rights necessary to construct, operate and maintain the wind farm. Wind farm leases typically last 40 years and provide the developer with long-term security over the site. During this period, the landowner receives rental payments in accordance with the agreed lease terms, while the developer is responsible for the operation, maintenance, and eventual decommissioning of the project. The lease sets out the rights and obligations of both parties throughout the operational life of the wind farm, including access rights, payment arrangements, maintenance responsibilities, and decommissioning requirements at the end of the project.

3. Timetable

The timetable below is set out as a guide. FLS reserves the right to amend the stages and/or timescales in relation to this process if necessary.

If your asset transfer request is not received by the deadline of 22 January 2028, FLS will consider the process to be at an end and will determine the most appropriate route for the future management of the asset which may include engaging with the incumbent developer or offering the repowering opportunity on the open market.

Stages	Dates
FLS issues notification with deadline for notes of interest from Community Transfer Bodies.	30 September 2026
Community Transfer Body submits note of interest in making an asset transfer request	15 January 2027
FLS confirms receipt of interest from the Community Transfer Body and deadline for submission of an asset transfer request	22 January 2027
Asset transfer request deadline	22 January 2028
CATS Evaluation Period	Up to 6 months
Decision notice	by 21 July 2028
Community Transfer Body must submit an offer	by 22 January 2029
Expected Option Signing Date (Backstop date)	by 22 July 2029

4. Additional Guidance

4.1. Disclaimer

The information contained within or accompanying this document has been prepared by FLS in good faith but does not purport to be comprehensive or to have been independently verified. Community Transfer Bodies should not rely on such information and should carry out their own due diligence checks and verify the accuracy of such information. No liability of whatever nature shall be incurred by FLS and/or its advisers regarding the use of such information by the Community Transfer Body. None of the information contained within or accompanying this document is, or shall be, a promise or representation as to existing circumstances or the future.

The Community Transfer Body is responsible for all costs and expenses incurred by them in relation to their participation in this process. FLS shall not be liable for any costs and/or expenses incurred by a Community Transfer Body in preparation or submission of its asset transfer request or its participation in this process, regardless of whether the process is completed, abandoned, or suspended.

For the sites included in the CATS Pilot (a full list of sites is available at [Community Wind Farm Repowering Access - Climate Action | FLS](#)), Forestry and Land Scotland (FLS) considers that repowering of the wind farm *may* be feasible and has not identified specific legal or other matters that would prevent you making an asset transfer request.

FLS gives no warranty or undertaking or makes no representation (in each case whether express or implied) regarding the suitability of the existing site for a repowering project or the viability of such a project¹. Determining the suitability of the site and the viability of any such project shall be the sole responsibility of the Community Transfer Body.

Community Transfer Bodies should seek independent legal advice in relation to any questions on the title to the land, including access rights. FLS has carried out voluntary registration of all national forest and land titles, so these are available on [ScotLIS - Registers of Scotland](#). The titles for the currently notified sites are:

¹FLS has registered all the national forests and land with Registers of Scotland (RoS). The Title Sheet is publicly available through Scotland's Land Information Service (ScotLIS) operated by RoS for an appropriate fee. The title will detail the extent of Scottish Ministers' ownership and will be the main source of details of all rights, obligations, restrictions, agreements and other legal interests that affect or may affect the repowering site.

Where the successful Community Transfer Body is of the opinion that legal title is insufficient for construction and operation of a wind farm it will be up to that Body to negotiate and reach agreement with the relevant third parties. Applicants should not assume that FLS will assist such discussion or facilitate an agreement.

Pilot Repowering Location	Grid Ref	National Forest and Land Title No	Lease Title No
Black Law Kingshill Plantation	NS 875 538	LAN235181	LAN178519
An Suidhe Wind Farm - Eredine Forest - Brenchoille	NN 015 081	ARG26135 ARG26383	ARG19472

4.2. Legal

Experience has shown that legal costs and associated time delays can escalate for all parties in exercises like this. It is highly inefficient for a wide range of individual versions of option and lease documentation to be created, negotiated and (eventually) agreed. Accordingly, FLS will provide Community Transfer Bodies who note interest, and on request, a standard set of draft Option to Lease documents. These documents have been compiled and selected carefully and are in FLS's view acceptable to industry and the legal and financial advisors serving the renewable energy sector. It is important that Community Transfer Bodies making an asset transfer request are very clear on this point at the outset. If any Community Transfer Body considers that the standard Option/Lease documentation is in any way unacceptable to them, then that Community Transfer Body should not complete and submit an asset transfer request. For the avoidance of doubt, by submitting an asset transfer request, the Community Transfer Body confirms acceptance of the draft standard Option/Lease documentation as issued to them.

The Community Transfer Body is advised that if successful, the Community Transfer Body will be required to cover all FLS's legal costs and expenses in relation to entering into the option and lease agreements and this will be a non-negotiable condition of contract award.

If FLS approves the request, we will issue a decision notice notifying the Community Transfer Body of the decision, with the Option to Lease and draft lease agreement. The decision notice will give a deadline by which the Community Transfer Body must submit an offer accepting the conditions in the Option to Lease agreement. The deadline will be 6 months after the decision notice to approve the request has been issued. Legal processes to complete the Option to Lease should then take no longer than 6 months.

4.3. Site Access

Walkover surveys will be facilitated after the confirmation of note of interest, but no intrusive groundworks may be carried out unless and until the Option has been executed for and on behalf of both parties. Access to the site for survey work will require agreement of the existing tenant and a licence from FLS.

It should be recognised that the repowering pilot site is currently occupied under Lease. FLS will grant vacant possession to the successful Community Transfer Body at the date of termination of the existing Lease. Access to the site before termination of the Lease will be in accordance with the terms of the current Lease agreement. Community Transfer Bodies should detail in their asset transfer request their approach to negotiation with the existing operator.