

CARES Community Benefits Toolkit

Securing Community Benefits



The CARES community benefits toolkit builds on the strategic overview presented in the Scottish Government's Good Practice Principles for Renewable Energy Developments. It provides guidance to communities looking to secure, set up, and deliver community benefits that achieve maximum impact and are managed in an accountable way.

The Toolkit is made up of six separate but linked modules. This module:

- Highlights key principles to bear in mind and questions to ask when discussing community benefits
- Sets out how to develop respectful and accountable relations between the renewable energy business and the communities involved
- Provides information on what a written agreement between the renewable energy developer and the communities should cover.

In line with the Good Practice Principles the term renewable energy business is used throughout this document to mean the project owner.

This toolkit is relevant to communities being offered or managing packages of community benefits. Renewable energy businesses may also find it useful.

The previous prevailing model for community benefits has been the setting up of annual funds and as such many of the examples used within the toolkit relate to this. We expect to provide updated versions of the toolkit with new examples as further models are developed.

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At the outset, it is worth ensuring the community(ies) are well placed to secure community benefits that are fair and can maximise delivery of the community's aspirations. This means getting organised, asking the right questions of the renewable energy business about the project, seeking consensus locally about the opportunity, and ideally securing a written agreement over the package of benefits. Achieving some of these things may require some external support.

1. The initial approach

The first conversation about any potential community benefits may involve the renewable energy business approaching the community(ies) or vice versa. Most likely, where a renewable energy business is approaching communities, this will mean the community council if there is one, or another prominent local group, or the local authority. Alternatively, if communities are aware of a potential development in the area, they may wish to discuss the opportunity for community benefits through the community councils or other locally representative body (if there is no community council for the area), who may then wish to approach the renewable energy business.

Gathering information

At this stage the aim is to gather as much information as possible about the renewable energy business's thinking around the shape of any community benefits package. What might they offer, to which communities, and on what terms? They may have a standard policy or approach in place that guides how they invest in communities in the area of benefit. Certainly it's worth looking online to see if the renewable energy business has been involved in any other established sites in the UK - though sites in Scotland will be more relevant. The [Register of Community Benefits in Scotland](#) provides information on arrangements in place in other communities and links to case studies.

Prior to contacting or responding to an approach from a renewable energy business it is helpful if those representing the community(ies) can get ready to communicate with the renewable energy business in a cohesive and organised way, ideally speaking with one voice (see section 5 below).

Early Engagement

Communities are advised to engage in discussions with the renewable energy business over community benefits as early as possible. The sooner discussions start, the sooner relationships may build and the more likely the business and community may come to understand each other's position. It is also less likely that an opportunity will be missed; the community will have the best chance to shape the community benefit package in a way that fits with the local context and can start planning for it. This in turn will likely mean any community benefits achieve greater impact in the longer term and are viewed as something positive by local people.

Early discussions are recommended as once planning consent is secured the renewable energy business is more likely to prioritise the next stage in the development – for example securing finance, fulfilling planning conditions and construction.

2. Which communities are involved?

Decisions around which community or communities are to benefit may or may not have yet been made. Ultimately it is for the renewable energy business to decide which communities will receive community benefits (the “area of benefit”) and, if multiple communities are involved, how this will be split up between communities or centrally managed for the whole area.

Determining the geographical area of benefit can be challenging, no matter which factors are applied. Early discussion between the community(ies) and the renewable energy business will help to shape the area of benefit in a way that considers local context. Guidance on identifying the “area of benefit” for community benefit is given in the Scottish Government’s [Good Practice Principles for Community Benefit from Onshore Renewables and Good Practice Principles for Community Benefit from Offshore Renewables](#). These suggest using community councils neighbouring the renewable energy project as a starting point and then considering the relevance of other factors.

Communities local to the renewable energy project usually wish to be involved in determining the area of benefit for any package of benefits and the Good Practice Principles suggest they should. However, the Scottish Government is keen to encourage renewable energy businesses and communities to consider widening the area of benefit, but at a scale that is commensurate with the community benefits package that is being discussed. If a community feels it has a case to be included within an area of benefit, then it should make representations to the renewable energy business at the earliest possible stage.

Regional or sub-regional funds have emerged in recent years. These arrangements may make sense in some situations, but any decision to widen the area of benefit should form part of the discussions between the community living within the development area and the renewable energy business. These types of arrangements are likely to be most successful when implemented with grassroots engagement and support. Communities may wish to check with the renewable energy business on how they intend to make decisions on this element, if it is being considered.

3. Understanding the scope of the community benefits package

At the outset, discussions with the renewable energy business should explore the package of community benefits opportunities being offered. Examples of what could be included in a package of benefits are:

- A recurring (annual) fund
- In-kind support, such as donations of equipment or staff volunteering on local projects
- Direct sponsorship of local groups, projects or events
- A one-off ‘compensatory payment’ relating to construction activity

- Capital works using heavy plant that is in the area as a result of construction activity, such as improvements to a vital community facility
- A new visitor centre, linked to the wind farm but supporting the local tourism industry too
- Improvements to, and affordable lease of, housing and business units
- Support for the community's own renewable energy project, such as help with feasibility work or sharing a grid connection
- Strategic investments towards regional or area-wide services like higher education courses or apprenticeship schemes (for example linked to renewable energy or engineering) or countryside ranger services, and
- Local energy discount schemes.

Not all renewable energy businesses may be in a position to re-surface the local car parks, for example, but it is certainly worthwhile exploring the full range of possibilities at the outset.

While this toolkit is focussed on voluntary community benefits, there may also be the potential to engage the renewable energy business in a shared renewable energy project via a **joint venture** or **co-operative scheme**. Explore these options with the renewable energy business at an early stage. If they are considering offering this, contact the [local CARES Development Officer](#) for advice on the next steps.

4. Separating community benefit discussions from those over planning consent

Community benefits are voluntary initiatives; they are not a material consideration in the planning process and cannot be a condition of planning permission. Deliberations around a package of community benefits should therefore be an entirely separate process from planning decisions and should be based on the specific needs of local communities rather than the impact of the project. When managed well, engaging with a renewable energy business about community benefits early on does not need to conflict with planning legislation.

It is helpful for both the community(ies) and the renewable energy business if the separation between community benefits provision and planning consent decisions are made clear from the outset to help negate any potential tensions or perceived conflicts of interest.

Top tips:

- Be open and transparent about communications with the renewable energy business
- Be clear that community benefit discussions have no impact on comments in relation to planning consent decisions
- It may help to develop a separate representative structure or sub-group of the community council specifically for this purpose
- Keep a log or minute of the discussions between the community and the renewable energy business that states that contributing to community benefits discussions does not affect an individual or organisation's right to express a view on the development

proposals, and objecting to or supporting the development does not affect their right to discuss the community benefits proposals.

- Ask if the renewable energy business can hold a consultation over the potential community benefit arrangement completely separately from any consultation on the development itself to allow people to freely express their views on the development and still be involved in community benefits discussions.

5. Establish a working / steering group

After the initial approach has been made, the community(ies) will need to bring together the right people to take forward discussion with the renewable energy business, and also decide how to keep the wider community informed at key points in the discussions.

A meeting of all those who have a democratic mandate to represent the community(ies), such as community council and possibly local authority councillors, should be held. It is recommended that other key stakeholders are also involved, such as members of the local development trust, hall committee or other prominent community groups.

However, it is likely that discussions with the renewable energy business will need to be delegated to just a few people, who then feed back to the wider group of stakeholders. This **Community Benefits Working Group or Steering Group** might be a sub-group of the community council for example, or a separate grouping with representatives from each of the main local groups. Consider who should be involved from within the local community (see module *Understanding the Community Context* for more information on the range of potential local stakeholders, also sections 8 and 9 below).

In some cases, there may be an existing group that can take forward the discussions, where the right stakeholders are involved and section 4 (above) is taken into consideration. For example, it is common practice for the renewable energy business to form a 'Community Liaison Group' (CLG); an informal forum comprising representatives from the main groups in the community. The CLG is usually the forum through which the renewable energy business discusses the actual project implementation with community representatives during the pre-construction and construction phases. In some instances, this forum may also become the group through which community benefit discussions take place.

6. Establishing the key features of a community benefits package

The next step is to establish some key information about what is on offer, when, to which communities and for what purpose. The renewable energy business may not have reached a final decision on this so there may be some room to influence this.

When communities enter into discussions on community benefits they need to be aware of the renewable energy business' aims and perspective, and the commercial environment they are operating in. The renewable energy business has to have a financially viable model for the project, and ultimately, is under no obligation to provide the communities with any form of community benefit. That is entirely voluntary.

Key Questions

Before meeting with the renewable energy business, think about the key information that the community requires. Key questions might include:

- Which communities will benefit?
- If more than one community will benefit, is the package to be split or managed as one? If it will be split, in what proportions and on what basis?
- Is the value of the package of benefits aligned with the Scottish Government's [Good Practice Principles for Community Benefit](#)?
- Is an annual fund on offer as part of the package of benefits? If so, what level of funding is being offered? If annual fund is on offer, please see the additional questions in the *Key questions for Community Benefit Funds* annex.

Arrangements

Some renewable energy businesses will have a 'standard' arrangement they offer and may have a preference for a specific model or structure for the community benefit package. Find out if this is the case and whether there is any flexibility in this. If the community is already receiving community benefits, it may be reasonable to ask the renewable energy business to channel the benefits through an existing structure, if that is appropriate (see the module *Getting the Governance Right*) and the community feel it is working well.

Community benefits can be of most value to communities where they can be used to meet the priorities the communities determine, enabling the communities to use them to meet their own needs and aspirations (and which of course will change over time). However, most renewable energy business will likely have a list of things that they do not wish to be supported. In most cases these may be quite understandable; campaigns against renewable energy development or the delivery of statutory functions for example. Some compromise may be required.

Timescales

In line with the Scottish Government's Good Practice Principles, it is reasonable to expect the renewable energy business to provide their anticipated timescale for project development up to the point of first commercial operation, showing key milestones and how community benefit discussions may fit into this timeframe. This will enable communities to plan their own research and discussions in good time and in advance of key meetings with the renewable energy business.

Some community benefits have started from the date of construction rather than of commissioning. Whilst this is not standard practice, where construction activity is significant in terms of duration or inconvenience, this may sometimes be offered by the renewable energy business.

7. Working together

The working or steering group should agree their preferred ways of working and then discuss with the renewable energy business how both parties can best work together. Aim for respectful and accountable practice that can build trust between both parties, ensure clarity

and be the basis of a longer term positive relationship between the renewable energy business and the community(ies).

The Scottish Government's Good Practice Principles set out key principles for community benefits, including the [roles and responsibilities](#) of the community and the renewable energy business.

It is recommended that all meetings are documented and shared with all involved, and then a formal agreement reached between relevant parties over the key elements /aspects of the community benefit package.

Ways of working in a respectful and accountable manner, developed by a group of community representatives with extensive experience in community benefit funds, can also be found in [Foundation Scotland's Firm Foundation Charter](#).

8. The role of community representatives and/or the community council (or similar)

Community representatives involved in community benefits discussions should aim to build broad consensus locally on the purposes and shape of the community benefit package, and reflect that consensus back to the renewable energy business. No one individual should be deemed responsible for community benefits discussions - ideally the working / steering group should agree a common position before any view is relayed to the renewable energy business. They should provide feedback to a wider group (such as the community council) at key junctures in the discussions, and ideally the wider community as a whole. Minutes of meetings between community representatives and the renewable energy business should be publicised.

Where they exist, community councils can and do play an enabling role within their communities around setting up community benefits and facilitating discussion with other groups. Community councillors are elected representatives and accountable under a standard set of rules (within the local authority scheme for community councils) and a code of conduct. They will normally be the first port of call for a renewable energy business's engagement in a community. Where a community council does not exist, there is an expectation that the renewable energy business will engage with another community body that is representative of the views of local people, again if one exists.

There may be some significant other local groups/interests not represented through the community council (or alternative body) but with an appetite for and stake in a potential community fund. Renewable energy businesses, and indeed community councils, should make efforts to identify these groups and ensure they are also engaged and their views reflected in community benefit discussions. Understanding the local context, conducting a stakeholder mapping exercise, and building networks through a genuine community development approach are key to these efforts. See the modules *Understanding Community Context* and the *Developing a Fund Strategy annex* for more detail on these activities.

9. The role of the Local Authority

Local authority involvement in community benefits discussions (and delivery) varies widely from area to area. They may have clear guidelines on what they would like to see from renewable energy businesses, or they may wish to have no involvement in the process. In some areas the local authority may administer and / or hold the funding (where this is part of the available package). Stakeholders should be aware that where funds are administered by a local authority, any awards made to community groups may be assessed as state aid and must comply with State Aid regulations.

The renewable energy business and the community(ies) should discuss the relevant local authority approach, where there is one, and arrive at a mutual agreement on whether this is the most suitable pathway to follow. These guidelines cannot be enforced through the planning system and must remain as optional guidance.

10. Independent support

Discussing and developing community benefits arrangements can become a big job for community stakeholders. Discussions can be complex, involve a diverse range of players and, by virtue of the nature of the development, can stretch over a long period of time – often years. Communities may sometimes find it helpful to bring in additional skills, capacity and knowledge to explore and make the most of the opportunity and to progress with discussions in an informed and confident manner. This may involve bringing in professional support from external parties to explore potential options or scenarios and advise on the best way forward. Such support needs to be informed, considered in light of the specific context, and based on good practice.

External expertise may be available from, for example:

- Local Energy Scotland through the Scottish Government's CARES (Community and Renewable Energy Scheme) scheme – the network of Local Development Officers who can share learning across communities, CARES framework of suppliers and Enablement Grants are available to set-up funds and support activities such as consultations and action planning.
- In some areas, staff of some local or regional agencies or local authorities have useful experience.
- Other vetted third parties offering this kind of specialist support (see below for more information on a framework of these).

To support communities that wish to commission consultants to assist with the design and set-up of community benefit funds, A [framework of suppliers in community engagement services is available as part of the CARES support package \(see the toolkit Overview module\)](#). Suppliers on the Framework have been vetted to check they meet certain standards of service, have relevant insurance in place and charge rates that are within the market norm. Please note however that Local Energy Scotland does not provide recommendations or guarantee the quality of work of any Framework Supplier. Local Energy Scotland also offer guidance on [appointing a supplier](#) and on [managing your contract](#) with them.

It may also be worth looking to speak to a community who has been through the process, to benefit from their experience and knowledge. Local Energy Scotland can help community groups or renewable energy businesses to find a relevant community contact.

11. Communicating with the wider community

Following the initial discussions, and once the scope and shape of the community benefit package is clearer, it is important to broaden local engagement beyond the initial group of stakeholders involved in discussions. As a minimum, think about providing some public information on how the community benefit is shaping up. Minutes of relevant meetings with the renewable energy business or discussions at community council can also be published, including on relevant local websites.

The renewable energy business is encouraged to provide public information on their community benefit offer, for example via a newsletter and/or a project website. Ask them about their communication plans and try to ensure that the information provided by the community is consistent with that of the renewable energy business.

Next, consider the merits in beginning to consult the wider community over how the community benefits may be structured and what it might support. In some cases, it may be best to wait until after a planning consent decision has been made before any consultation on community benefits begins.

For more guidance on consulting the community, see the module *Creating a lasting legacy*.

12. Community Benefits Agreement

It is recommended that community benefits arrangements become formalised through a **legal agreement** between relevant parties. The Good Practice Principles set out the most fundamental aspects the agreement should cover, as follows:

- The proposed community benefit package, including the time period it covers.
- The proposed roles of all involved, including any third parties.
- The protocol for advising the community if a site is to be sold.
- A commitment to honour all agreements should the site be sold on with documents being passed to the subsequent owner.

In addition, it is helpful for the agreement to:

- Clearly define the 'area of benefit'.
- Detail the package value and basis on which it will be calculated, for example an equivalent amount per megawatt installed capacity, index linked. Indexing arrangements should be stated, including whether the Consumer or Retail Price Index will apply.
- State the circumstances under which the package may be reduced or ceased, such as significant periods of downtime of the renewable energy installation.
- If a Fund forms part of the package:
 - Set out payment procedures including the date of first and subsequent payments, and how these will be made.

- Establish arrangements for administration of the Fund, including which body will receive/hold and distribute the monies.
- Agree the renewable energy business's role in contributing to any fund administration costs over and above the Fund's value.
- Clarify whether the Fund is to be deemed charitable for the purposes of tax exemption.
- State the purposes towards which the Fund can be directed.
- Set out arrangements and responsibilities for reporting on the Fund's use and financial position at regular intervals.

Look thoroughly at any terms and conditions – are they clear and do they seem reasonable?

An example template agreement between a community body and the prospective renewable energy business is provided at the CARES website [here](#).

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