



Department
of Energy &
Climate Change

Community Benefits from Onshore Wind Developments: Best Practice Guidance for England



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Community Benefits from Onshore Wind Developments

Best Practice Guidance for England

**Prepared by Regen SW
for the Department of Energy and Climate Change**

Contents

Contents	4
Ministerial Foreword	6
Introduction	8
What are community benefits?	8
The opportunity	9
The audience	9
Community benefits in the UK	10
Using this best practice guidance	11
Principles of best practice	13
Preparation phase guidance:	15
Background to community benefits	15
Considering community benefits	15
Community benefit funds	16
Benefits in-kind	18
Preparation phase guidance:	22
Who should be involved?	22
Preparation phase guidance:	26
Communicating effectively	26
Checklist for communities at the preparation phase:	27
Checklist for developers at the preparation phase:	28
Checklist for local authorities at the preparation phase:	29
Planning phase guidance:	30
Planning and the role of local authorities	30
Community benefits and the planning system	30
Planning obligations	31
Neighbourhood, Community and Parish plans	31
The role of Parish/town Councils	32
Checklist for communities at the planning phase:	33
Checklist for developers at the planning phase:	33
Checklist for local authorities at the planning phase:	34
Post-consent guidance:	35
Negotiations and agreement	35

Widening the area of benefit provision.....	35
Securing the benefits - benefits in-kind.....	35
Securing the benefits - Community Funds.....	36
Post-consent guidance:	38
Governance and administration	38
A Fund Administrator	38
Setting up a new organisation to administer a benefit fund.....	39
Best practice in administration	40
Distribution of funds	40
Match funding	41
Reporting	41
Checklist for communities at the post-consent phase:	43
Checklist for developers at the post-consent phase:	44
Checklist for local authorities at the post-consent phase:	44
Operational phase guidance:.....	45
Effective delivery and ongoing sustainability	45
Ensuring effective fund spend – a community plan.....	45
Ongoing questions for the community to consider:	48
Ongoing questions for the developer to consider:.....	48
Ongoing questions for the local authority to consider:	48
Related documents	49
Acknowledgements	50

Ministerial Foreword



Communities hosting renewable energy play a vital role in meeting our national need for secure, clean energy and it is absolutely right that they should be recognised and rewarded for their contribution.

The UK is facing an unprecedented energy challenge: we need to move from finite, high-carbon fossil fuels to clean, secure energy. Onshore wind has a key role to play in this future energy mix. Not only is it the cheapest form of large-scale renewable energy, which by 2020 is expected to power between 5.9m and 7m homes, it also has the potential to deliver significant benefits to local communities across the country. Whether by creating jobs and apprentices, funding local community projects and facilities or reducing electricity bills, onshore wind can make a real difference to local communities.

The Coalition has been clear that the benefits of onshore wind projects must be shared with those communities hosting them. Seizing this opportunity requires ambition, innovation and commitment on all sides. Last year I was pleased to announce that the onshore wind industry, through its industry-wide community benefits protocol, had committed to a five-fold increase in the value of community benefit funds paid to local people. Now at a minimum level of £5,000 per MW per year, these funds are delivering millions of pounds worth of long-term investment to local communities. And in addition to increasing the level of benefits, we committed to helping communities and developers work together to provide the types of benefits that local people truly want, in a way that is fair to all concerned and through a clear, transparent process.

This best practice guidance, drawn up in partnership between Government, community organisations and the onshore wind industry, raises the bar for community benefits.

Recognising that every community is unique and no single approach fits all, it showcases existing good practice and sets out clear expectations and principles for developers, local authorities and communities themselves.

Alongside this guide, I am also publishing new best practice guidance on engagement between communities and the onshore wind industry and later this year we will launch a new Register of Community Benefits and Engagement to further help communities develop packages that are right for them. Furthermore, we have set up the Shared Ownership Taskforce to develop a framework to guide the offer of shared ownership to communities which is expected to be launched shortly.

Taken together, this package is part of a step-change in the way that communities and onshore wind industry work in partnership, ensuring a future in which everyone is part of the renewable energy revolution.

A handwritten signature in black ink, appearing to read "Edward Davey", with a short horizontal line underneath it.

The Rt Hon Edward Davey

Introduction

Communities have a unique and exciting opportunity to share in the benefits that their local wind energy resources can bring through effective partnerships with those developing wind energy projects.

What are community benefits?

Community benefits can bring tangible rewards to communities which host wind projects, over and above the wider economic, energy security and environmental benefits that arise from those developments. They are an important way of sharing the value that wind energy can bring with the local community.

Community benefits include:

1. **Community benefit funds** - voluntary monetary payments from an onshore wind developer to the community, usually provided via an annual cash sum, and
2. **Benefits in-kind** - other voluntary benefits which the developer provides to the community, such as in-kind works, direct funding of projects, one-off funding, local energy discount scheme or any other non-necessary site-specific benefits.

In addition to the above, there can also be:

3. **Community investment (Shared ownership)** – this is where a community has a financial stake, or

investment in a scheme. This can include co-operative schemes and online investment platforms.

4. **Socio-economic community benefits** - job creation, skills training, apprenticeships, opportunities for educational visits and raising awareness of climate change;
5. **Material benefits** - derived from actions taken directly related to the development such as improved infrastructure.

This document contains guidance on community benefit funds and benefits in-kind (points 1 and 2). The provision of these community benefits is an entirely voluntary undertaking by wind farm developers. They are not compensation payments.

Material and socio-economic benefits will be considered as part of any planning application for the development and will be determined by local planning authorities. They are not covered by this guidance.

Guidance on shared ownership schemes is being produced by the Shared Ownership Taskforce¹. The Taskforce includes representatives from the renewables industry and the community energy sector, and was convened following the launch of the Community Energy Strategy². Their objective is to develop a framework to increase the offer

¹ Shared Ownership Taskforce

<https://www.gov.uk/government/groups/shared-ownership-taskforce>

² Department of Energy and Climate Change (2041) Community Energy Strategy: Full report.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275163/20140126Community_Energy_Strategy.pdf

of shared ownership schemes to the community. This is to achieve the vision set out in the Strategy that from 2015 it should be the norm for communities to be offered the opportunity of some level of ownership of new commercial onshore renewable energy developments. The relationship between shared ownership and community benefit funds is also being explored by the Taskforce. Shared ownership is therefore not covered within the scope of this guidance.

The opportunity

The provision of local benefits to communities hosting wind farms offers a unique and unprecedented opportunity to communities. The provision of benefits is already commonplace, with many onshore wind developers providing voluntary contributions in various forms over the lifetime of the project.

Even though the provision of benefits is voluntary, community benefit schemes have become a well-established and integral characteristic of onshore wind developments over 5 Megawatts (MW) capacity in England.

The wind industry through RenewableUK has consolidated this voluntary approach by coming together to produce a protocol which commits developers of onshore wind projects above 5 MW (Megawatts) in England to provide a community benefit package to the value of at least £5000 per MW of installed capacity per year, index-linked for the operational lifetime of the project.

Community benefits offer a rare opportunity for the local community to access resources, including long-term, reliable and flexible funding to directly enhance their local economy, society and environment. These resources also offer an opportunity to gain access to and leverage for funding from other sources.

The best outcomes tend to be achieved when benefits are tailored to the needs of the local community. However, in the absence of readily available information about what has happened elsewhere, it can be difficult for communities to find out what they might expect from a community benefits package

and to feel confident about agreeing benefit packages.

The audience

The aim of this best practice guidance is to help communities in England to better understand the opportunities available to them from community benefits and help communities, developers and local authorities in England to:

- tailor community benefit packages to suit individual local communities' needs.
- be flexible in approach, to enable the best outcomes to be reached, for all involved, over time.
- identify innovative solutions which can differentiate businesses in the market and put places on the map.

It has been developed by Regen SW in close partnership with DECC³, representatives from the onshore wind industry including RenewableUK, organisations representing the community sector and local authority representatives.

This guidance is designed to recognise, facilitate and promote approaches which ensure a proportion of the tangible benefits that flow from wind farms go directly to the communities nearby, in a way that reflects the communities' needs. It is intended to help the parties involved in developing wind energy projects to work together, building on earlier guidance.

This guidance is relevant for all onshore wind developments in England, including proposed developments of greater than 50 MW (Nationally Significant Infrastructure Projects) which require planning consent from the Secretary of State for Energy and Climate Change rather than the local planning authority.

For onshore wind developments below 5 MW installed capacity where the developers are offering some form of community benefit provision, the guidance should be applied at a

³ The Department of Energy and Climate Change

scale appropriate to the size of the development.

The term '**community**' is used throughout this document as a way of identifying people living locally to an onshore wind development i.e. communities of locality⁴. We fully recognise this term does not reflect all of the complexities and ambiguities within a community, for example, not all local residents will form a single community or group. There are also divergent forms of community belonging – communities of place and communities of interest (a shared outlook to faith, politics, social interaction, ethnicity or common interests) – both of which may be relevant in the context of community benefits around onshore wind energy projects^{5, 6}.

This guidance is intended to provide support to anyone living or working in the locality who could be involved in discussions about community benefits from an onshore wind energy development.

Developers are those individuals/community groups/businesses who are working to harness onshore wind energy under any business model.

Local Authorities have an important role in negotiating community benefits and it is hoped this guidance will be a valuable tool to spread best practice and assist local authorities to engage effectively with the process of establishing community benefits. In addition to the local planning authority, which may be a district or unitary council, other local authorities (parish councils or county councils) may play a significant and supporting role in the planning process, as they will be consulted on any local planning applications and could

provide significant support in the process of securing community benefits.

Community benefits in the UK

Whilst this guidance has been produced for England, it takes into account examples of best practice from other parts of the UK where work is also being undertaken in this area.

The Scottish Government has published good practice principles⁷ designed to maximise community benefit from onshore renewable energy developments. The key principle is the promotion of a national community benefits package rate equivalent to at least £5,000 per MW per year, index-linked to inflation for the operational lifetime of the development (see link for agreed [England community benefits](#)). Under the Scottish Government's Community and Renewable Energy Scheme (CARES) there is a Scottish Register of Community Benefits on which developers and communities can submit information on the community benefits they have contributed and received⁸.

The Welsh Government has recently launched the 'Register of Economic and Community Benefits from Onshore Wind'⁹. The register, which was developed with significant involvement from the wind industry, is the first of its kind in the UK to include economic data and provides a transparent system to capture the level of funding Welsh communities hosting onshore wind developments receive and the wider benefits they enjoy as a result.

The Welsh Government's 'Community Benefits Best Practice Guidance', aimed at assisting both communities and developers, will be published later this year. Initially focussed on the onshore wind sector, it is intended that both the register and the guidance will continue to develop in order to encompass all renewable technologies.

⁴ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit.

<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>

⁵ Walker, G., Hunter, S., Devine-Wright, P., Evans, B. and Hunter, S., Fay, H. (2007) Harnessing community energies: explaining and evaluating community-based localism in renewable energy policy in the UK. *Global Environmental Politics*, 7(2), 64-82.

⁶ Walker, G. and Devine-Wright P. (2008) Community Renewable Energy: What does it mean? *Energy Policy*, 36, 497-500.

⁷ Local Energy Scotland; Natural Scotland (2013). Scottish Government Good Principles for Community Benefits from Onshore Renewable Energy. Developments.

www.localenergyscotland.org/goodpractice

⁸ Scottish Government Register of Community Benefits from Renewables <http://www.localenergyscotland.org/view-the-register/>

⁹ Welsh Government: Register of Economic and Community Benefits from Onshore Wind www.wales.gov.uk/windenergybenefitsregister

A draft Northern Ireland Action Plan is being prepared which, learning from examples across the rest of the UK, will include actions to develop best practice guidance and a community benefits register.

Using this best practice guidance

This best practice guidance has been developed alongside, and should be read in conjunction with, the Best Practice Guidance on Community Engagement¹⁰.

The guidance documents are based upon the basic flow of the development process set out in [Figure 1](#). They set out the six fundamental principles of good practice ([Figure 2](#)) which then flow throughout the guidance. They highlight current best practice used by communities, developers and local authorities across the UK. This document also contains operational examples of community benefit packages from around the UK.

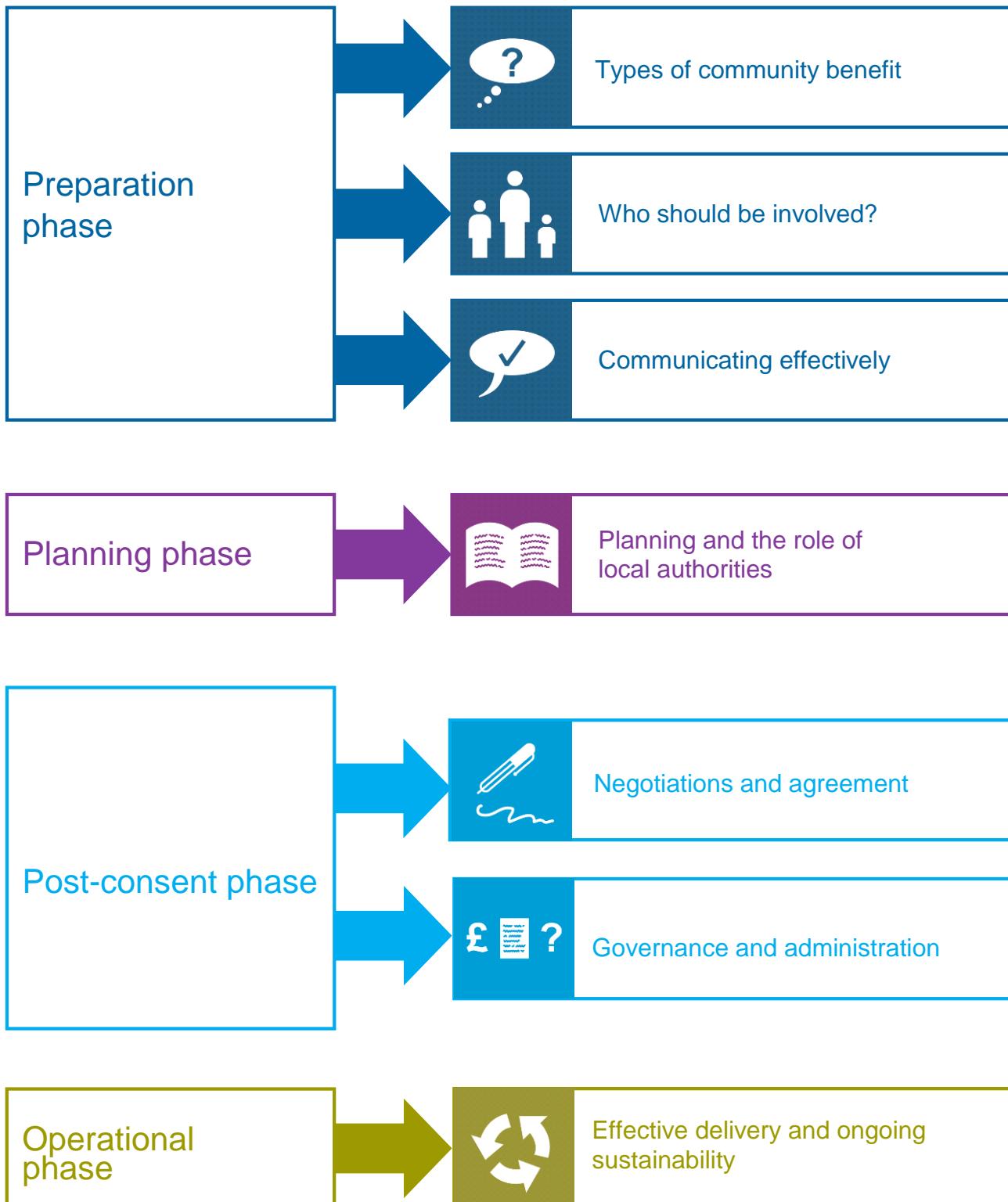
The guidance documents are designed to sit alongside the English Community Benefits Register once it is available later this year, which developers can use to record information about community benefit packages they have offered and/or provided and communities can use to record ways in which they have chosen to use the community benefits offered.

They have been designed so that they can be read as a complete report or as individual guidance notes, which provide advice and support at each stage of the development process (preparation phase, planning phase and post-planning consent phase).

¹⁰ Department of Energy and Climate Change (2014) Community Engagement for Onshore Wind Developments: Best Practice Guidance for England.
<https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind>

Figure 1. Establishing community benefits through the wind development process

This is a simplified illustration of the process which will vary from development to development, due to a variety of factors.



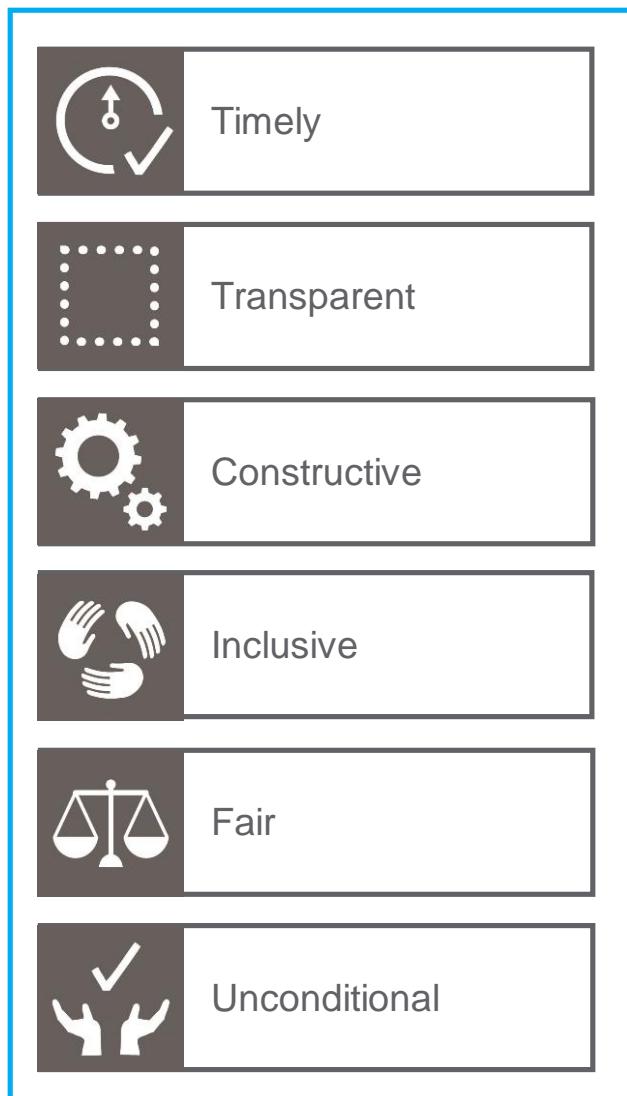
Principles of best practice

The fundamental principles of best practice in establishing community benefit provision from onshore wind developments, which are the foundation for this guidance document, are set out.

These six overarching principles run as themes throughout the guidance. The Guidance provides a detailed explanation as to how they can be applied at each stage of the development process.

Fair and inclusive engagement principles are supported by academic research pointing out the importance of justice (both procedural and distributional) as a factor that influences social acceptance of wind energy^{11 12 13}.

Figure 2. Principles for establishing community wind benefits



¹¹ Gross, C. (2007). Community perspectives of wind energy in Australia: The application of a justice and community fairness framework to increase social acceptance. *Energy Policy*, 35, 2727–2736.

¹² Wolsink, M. (2007). Planning of renewables schemes. Deliberative and fair decision-making on landscape issues instead of reproachful accusations of non-cooperation. *Energy Policy*, 35(5), 2692-2704.

¹³ Wolsink, M. (2007). Wind power implementation: The nature of public attitudes: Equity and fairness instead of 'backyard motives'. *Renewable and Sustainable Energy Reviews*, 11 (6), 1188-1207

Timely

All parties should consider and communicate how they can contribute to the process of providing community benefits in a timely fashion. Developers should state their approach to community benefits at the point that details of the proposed development are made public, to allow the community time to consider how and when they wish to engage in negotiations.



Transparent

Transparency and integrity should be a priority in both establishing and administering community benefit schemes for all parties involved. Details of community benefit packages agreed should be included on the English Community Benefit Register, once available, by both developers and fund administrators.



Constructive

All parties involved should engage in a positive manner and aim to create and strengthen relationships based on mutual trust. All participants should focus on creating a positive legacy which generates tangible benefits in the area local to the development.



Inclusive

All parties should look to involve a wide range of local stakeholders and help to identify and engage people in the community. Developers should follow best practice engagement techniques set out in Community Engagement for Onshore Wind Developments: Best Practice Guidance (2014) in an attempt to include the full range of potential stakeholders. They should apply consistency in their approach to engagement and should cooperate with other developers in an area, where appropriate, to enable better strategic outcomes.



Fair

Good governance in the way community benefit packages are distributed and managed should always be applied, with the interest of the community as a whole at the heart.



Unconditional

The offer of community benefits should not be dependent upon support from the community for the wind development, or the granting of consent by the local planning authority. Contributing to community benefit discussions must not affect an individual or organisation's right to express a view on the development proposals. Objecting to, or supporting, the development should not affect an individual's/group's/organisation's right to discuss community benefit proposals.



Preparation phase guidance:

Background to community benefits



Benefit packages should be locally appropriate and tailored to the needs of the community. They should be relative to the scale of development and may encompass a variety of different types of benefit.

This document contains guidance on community benefit funds and benefits in-kind. The provision of these community benefits are entirely voluntary undertakings by wind farm developers and should be related to the needs of the local community.

These community benefits are separate from the planning process and are not relevant to the decision as to whether the planning application for a wind farm should be approved or not – i.e. they are not ‘material’ to the planning process. This means they should generally not be taken into account by local planning authorities when deciding the outcome of a planning application for a wind development.

Currently the only situation in which financial arrangements are considered material to planning is under the Localism Act, as amended (2011)¹⁴ which allows a local planning authority to take into account financial benefits where there is a direct connection between the intended use of the funds and the development.

And Planning Practice Guidance¹⁵ states that “Local planning authorities may wish to establish policies which give positive weight to renewable and low carbon energy initiatives which have clear evidence of local community involvement and leadership.”

Socio-economic and material benefits from onshore wind developments are types of benefit that can be taken into consideration when a planning application is determined by the local planning authority and are not covered by this Guidance.

Considering community benefits

The identification of appropriate community benefits should grow out of discussions between the community and the developer and should be relative to the nature and scale of the proposed development. The earlier these conversations begin, the greater the opportunity for locally appropriate benefits to be identified and delivered effectively.

If developers and communities take a constructive approach to community benefits and begin effective dialogue early in the process, when outcomes can be influenced, effective solutions can normally be reached.

Where possible, local communities should make themselves aware of the scale of opportunity that renewable energy, and wind power in particular, offers their community. It is good practice for the local authority to have

¹⁴ Localism Act (2011), as amended.
<http://www.legislation.gov.uk/ukpga/2011/20/contents>

¹⁵ Department for Communities and Local Government (DCLG) (2013) Planning Practice Guidance for Renewable and Low Carbon Energy; Paragraph 17.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225689/Planning_Practice_Guidance_for_Renewable_and_Low_Carbon_Energy.pdf

undertaken some form of resource assessment setting out the potential of the local area for renewable energy development, and this will be a good starting point for communities.

Communities should consider what approaches to harnessing the wind resource might work best for them. For example, through a community enterprise, working in partnership with a community or commercial developer on a joint venture, or working with a developer to help the local community achieve their aspirations, or a combination of all three approaches.

Communities should ensure they understand what community benefits are being offered by a developer and consider what their vision/aspiration for the local area is, what they want to achieve and whether and how this could be assisted by the wind development being proposed. The focus in the preparation phase should be on what the community could, or would like to, potentially achieve with any income or benefit package which may accrue from wind developments in the local area.

Community benefit funds

Community benefit funds offer a rare opportunity for the local community to access resources, including long-term, reliable and flexible funding to directly enhance their local economy, society and environment. They are an unparalleled opportunity to provide a regular income stream to communities near to a development.

They also offer an opportunity to gain access to, and leverage for, other types of funding from other sources. They should be tailored to the needs of the local community and should ensure a positive lasting legacy is achieved.

Community benefit funds have typically took the form of an annual payment by a developer based upon the installed megawatt (MW) capacity of a wind farm, or more recently, a payment relating to the actual electricity output of the project.

There are a number of different ways, however, in which financial contributions from developers can be made to the community, with the most common being:

- An annual sum paid per MW installed. These are predictable levels of income provided to the community linked to the size of the development and therefore carry a low risk to the communities. An annual sum is usually paid into a fund over the lifetime of the project, with the community determining what the money in the fund can be used for. Annual payments should be index-linked. There is usually a clause in the agreement with the wind developer that if the project ceases generating electricity for a given period for any reason, payments will temporarily cease.
- Variable annual payments linked to profit or electricity output measures.
- Lump-sum payments. Usually initial one-off payments at the outset of a project which can be particularly beneficial when the community is trying to get an initiative off the ground which requires a financial injection.
- Blend of all three elements - fixed, variable and lump-sum payments. The developer and the community should work together to determine which arrangements are best suited to the needs of the community.

Community benefit funds have evolved from humble beginnings over the past 20 years. Now, despite still being voluntary, they are offered by developers of onshore wind projects above 5 MW (Megawatts) in England as standard. RenewableUK in conjunction with, and on the behalf of, the onshore wind industry has voluntarily developed a commitment to provide a community benefit package to the value of at least £5000 per

MW of installed capacity per year, index-linked for the operational lifetime of the project¹⁶.

Early community benefit funds tended to be used to fund short term or capital projects¹⁷ in the community to help make the local community more sustainable. But more recently, some innovative initiatives have been considered by developers looking to increase the long term legacy of these community benefit funds, particularly in communities with larger projects or where there is more than one project, and include an element of the local funds for strategic purposes.

Case study

Braint wind farm: Strategic fuel poverty initiative

In May 2013 West Coast Energy (WCE) signed an agreement with National Energy Action and Energy Action Scotland to tackle fuel poverty. The agreement sees WCE committing to a fuel poverty fund for all their UK wind farms entering the planning system from 2013 onwards.

Braint wind farm, Anglesey, if consented will be the first development in Wales to benefit from WCE's fuel poverty initiative. A planning application for the 2.55 MW project, consisting of three 81m turbines, was submitted in August 2013.

Once operational the community benefit package allows communities in Anglesey to benefit from 10% of operational profits, a percentage which is estimated to amount to £750,000 over the wind farm's 25 year lifetime. The fuel poverty fund will be taken from this total.

WCE estimates £50,000 will be paid into the fuel poverty fund in the first 5 years. WCE is working in partnership with NEA Cymru and Isle of Anglesey County Council

to ensure the alleviation of fuel poverty in the area is successfully targeted.

For more information go to:
<http://www.braintwindfarm.co.uk/community-benefit/>

Case study

Farr wind farm: Assistance for the community

The Farr Wind Farm, operated by RWE Innogy UK (formally known as RWE npower renewables) will invest over £3.5 million into local activities and projects in communities surrounding the site, throughout the lifetime of the wind farm. The community fund is administered by two local trusts.

Care in Strathnairn was set up as a charity in 2007 following consultation where Strathnairn community expressed a desire for community care provision to assist older residents. In its fourth year they now offer a basic handyperson service, representation and guidance services, along with a weekly friendship group. The service is co-ordinated by a paid worker, Paul Davies, with an additional 18 local volunteers.

"This project sits at the very heart of our community here in Strathnairn" says Paul Davies. "No matter what time of day or night it is our members know that we're only just a call away and we're here to provide a helping hand. We are generally out in all weathers clearing drives, putting down salt to support any medical provision getting through the ice. But equally we help older people understand their mail and the bills."

"The Farr Wind Farm fund has provided a considerable injection of funding into the Care in Strathnairn charity. This has helped rejuvenate our community spirit, and made a significant contribution to the lives of many of our older residents."

For more information go to:
www.rweinnogy/uk

¹⁶ Renewable UK (2013). Onshore Wind: Our Community Commitment. <http://www.renewableuk.com/en/utilities/document-summary.cfm?docid=3E03FD17-1D22-4945-9D8F9A019D949C7A>

¹⁷ Vento Ludens Ltd & Docherty Consulting Ltd (2012). Securing the Benefits of Wind Power in Scotland: A new concept for community benefit provision.
<http://www.ventoludens.co.uk/cms/upload/unternehmen/presse/Securing-the-Benefits-of-Wind-Power-in-Scotland-website.pdf>

Benefits in-kind

Benefits in-kind offer an exciting opportunity to provide valuable and tailored benefits which meet the needs of the local community.

Benefits in-kind are additional voluntary measures which the wind developer has agreed with the community. They can provide local improvements that respond directly to the needs and aspirations of the community and can be used to ensure that a positive legacy is left by the development. Examples of benefits in-kind which have been implemented to date include:

- Visitor recreation facilities
- Community amenities
- Job creation initiatives
- Environmental improvement initiatives
- The funding of local events
- Infrastructure improvements (in addition to those required by the Local Planning Authority)
- Community energy generating or saving infrastructure
- Local electricity discount schemes

Benefits in-kind can be a more cost-effective option than the community using cash to procure the benefits they are seeking, so the community effectively receives greater value.

The opportunities for in-kind benefits should be identified from discussions with the community about their aspirations and needs, and should be proportionate to the scale of development proposed. The earlier conversations about community benefits begin, the greater the scope for defining the type of benefits which are most suitable.

Discussions on how a positive legacy can best be achieved should include both local community representatives and those involved in more strategic programs, such as local energy agencies or county or unitary authorities. This will ensure that the best approach is identified and that initiatives are not being provided by the developer which could be funded in other ways. There may

also be additional leverage opportunities, such as complementary funding for the initiative.

Benefits in-kind are not planning-related mitigation measures, which the local planning authority deem necessary to address impacts the onshore wind development may have (see [Planning Phase](#)).

Benefits in-kind can sometimes be delivered during the wind farm construction process. For example, where the benefit relates to a development, building or construction process such as building a visitor centre, it makes sense to do it at the same time. Some benefits in-kind can therefore be received earlier than community benefit funds might, as community benefit payments are generally only made once the wind farm becomes operational.

Case study

Dalry Community Wind farm: Energy advice centre and educational ranger

The wind farm, developed and operated by Community Windpower Ltd, is near Dalry in North Ayrshire. The six 3 MW turbines became operational in June 2006, powering 10,000 homes.

Community Windpower worked closely with the local community to establish how to tailor benefits to the Dalry community via public meetings and public exhibitions.

In addition to donations to local groups and organisations that benefit the community, Community Windpower opened an Energy Advice Centre in Dalry in 2008, employing a local resident as an Energy Advisor. The centre advises local residents on energy efficiency and sustainability issues while providing a focal point for community groups.

Recycling facilities and other services are also provided on site.

Community Windpower also employs an Educational Ranger who works closely with local schools, delivering environmental topics to classes, assisting school trips and offering tours of the wind farm. Family fun days and activities for the community are also held regularly.

For more information go to:
http://www.communitywindpower.co.uk/community_benefits_details.asp?CBProjectID=1

Case study

Habitat enhancement scheme - Beinn an Tuirc

The site at Kintyre is a 46 turbine (30.4 MW) wind farm developed by ScottishPower Renewables.

The Environmental Assessment identified a pair of Golden Eagles at the site, a species protected by European and UK law. Planning conditions required the developer to put in place a monitoring scheme and maintenance programme to reduce the impact on the eagles.

However, the developer went beyond this condition by developing a £2 million habitat enhancement scheme. The Habitat Management Plan included actions to: manage an area of 700 ha of existing heather moorland, clear an area of 450 ha of commercial forestry to enable the natural heather moorland to regenerate, and control predator populations (foxes and crows) as well as employing a full time ranger to manage the site.

This management scheme is seen as a success as the resident pair of eagles are avoiding the wind farm site in favour of the habitat management area and are now breeding successfully. The 450ha of cleared forest has seen natural heather and grasses returning along with maintaining satisfactory populations of grouse.

The Habitat Management Plan is currently under review and the consented extension at the wind farm will see an additional management plan targeted at hen harriers, black grouse and native woodland.

For more information contact:
Peter.Robson@ScottishPower.com

Case study

Mountain bike trails - Ffynnon Oer

RWE Innogy UK (formally known as RWE npower Renewables) sponsored the Afan Mountain Bike Trails, which run close to the wind farm through the nearby Afan Forest Park, as part of the package of investment it offered to the local community in the vicinity of its Ffynnon Oer wind farm.

The sponsorship, launched in 2005, included improvements and upgrades to key sections of the trails, as well as the provision of new signage and a new waterproof guide to help people navigate around what have been voted one of the top ten mountain biking trails in the world.

They also delivered an annual community fund and a program of educational activities in local schools.

Local electricity discount schemes are a fairly new benefit in-kind being offered by some developers in response to local communities' requests for cheaper electricity. Schemes are complex to establish and may not always be possible, however, there are examples provided by companies who have successfully set this type of scheme up in different ways.

Case study

Local Electricity Discount Scheme

In 2012 RES launched its first Local Electricity Discount Scheme (LEDS) as part of the community benefits package for a proposed wind farm in Carmarthenshire.

Through the discount scheme, qualifying properties closest to a wind farm are eligible for a minimum discount of £100 per year off their electricity bill. The LEDS benefit is available to private residences, local businesses and public buildings like schools, libraries and hospitals. Participation in the scheme is voluntary and is not linked to any particular electricity supplier or tariff.

From the start of 2013, RES introduced the Local Electricity Discount Scheme as part of the community benefits package at all its new wind farm projects of 5MW or more submitted

into the planning system, as well as projects already consented or in construction at that date. The first payments under LEDS will be made at Meikle Carewe (Aberdeenshire) and Tallentire (Cumbria) during 2014.

As of April 2014, around 8,000 properties at 23 RES wind farm projects across the UK were eligible to benefit from LEDS.

For more information go to: www.res-leds.com

Case study

Local Electricity Discount Scheme – Delabole wind farm

Delabole wind farm, Cornwall (Good Energy) offers a local tariff discount scheme as part of the community benefits package. The scheme, originally commissioned in 1991, was purchased by Good Energy in 2002 who repowered the site in 2009, replacing ten old turbines with four 2.3 MW turbines, taking its capacity to 9.2 MW.

After vigorous community consultation, Good Energy launched their first community wind farm tariff in 2012. This provided residents living within a two kilometre radius of the wind farm a 20% reduction in energy bills (approximately £100 per household) and a potential “windfall” credit of up to £50, in years of above-average turbine performance. This tariff benefits approximately 400 households in the local community.

Funding was also provided for upgrading Christmas lights with energy efficient bulbs, energy efficient hand dryers for the local primary school and community celebrations for the Queen's Diamond Jubilee.

For more information go to:
<http://www.goodenergy.co.uk/our-wind-and-solar-farms/delabole-wind-farm-redevelopment>

Best practice for communities in identifying which community benefits might be locally appropriate is:

-  considering how a wind energy development could integrate with aspirations for their community within a neighbourhood, community or parish plan.
-  being open about what they are considering and publicising this so that everyone in the community can participate in the discussions.
-  understanding the negotiation of community benefits is an entirely separate process to the planning process and respect and use the appropriate channels to voice opinions on the development itself.
-  involving many different interest groups in discussions and reaching out to those who do not always participate in community discussions.
-  ensuring community benefit discussions are held in an open forum and that a record of these discussions is kept and shared.
-  ensuring all community participants are aware that engagement in the process does not affect their right to have a view on the specific development through the planning process.

Best practice for developers in identifying which community benefits might be locally appropriate is:

-  stating, at the time that details of their proposed development are made public, their approach to community benefits and offering to discuss the scope of the opportunity with the local authority and community.

-  ensuring they complete the English Register of Community Benefits so that communities can see examples of the types of benefits offered through other projects and best practice can be shared
-  listening to and respecting the views of the community.
-  ensuring effective engagement so that it is well-known across the wider local area that the offer of community benefits has been made. Undertaking research into what plans and strategies have already been established locally and what techniques might best be used to engage people within the community who do not normally participate in community discussions.
-  ensuring community benefit discussions are held in an open forum and that a record of these is maintained and shared.
-  ensuring it is made clear to all parties involved in community benefit discussions, that engagement in those discussions does not affect their right to have a view on the development through the planning process.
-  issues such as community benefit, and keeping this separate from the planning process.
-  considering how they can support developers and communities to engage in meaningful discussions on potential community benefits and work together for mutual benefit.
-  ensuring it is well known across the local area that the offer of community benefits has been made by a developer. Supporting different interest groups to engage in the development of community plans, and provide support to communities in reaching out to those who do not always participate in community discussions. Sharing any expectations that the local authority may have on how a community benefit fund may be administered or distributed.
-  ensuring community benefit discussions are held in an open forum and that a record of these discussions is kept and shared.
-  ensuring it is made clear to all parties involved in discussions, that engagement does not affect their right to have a view on the development through the planning process, and how and when they are able to do this.

Best practice for local authorities in identifying which community benefits might be locally appropriate is:

-  supporting communities in working constructively with developers of projects in their area from pre-application stage onwards and encourage timely responses from all sides in the provision of information and positions.
-  making resource assessments and other information available to local communities to support them in their plan making and negotiations. Providing clear guidance to elected members and residents on discussing non-material



Preparation phase guidance:

Who should be involved?

The makeup of those involved in establishing and operating a community benefits package will vary depending on the location of the associated development.

A flexible and well informed approach should be adopted in order to meet the needs of the host community.

The use of creative engagement techniques, tailored to different groups, can ensure that people from across the community are engaged in constructive discussions on community benefits from an early stage.

Identifying interested parties and defining the 'community'

Engagement on community benefit schemes should reach at least the same geographical area as the consultation on the development itself.

How the local community is then defined will be shaped by a number of factors, including physical and human geography and local culture, which plays a huge role in determining how a community defines itself. There are a number of different ways in which the community can be defined^{18 19}.

¹⁸ Local Energy Scotland; Natural Scotland (2013). Scottish Government Good Principles for Community Benefits from Onshore

Not all local residents will form a single community or group, for example, and there are also divergent forms of community belonging – communities of place and communities of interest (a shared outlook to faith, politics, social interaction, ethnicity or common interests) – both of which may be relevant in the context of community benefits around onshore wind energy projects^{20, 21}.

However, best practice here is considered to be the developer obtaining an in-depth understanding of the community or communities who are hosting the wind farm, how they interact with each other, how the wider geography impacts upon the area, and proposing a solution that suits these circumstances.

As part of their community engagement plan, a developer will undertake activities in the area to understand this and should then consult on their definition.

The nature of the community engagement process means discussions about the development itself and those establishing community benefits are likely to overlap at

Renewable Energy. Developments.

www.localenergyscotland.org/goodpractice

¹⁹ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit:
<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>

²⁰ Walker, G., Hunter, S., Devine-Wright, P., Evans, B. and Hunter, S., Fay, H. (2007) Harnessing community energies: explaining and evaluating community-based localism in renewable energy policy in the UK. Global Environmental Politics, 7(2), 64-82

²¹ Walker, G. and Devine-Wright P. (2008) Community Renewable Energy: What does it mean? Energy Policy, 36, 497-500.

times. The distinction between engaging in discussions about the merits of a potential planning application and engaging in discussions about community benefits, not related to the planning process, is not always easy to maintain, especially at the early stage of the development process when the developer's focus will be on raising awareness and building understanding of the project and the opportunities it offers. This means that providing information about the potential onshore wind development, the process of getting to know parties interested in the development and discussions about what the development can bring to the local area in terms of community benefits, are likely to overlap.

As discussions proceed it might be appropriate to formalise a group of participants by establishing a separate 'Community Benefit Liaison Group' to discuss the details of the community benefit package to ensure community benefits discussions are kept separate from the planning process once an application has been submitted. This group, or its equivalent, should work to ensure the wider community is kept informed and is able to influence the process. More guidance on this can be found in the Engagement Guidance²².

Detailed discussions surrounding community benefits should include:

- local residents,
- local businesses,
- representatives from strategic bodies (for example county or unitary authorities, Local Enterprise Partnerships or sustainable energy organisations) who may be aware of other financing options.
- other council officers, councillors, or others who will be consultees on the development e.g. parish councillors.

But generally do not include:

Preparation phase guidance: Who should be involved?

- members of the Planning Committee,
- Planning Officer involved in writing the recommendation on the planning application,
- any person directly influencing the determination of planning permission.

The length of time that onshore wind developments take to proceed through the development process, from site selection and feasibility to entering into operation, will vary from development to development. However, given the length of time can be up to 6 years, it is likely that the people involved in community benefits discussions will change and evolve. It is good practice to set out and keep up-to-date the expected development timetable, as far as is possible, and a list of contacts.

Case study

Wadlow Wind Farm: Community Liaison Group and good communication

RES received planning consent for Wadlow wind farm, South Cambridgeshire, in 2009 and the 26 MW wind farm became operational in September 2012.

Prior to construction, RES formed a Community Liaison Group (CLG) made up of elected representatives from the communities local to the wind farm development. This enabled local communities to put forward their ideas, raise concerns and discuss the project with representatives from RES. Members of the CLG visited the site throughout construction, allowing the community to monitor progress.

Through this arrangement an agreement between the CLG and RES was formed on the use and administration of a community benefit fund. £39,000 per year is paid by RES, over the lifetime of the project, and administered by a panel of four local representatives, supported by Cambridgeshire Community Foundation who hold the funds.

²² Department of Energy and Climate Change (DECC) (2014) Community Engagement for onshore wind: Best Practice Guidance for England. <https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind>

The fund is publicised on the RES website and minutes of all CLG meetings are readily available.

For more information go to:
<http://www.wadlow-farm.co.uk/about-the-project/community-liaison-group.aspx>

Best practice for communities is:

-  Setting out aspirations for the community in a neighbourhood, local or parish plan which could inform how community funds in the area may be used.
-  mobilising the community at the point the developer makes the project public, and consider how to work constructively with the developer to achieve the communities' aspirations. It is important to be aware that in some cases it can take a long time for a project to obtain consent and become operational.
-  documenting initial thoughts and ideas and publicising these so that other people within the community can influence them and participate in the discussions. The community's action plan does not need to be perfect at this stage and is likely to evolve.
-  understanding that the negotiation of community benefits is an entirely separate process to the planning process and respect and use the appropriate channels to voice opinions on the development itself.
-  ensuring that it is well known across the community that the offer of community benefits has been made and work to involve as many different interest groups in the process, reaching out to those who do not always participate in community discussions.
-  ensuring that community benefit discussions are held in an open forum

and that a record of these discussions is kept and shared.

-  not refrain from participating in discussions where reservations about the proposed development exist.
- Engagement in discussions about community benefits does not affect an individual or organisations right to have a view on the development through the planning process.

Best practice for developers is:

-  clearly stating company policies on community benefits and the type of offer open to the community, at the point that details of the proposed development are made public.
-  being clear about who is being engaged and at what level.
-  listening to and respecting the views of the community. If the local community does not wish to engage in discussions until after planning consent has been granted then this position should be respected, if that is representative of the local community. The door should always be left open for the community to re-engage at any point.
-  ensuring it is well known across the local area that the offer of community benefits has been made. An engagement plan should be produced by the developer based on an understanding of the local area, prior to a planning application being submitted.
-  ensuring community benefit discussions are held in an open forum, that anyone is welcome to attend and that a record of key points is made and available for those unable to attend.

 ensuring it is made clear to all parties involved in discussions that engagement does not affect their right to have a view on the development through the planning process.

Best practice for local authorities is:

 supporting communities in working constructively with developers in their area from pre-application stage onwards.

 being clear about their policies and what role they can play in supporting local communities and developers to identify appropriate local solutions. Clearly identify two different officers who will be working on a project – one in charge of the planning process and the other involved in community benefit discussions and ensure these officers are resourced to support the processes effectively.

 supporting the process of identifying interested parties. Local authorities should consider how they can support developers and communities to work together for mutual benefit encouraging the involvement of appropriate staff in

the process, for example the Community Development Officer and appropriate portfolio holders who are not on the Planning Committee. Encourage engagement in accordance with good practice.

 ensuring it is well known across the local community that the offer of community benefits has been made by a developer. Provide support, advice and encouragement to local people to engage in the process.

 encourage community benefit discussions to be held in an open forum and a record of who is involved kept and shared.

 ensuring it is made clear to all parties involved in discussions in community benefits that engagement in the discussions does not affect their right to have a view on the development through the planning process. Explain how and when individuals and organisations can make their views on the development known.

Preparation phase guidance:

Communicating effectively



The key to achieving locally appropriate outcomes is good communication. This means the right people engaging at the right time, in the right way.

Effective communication needs to be tailored to the local community, building on existing channels and reaching the broadest possible audience in the clearest way.

The focus of engagement in the preparation stage is to establish the broad parameters of any proposed community benefits package to ensure that people are aware of the opportunity and have time to collect their thoughts and respond constructively.

It is recommended that the issue of community benefit is consulted upon early, prior to a planning application being submitted. Some communities may not wish to talk about community benefits at this stage, but it is important that the community is given the opportunity and the time to decide how to respond. Where possible it is good practice to agree the basis on which the community benefits package will be based.

The issues on which discussions are likely to take place at this stage are:

- what forms the community benefit will take
- the geographical area
- who should be involved in negotiations and engagement
- how the community benefit package might work

It is important for the developer to establish and implement a flexible engagement plan early on, which is tailored to the communities' needs and meets the principles set out in this guidance. The community and local authority are encouraged to shape the engagement process and suggest appropriate methods or local events and activities which might serve as effective engagement tools.

Engaging local people in discussions about community benefits can have a positive outcome for all those involved. Good engagement is fundamental to achieving these positive outcomes, therefore separate guidance has been developed²³ which should be read in conjunction with this document.

Case study

Pen y Cymoedd: Good communication

The community benefit fund for Vattenfall's 228MW Pen y Cymoedd (PyC) Onshore Wind Project is currently worth £1.8m a year, index linked for 20 years from 2016. This is a significant opportunity to create real and sustainable benefit for the local communities.

Vattenfall has been working closely with the PyC communities since the pre-application phase to understand what they would like to see from the Community Benefit Fund and to ensure that the governance of the fund is set up in the most effective way, guided by the needs of the community. Throughout the process, Vattenfall has focused on ensuring a fair

²³ Department of Energy and Climate Change (DECC) (2014). Community Engagement for Onshore Wind Developments: Best Practice Guidance for England. <https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind>

and open process that will support the development of good ideas and their effective delivery and evaluation.

The Power In The Valleys campaign is using online crowdsourcing and blogging tools to engage and encourage communities to contribute their ideas. The campaign has focused on four key themes

– health and well-being, jobs, the environment and tourism. Vattenfall has worked intensively to ensure all in the community, particularly the hard to reach, have the opportunity to contribute, using freepost forms, local events and workshops and even advertising on local buses.

Checklist for communities at the preparation phase:

Types of community benefits:

- What is the ‘Vision’ for the local area and what does the community need in terms of facilities and services to achieve that ‘Vision’? Is this written down anywhere and has the wider community been consulted and bought into this vision?
- Who within the area is an independent source of local information?
- How can you engage local people who wouldn’t normally engage in energy issues?
- Does your community have a need which a developer could help you achieve?
- Have you considered inviting developers to come and speak with you about how you might be able to work together? How much volunteer time can the community realistically contribute to any partnership?
- How would you want a developer to work with you?
- What local businesses may be interested in providing services to the developer?

Who should be involved in discussions?

- Who should be involved in the discussions to help shape what community benefits would be appropriate locally?
- What organisations or bodies might be able to support your community group or be involved long term?
- What can you offer to do to help ensure the right people are engaged in discussions?
- Do any organisations exist locally who could administer large sums of money? If not, could one be set up, or adapted to enable this?

Communicating effectively:

- What existing communication routes and events can be made use of to reach the wider community?
- Which segments of the community are not currently served by existing communication channels? How could they be reached?
- What resources are available in the community to broaden the communication channels? Are there people willing to volunteer to speak to existing groups?
- What process is locally appropriate for recording communications and discussions on community benefits and ensuring a transparent process is in place?

Checklist for developers at the preparation phase:

Types of community benefit:

- Will the expectation of £5000/MW/yr be met?
- What restrictions or stipulations will you apply to how and when any fund is spent?
- How flexible is your business model and how might you be able to respond to the communities' requests?
- How will the administration costs be covered?
- What in-kind benefits would your company be able to offer?
- What local needs have you identified that you might be able to help with using your expertise and contacts?
- Is the use of local contractors a viable option and have you thought about how to go about this?

Who should be involved in discussions?

- Who might be able to assist you in developing your community engagement plan locally?
- What tools and techniques might be appropriate to use locally to engage a wide variety of people in discussions about the community benefits package?
- What local policies exist and can the local authority assist you in identifying the right people to get involved?

Communicating effectively:

- How can you make the most of the community's and local authority's knowledge of methods of communication in the area?
- What is your plan for determining the best possible communication channels to reach people in the community?
- What communication channels already exist in the area and to what extent do new channels need to be created? What communication tools do you have at your disposal e.g. social media, websites etc?
- How have you listened to and how do you plan to feedback to the community about the impact of their views?
- What aspects of community benefit are fixed for this development? What is open for negotiation?

Checklist for local authorities at the preparation phase:

Types of community benefits:

- What information can you provide local communities and developers to support them?
- How else are you able to support communities in developing their community vision and plans?
- What other resources can you offer?
- Do you have any information on local companies and their skills which might be of use to the developer?

Who should be involved?

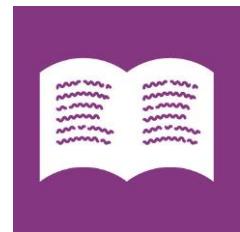
- Can you support the developer or community representatives to identify active community groups in your area?
- How are you able to support people to get involved in discussions at this point?
- Can you provide any useful resources to help?

Communicating effectively:

- Can resource be allocated to support the community in community benefit negotiations, for example a Local Development Officer?
- Do you facilitate any networks, or produce any communications, that could be useful for reaching the local community?
- Do you have contact with the relevant officers at neighbouring local authorities, where appropriate?

Planning phase guidance:

Planning and the role of local authorities



Local authorities can play an important role in supporting community benefit negotiations by supporting the development of neighbourhood, community or parish plans and having positive local plan policies.

Community benefits should be considered separately from any actions or contributions required to make a development acceptable in planning terms.

During the period when the planning application is being considered, the role of the local authority changes and they become responsible for consulting people on the planning application²⁴.

This is sometimes the point at which more detailed discussions with the community about community benefits are conducted, as the developer is able to focus more on this element having submitted the planning application. There is, however, no set approach or timetable for agreeing a community benefits package.

Community benefits and the planning system

The primary role of the local planning authority in relation to community benefits is

²⁴ Department of Energy and Climate Change (DECC) (2014). Community Engagement for Onshore Wind Developments: Best Practice Guidance for England. <https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind>

to support the sustainable development of communities within their jurisdiction and to ensure that community benefits negotiations do not unduly influence the determination of the planning application.

There is a strict principle in the English planning system that a planning proposal should be determined based on planning issues, as defined in law. Planning legislation prevents local planning authorities from specifically seeking developer contributions where they are not considered necessary to make the development acceptable in planning terms. Within this context, community benefits are not seen as relevant to deciding whether a development is granted planning permission.

Currently the only situation in which financial arrangements are considered material to planning is under the Localism Act, as amended (2011)²⁵ which allows a local planning authority to take into account financial benefits where there is a direct connection between the intended use of the funds and the development.

And Planning Practice Guidance²⁶ states that “Local planning authorities may wish to establish policies which give positive weight to renewable and low carbon energy initiatives which have clear evidence of local community involvement and leadership.”

²⁵ Localism Act (2011), as amended.

<http://www.legislation.gov.uk/ukpga/2011/20/contents>

²⁶ Department for Communities and Local Government (DCLG) (2013) Planning Practice Guidance for Renewable and Low Carbon Energy; Paragraph 17. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225689/Planning_Practice_Guidance_for_Renewable_and_Low_Carbon_Energy.pdf

Actions necessary for the development to go ahead will be determined by the local planning authority and may relate to the provision of additional infrastructure, for example road widening to enable the turbines to get to site, or counteracting direct losses of amenity or habitat. A local planning authority can seek these contributions, either in-kind or as a payment towards the cost, as part of the planning permission.

Local authorities can still play a very important role in facilitating and discussing community benefits, provided they ensure these discussions do not unduly influence the planning decision.

Planning obligations

Planning obligations, also known as Section 106 agreements in England, are used to mitigate the impact of a development that would otherwise be unacceptable in planning terms. Planning obligations have been used for habitat enhancements (creation of a nature reserve), amenity improvements (provision of footpaths) and are commonly used for infrastructure improvements or contributions towards them, such as the provision of a new or improved access road or school.

Planning obligations should only be sought where they meet three statutory tests - that they are:

- necessary to make the development acceptable in planning terms;
- directly related to the development;
- fairly and reasonably related in scale and kind to the development.

More detail on Planning obligations can be found in planning guidance²⁷.

Developers may opt to enter into a unilateral undertaking to settle any planning obligations which might otherwise be subject to negotiation and agreement with the local

planning authority, and included in a Section 106 agreement²⁸. A unilateral undertaking does not require the local planning authority to be part of the legal agreement and might therefore be particularly suited to the provision of infrastructure improvements as a benefit in-kind.

Where this is not appropriate (when the action is not related to planning), it is possible for the developer to make an agreement with the community itself, if an appropriate body exists. This agreement would be similar to that agreed for [community funds](#) and would detail the specifications for the works to be undertaken along with a timetable for completion.

Neighbourhood, Community and Parish plans

For communities to be in the best position to negotiate community benefits they need to be clear as to what they want to use them for. Negotiations should not only be about how much income a community can receive, but what they can achieve with that income and how they can achieve it.

The more clearly the vision for the local community is set out and bought into locally, the easier it will be to draw up a community action plan to explain how the community benefits offered by a wind farm developer can make a real difference to the local area.

Local planning authorities can play an important role in supporting communities to develop neighbourhood, community or parish plans to establish these aspirations in advance of any planning applications being submitted. Local planning authorities can advise communities on the likelihood of onshore wind developments coming forward in their area by sharing their resource assessments with local communities.

²⁷ Department of Communities and Local Government (DCLG) (2014). Guidance on Planning Obligations.

<http://planningguidance.planningportal.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/>

²⁸ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit.

<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>

The role of Parish/town Councils

Parish/town Councils can comment on planning applications within their area as part of the planning process. The local planning authority must take comments from the parish/town Council into account when determining applications.

Parish/town Councils can also play a key role in negotiating and administering community benefits. As with local planning authorities, parish/town Councils should keep their planning role separate from their role in negotiating community benefits. Their response to a planning application should focus on consideration of planning matters and should not be influenced by the potential of community benefits.

In making decisions about the geographical distribution of benefits, it may be relevant to ignore existing administrative boundaries, such as those relating to parish, community councils or local planning authority areas, as the relevant 'community' may well span several 'administrations'²⁹.

Case study

Wadebridge Renewable Energy Network: A community group with a plan

Wadebridge Renewable Energy Network (WREN) was established in 2011 with the aim of generating 100% of the town's energy requirements from local renewable energy, and retaining the £13million spent annually on energy. WREN see renewable energy as a collective community asset that can help retain economic benefit and regenerate the local economy. They have had been actively involved in the towns neighbourhood planning process to set out energy aspirations of the community for the future, but have also been developing energy projects alongside this process.

WREN have taken a new approach to engaging people through the savings they

can make on their energy bills, achieving new sources of income and critically making their activities fun and inspiring. They run local events, exhibitions, take part in the carnival with a solar powered float, and work with schools. WREN opened an Energy Shop to provide a physical space to talk about energy and increase awareness, it is open to the public six days a week, employing two people and involving numerous volunteers. They provide advice on energy bills, efficiency, grants and renewable technologies.

By focusing on local issues to engage the community WREN has achieved:

- £1million per year generated for the town's economy from energy income and savings
- 77 PV installations totalling 550kW
- 22 biomass installations totalling 630kW
- 120 energy efficiency installations such as loft and cavity wall insulation
- 1,046 WREN members (town's population 6,222)

WREN's income comes from grants, fees earned through installer partnerships, and other business activities. In the future it will come from WREN owned generation. Membership for WREN is £1, encouraging everyone to participate and enabling them to vote on the use of a community fund. WREN manages a £50,000 community benefit fund from the nearby St Breock wind farm, and a £10,000 community benefit fund from a local solar farm, this money goes straight to the community and they decide how it will be spent by voting in the shop and at local meetings.

For more information go to: www.wren.org.uk

²⁹ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit.

<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>



Checklist for communities at the planning phase:

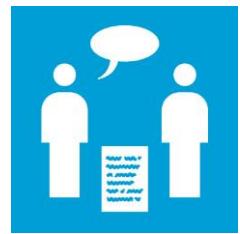
- What are the impacts of the project on your area and to what extent should these be mitigated through a planning condition or planning obligation?
- Have you gathered views from the wider community about the project's potential impacts?
- What support is available from the nearby local authorities outside the planning process and from other local and regional organisations?

Checklist for developers at the planning phase:

- What are the impacts of your project on the local area and to what extent could these be mitigated through a planning condition or obligation? How is this additional to what you plan to offer in terms of community benefits?
- Does the local authority have a policy in place that supports the delivery of community benefits and how does this affect your project?
- Have you informed the relevant local authority officers about your plans on community benefit and asked for feedback?
- Are there any neighbourhood, community, or parish plans in place that set out local aspirations for the area that you could refer to?

Checklist for local authorities at the planning phase:

- Are you able to offer support for communities to negotiate community benefits that is separate from your planning function? Have you set out what you can offer clearly?
- Which parish councils do you need to consult with on the planning application and can you encourage them to engage separately in the community benefit discussions too?
- Are you communicating clearly to communities the nature of any planning conditions or obligations being sought to mitigate the impact of the development?



Post-consent guidance:

Negotiations and agreement

Getting the community benefit agreement right is very important in ensuring relationships remain positive and parties achieve what they set out to over the lifetime of the project.

If this has not already happened, once planning consent has been granted the details of the community benefit package should be firmed up.

Negotiations will usually take place between the developer and the local community directly, although sometimes a third party can be used to support the process where necessary. It is important that whatever body leads the negotiations and the securing of the benefits, the community as a whole feel engaged in the process and able to participate and influence outcomes.

It should be noted that there can sometimes be disagreements within and between local communities, and a consensus view on community benefits may not always be achievable. In such cases the developer providing the community benefit may need to exercise its discretion in implementing the community benefits package.

Widening the area of benefit provision

The Vento Ludens report (2012)³⁰ suggests that in order to ensure a positive economic

legacy is achieved from community funds, it is important to think about the long term and how the most can be made of the opportunity. For example, it may be appropriate to have a local and regional element to the fund, depending on the needs and aspirations of the community and the size of the fund. Where possible, this should be considered early on.

Whatever approach is chosen, where possible someone with a strategic perspective should be involved with the local fund to ensure fund administrators are aware of potential ways to draw in additional funds, or where they can work with third parties to achieve their goals in the most cost-effective manner.

Securing the benefits - benefits in-kind

Planning obligations, also known as Section 106 agreements in England, are used to mitigate the impact of a development that would otherwise be unacceptable in planning terms. These agreements have the benefit of being linked directly to the land and the development, so that if the project is sold on the agreement is still enforceable.

Where this is not appropriate (when the action is not related to planning), it is possible for the developer to make an agreement with the community itself, if an appropriate body exists. This agreement would be similar to that agreed for community funds and would detail the specifications for the works to be undertaken along with a timetable for completion.

³⁰ Vento Ludens Ltd & Docherty Consulting Ltd (2012). Securing the Benefits of Wind Power in Scotland: A new concept for community benefit provision.

<http://www.ventoludens.co.uk/cms/upload/unternehmen/presse/Securing-the-Benefits-of-Wind-Power-in-Scotland-website.pdf>

Where a community has established a community action plan which sets out specific projects they want to deliver, the developer may offer in-kind benefits to directly support some of these. The developer may be able to provide benefits which provide much better value for money than the community receiving funds and then procuring the services they require. For example, a developer may offer to provide expertise or a small wind turbine for a separate community initiative that the community may be working on, where they can use their buying power to get a good deal.

Securing the benefits - Community Funds

Successful community benefit funds will have:

- clear and enforceable agreements about the provision of the community benefits by the wind farm owner;
- a mechanism for ensuring that the community benefit provisions continue, irrespective of who owns the wind farm;
- a clearly defined purpose for the funds;
- a well-defined, documented and accountable approach to managing and distributing the funds involving local people;
- details of the roles of all parties involved, including third parties.

The agreement to provide a community fund should be documented as a legal contract between the wind farm developer and the community body that has been chosen to be responsible for managing the funds – the Fund Administrator. The agreement should be linked to the development and maintain payment of the community benefits even if the wind development changes ownership. The purposes to which any funds can and cannot be allocated should be as focused as possible, and built into the agreement.

A legal agreement to provide the community benefits package should be drawn up to minimise the risk of disputes and problems

further down the line. A solicitor can be involved in drawing up the agreement, or there are organisations which can provide this sort of service³¹ and who have developed template documents which can be used to ensure that it is robust and legally binding.

The agreement should cover³²:

- Parties to the agreement,
- The payments that will be made and what, if anything, this depends on,
- Any inflationary increases the payment will be subject to,
- If the payment is related to electricity production rather than installed capacity, how this will be confirmed, by whom and on what timetable each year,
- When the payments will begin and cease,
- How payment will be triggered and what happens if there are any problems,
- What the fund may and may not be used for and who has liability/responsibility for its management once the money has been paid by the developer,
- Clarity on any other liabilities,
- Whether or not the agreement is exclusively between the signatories,
- How disputes should be dealt with,
- What obligations the community has to the wind farm owner in relation to the funds, such as reporting and auditing,
- Mechanisms for binding future owners to the same terms,

³¹ GrantScape

<http://www.grantscape.org.uk/grantscapenew/ourservices/communitybenefitfunddesignandmanagement>

³² Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit.

<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>.

- Intended action if the recipient body ceases to operate,
- How the agreement terminates.

Best practice for communities is:

- ensuring a competent representative body exists and is able to be party to an agreement at the appropriate time
- having a clear, auditable trail as to how they have come to any agreement
- using effective engagement techniques to identify local people who would be willing and able to support the development of effective governance and administration³³
- undertaking consultation to enable the whole community to influence decisions made at this point.
- ensuring negotiations are not unduly influenced by any reservations people might have about the proposed development.

Best practice for developers is:

- maintaining contact with the community throughout the period of obtaining consent as personnel can change in all parties. Ensuring those involved in community benefits negotiations receive updates about the developments progress so they are ready to re-engage if consent is granted.
- setting out what has worked well for other communities to help the community come to a decision as to the best way forward.

³³ Department of Energy and Climate Change (DECC) (2014) Community Engagement for onshore wind: Best practice Guidance for England.
<https://www.gov.uk/government/publications/community-benefits-and-engagement-guidance-for-onshore-wind>

providing constructive legal input to the contract.

assessing whether the approach being considered reflects the needs of the wider community.

ensuring the preferred approach of the local community has been derived through a fair process and that all sections of the community have been given the opportunity to participate in the discussions.

Best practice for local authorities is:

- encouraging timely responses from all sides through the agreement process.
- ensuring discussions and agreements are undertaken in a fair and inclusive manner.



Post-consent guidance:

Governance and administration

A successful community benefits package requires responsive administration and good governance.

Developers, communities and others involved in the process of establishing community funds or other ongoing benefits need to be prepared to be flexible to ensure they reach the best solution for the local area. The mechanism for administering the benefit should be decided once all parties are clear on what they are trying to achieve and how this might be done. For example, does the organisation who will be administering the benefit need to be able to trade or own assets in order to achieve their objectives? This type of decision will determine the most suitable governance structure.

Finding the right solution may include finding ways of aligning with other developments offering similar packages to ensure maximum local benefit is achieved from the resources available. In some cases it will be clear which approach is the most appropriate, but in others the choice might be more difficult.

Whichever approach is chosen, where possible someone with a strategic perspective should be involved with the local fund to ensure fund administrators are aware of potential ways to draw in additional funds, or where they can work with third parties to achieve their goals in the most cost-effective manner.

A Fund Administrator

A community fund should be managed and controlled by a formal organisation. In some cases a new community organisation is set up

specifically to receive, manage and distribute the fund. In other cases, a suitable organisation may already exist with the necessary skills and resources.

There are a range of routes through which community benefit funds are administered, the main ones being: community bodies (most common route in Scotland³⁴); local authorities (for example, North Lincolnshire administers the Keadby Wind Farm Fund³⁵) and independent fund administrators (specialists in community fund administration). For some developments a mixture of all three have played a role in administering community benefits. Some developers will have their own views about how they would like the funds to be managed, and in some cases will administer the funds themselves³⁶.

If local authorities are to be involved in fund distribution in any way, they should consider how well they understand and can reflect the perspective and wishes of the host community.

Community funds should be managed:

- by an organisation that is, in some way, rooted in or answerable to the local community.
- proportionately so the management of the fund is appropriate to the size of the fund.

³⁴ Vento Ludens Ltd & Docherty Consulting Ltd (2012). Securing the Benefits of Wind Power in Scotland: A new concept for community benefit provision.

<http://www.ventoludens.co.uk/cms/upload/unternehmen/presse/Securing-the-Benefits-of-Wind-Power-in-Scotland-website.pdf>

³⁵ <http://www.northlincs.gov.uk/community-advice-and-support/community-rights-funding-and-grants/sse-keadby-wind-farm-community-fund/>

³⁶ <http://sse.com/community/communityfunds/>

- transparently with robust and impartial procedures in place.
- by an organisation/body with sufficient capacity to engage fully and constructively with both the developer and the wider community.
- by an organisation/body that is likely to still be in existence in the medium to long-term as developments can often take many years between the initial discussions on community benefits, and when the development begins to deliver the agreed benefits. It is also vital that any body administering long term benefits is able to commit to do so over the course of the project lifetime, commonly 20-25 years.

These issues should be explored between the developer and community. It is legitimate for the developer to take an interest in this element to ensure the money is well managed and able to achieve the original objectives.

Where an existing structure or organisation is used to administer the fund, this body must be aware of any additional requirements, detailed in the legal agreement, which must be fulfilled to administer the fund.

Where the fund is managed through a third party or directly by a developer, the administration will be undertaken by them but all decision-making should involve local community representatives.

Where it is decided that a new legal entity is needed to hold and administer the funds, there will be a significant level of administrative work to set it up.

For examples of different administration options already in operation, see Section 11.4 of Scottish Government's Good Practice Principles³⁷.

³⁷ Local Energy Scotland; Natural Scotland (2013). Scottish Government Good Principles for Community Benefits from Onshore Renewable Energy. Developments. www.localenergyscotland.org/goodpractice

Setting up a new organisation to administer a benefit fund

The governance arrangements and administration structures must enable the community to achieve its goals. This can include trading, owning an asset, and other ways of raising funds.

In the event that a new community organisation is set up to manage and administer the distribution of funds, there are a number of different structures that can be used. These may include a Community Interest Company (CIC), Community Benefit Society otherwise known as an Industrial & Provident Society or 'BenCom', or a Charitable Incorporated Organisation.

Useful guidance on these different options and the issues to consider in choosing between them is widely available³⁸.

The benefits of establishing a new organisation include:

- a clear single-purpose organisation whose primary aim is related to the use of the community funds.
- no legacy or liabilities already exist.
- an opportunity for the most appropriate people to be involved.

The down-sides are that:

- new local accountability and representational structures need to be established.
- there will be additional organisational requirements³⁹.

³⁸ Centre for Sustainable Energy. <http://www.cse.org.uk/thesource/browse/managing-projects-finances-and-legal-issues-7/legal-issues-10>

³⁹ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit. <http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>

The benefits of using existing organisations include:

- likelihood of established relationships with the local community, with community representation already in place.
- it can reinvigorate existing organisations with a new purpose and funds.

The downsides are that:

- the money will need to be ring-fenced from other funds.
- the organisation may have existing liabilities.
- the organisation may need to alter its remit, status or powers to distribute the funds.
- existing financial controls may not be suitable.

Best practice in administration

Establishing clear systems for the control and management of the money is important. It is important that the control and management of the funds is clearly documented to avoid the risk of fraud or embezzlement. The administrative costs for the fund will in some cases be met by the fund itself and should be proportionate to the size of the fund.

There are a number of areas which need to be considered:

- who determines when to spend the money and on what basis?
- how are potential conflicts of interest handled (if, for example, a board member will gain disproportionately from a particular decision)?
- who authorises payments from the bank account and how is this monitored?
- what record-keeping and audit procedures are in place?
- what happens to money that hasn't been spent? Is there an investment strategy?

- is the day-to-day administration of the fund provided by volunteers, for example a member of the fund management committee, or by a local accountant or other agency?⁴⁰

Decisions should be recorded and records of initiatives that have received funds should be shared with the developer and with the local community through a newsletter, website or community notice board. A system for paying funds from the fund bank account should, ideally, mirror the system for decisions and involve at least two people.

Day-to-day administration could be provided by a local accountant or other respectable local body. Depending on the sums of money involved, professional support with book-keeping and control over access to funds can avoid the stress of requiring volunteers to provide what can be relatively specialist skills.

A different accountant should undertake an annual audit of the fund in line with best practice accounting procedures.

Distribution of funds

Many community benefit funds are administered through an open grant scheme, whereby individual projects in the community apply for funding and the applications undergo an objective assessment by a panel, usually composed of local community representatives, who make the funding decisions.

Decision-making on grant awards should be vested with a group mandated for that purpose, which reflects the interests, knowledge and ambitions of the local community. Where pre-existing groups are used, it is important to be aware of any conflicts of interest, ensure that funds are ring-fenced and maximise the opportunity to find value through cooperation.

⁴⁰ Centre for Sustainable Energy et al (2007, updated 2009), for the Renewables Advisory Board. Delivering Community Benefits from Wind Energy Developments: A Toolkit.

<http://www.cse.org.uk/downloads/file/Delivering%20community%20benefits%20from%20wind%20energy%20-%20a%20toolkit.pdf>

To date, little research⁴¹ has been undertaken on which approach to fund distribution is the most effective and into the social impact of community funds. Monitoring and evaluation of the fund by administrators is therefore important and demonstrates the delivery of best practice.

Case study

Carrick Futures: A well-managed community fund

Carrick Futures was set up in 2009 to manage the community funds from the 120 MW Arecloch wind farm and the 56 MW Mark Hill wind farm, both owned by Scottish Power Renewables. It was developed with assistance by charity Alisa Horizons, which assists in developing community groups and manages funds to six communities in the Carrick Area.

The communities were involved in negotiating the level of benefit with the developers (agreed as an index-linked fund per MW per year for the lifetime of the projects) currently providing around £240,000 per year for the community.

The fund is administered by a board of 12 directors from the communities, assisted in their decision making by Alisa Horizons and Carrick Community Councils' Forum, which implements the development strategy for the Carrick area.

The funds are targeted not only at providing funding for community in the short term, but investing money in projects which will continue to generate income for the community in the future. This includes investment in accommodation units for small businesses, community owned shops and contributing funds to The Carrick Tourism Development Project.

For more information go to:

<http://www.localenergyscotland.org/media/25310/carrick-futures-case-study.pdf>

Match funding

Community benefit funds also offer an opportunity to gain access to, and leverage for, other types of funding from other sources. Where possible, a representative with a strategic perspective, such as someone working for a strategic sustainable energy organisation or other similar body, should be appointed on the board of the local fund.

A strategic perspective will help to ensure fund administrators are aware of ways to draw in additional funds and how they can work with other initiatives to achieve their goals in the most cost-effective manner. For larger funds it may be appropriate to split the fund to allow both local and wider benefits, particularly in areas of deprivation, where additional funds may be able to be drawn in to increase the impact of the benefits. Priorities for more regional funds will vary according to the needs and aspirations of the community.

Where this is not appropriate, it may be possible for the fund to be administered by an organisation which holds multiple funds, and therefore has the resource capacity to keep abreast of broader opportunities.

Reporting

Developers should request an annual report about the community fund spend or the effectiveness of any other benefits being managed by another organisation.

The annual report for a community fund should request information on the projects funded in the previous financial year and any fund-spend planned for the forthcoming year. It should also detail funds that are being carried forward to the following year. The production of an annual report will highlight how funds are being spent. This should be published so the wider community are able to see what is being achieved with the funds and other communities can get inspiration from it. Entries should be made onto the English

⁴¹ Vento Ludens Ltd & Docherty Consulting Ltd (2012). Securing the Benefits of Wind Power in Scotland: A new concept for community benefit provision.

<http://www.ventoludens.co.uk/cms/upload/unternehmen/presse/Securing-the-Benefits-of-Wind-Power-in-Scotland-website.pdf>

Community Benefits Register once available to share information with other communities.

A more comprehensive review of progress should be completed every three to five years, depending on the size and nature of the fund and should examine the extent to which the community benefit is achieving its purpose and operating effectively. This review should assess the impact of the measures and the socio-economic and environmental benefits to the community in relation to the vision and community action plan.

To achieve effective administration and good governance, best practice for developers is:

-  once the system is operational, ensuring it is reviewed every three to five years to assess its effectiveness.
-  having a clear audit trail as to how they have come to the recommendations they have regarding how the community benefits will be administered and who will be involved in ensuring appropriate governance.
-  providing information about how they have worked to achieve similar aims with other communities.
-  setting out how they are able to assist (and lead) the community in establishing appropriate structures.
-  engaging in constructive dialogue with existing third parties regarding options for how the community benefits package could be effectively administered and establish the mechanism to enable this to happen in a timely fashion.
-  checking whether the approaches being considered by the community reflect the

needs of the wider community and consider strategic opportunities.

 ensuring the preferred approach of the local community has been derived through a fair process and not dominated by existing influences.

Best practice for communities is:

-  having a clear audit trail as to how they have come to the decision about how the community benefits will be administered and who will be involved in ensuring appropriate governance e.g. who in the local community will be on the decision-making panel?
-  engaging in constructive dialogue with existing third parties regarding options for how the community benefits package could be effectively administered and establish the mechanism to enable this to happen in a timely fashion.
-  considering the views of both emerging community organisations and existing community organisations, and how being involved could help them to achieve their aims, to come to a view on the most appropriate local option.
-  ensuring all parties have the chance to influence decisions made at this point.

Best practice for local authorities is:

-  providing guidance and support where necessary.
-  ensuring the views of the community are respected, where they are playing a role in the administration of community benefits.

Checklist for communities at the post-consent phase:

Negotiations and agreement:

- Has the developer been clear about the amount and terms of any community benefits on offer?
- In considering the benefits on offer, have you assessed the value of these in the context of the size of the project and the financial realities of wind farm development and operation by looking at similar projects on the English Register of Community Benefits, once available, and consulting local experts?
- Are there other community organisations in the area who should also be involved in finalising decisions on community benefits?
- Is it necessary to involve a third party to support the negotiation process?
- Are there any independent sustainable energy experts that could assist in developing local initiatives to increase the environmental, social and economic benefits accrued?
- Have you sought any legal input to documentation specifying the community benefits on offer, to ensure their provision is enforceable?

Governance and administration:

- Are there existing community trusts or organisations that could take on the role of managing the fund?
- If an existing organisation is managing the fund, what are the mechanisms for ‘ring-fencing’ the community fund to ensure it is clear and auditable so that it can only be spent on the agreed purposes?
- If a new administrative body is needed, how will the local community be involved, for example would representatives of the local community be appointed as ‘trustees’?
- How will the local community be involved in making decisions on what the funds are spent on?
- Does the chosen structure allow the fund to raise additional money from other sources such as government and European funds, the lottery, charitable foundations, or energy supplier schemes?

Checklist for developers at the post-consent phase:

Negotiations and agreement:

- How will you identify which community organisations to enter into an agreement with?
- What are the issues you are willing to negotiate with community representatives?
- Have you considered what the funds can or cannot be used for?
- Have you any preference about how the funds are controlled and managed or how the distribution of funds will be handled?
- Have you considered whether you could help the community to achieve any of their goals directly through benefits in-kind?
- How will you ensure that the provision of community benefits is documented and secured for the community, irrespective of who owns the wind farm in the future?

Governance and administration:

- How can you share your experience and offer support to the community involved in setting up governance and administration procedures?
- What, if any, criteria do you want to apply to fund disbursement and have you communicated these to the fund administrators?
- How can you help to check the approach proposed by the community body meets the views of the wider community?
- How will you work with the community to check procedures are in place for auditing the fund?

Checklist for local authorities at the post-consent phase:

Negotiations and agreement:

- What consultation have you undertaken to be clear that communities ‘hosting’ wind farm developments want your involvement in the negotiating process?
- How can you support your local community/ies in considering and negotiating community benefits?
- Have you established procedures for enabling specific officers and councillors to participate in discussions about community benefits without compromising the planning process?
- If there are several wind farms proposed in your area, is there potential for a unified approach which pools contribution into a common fund?

Governance and administration:

- If the local authority is to be involved in fund distribution, what can they do to ensure that you understand and can reflect the perspective and wishes of the host community?
- Is it clear who has legal responsibility for fund management?

Operational phase guidance:

Effective delivery and ongoing sustainability



Achieving effective spend of community benefit funds over time supports the long term sustainability of local communities hosting wind farms.

This section details best practice once the wind farm is operational and the benefit payments from the developer have begun.

Ensuring effective fund spend – a community plan

Establishing local strategic action plans which reflect local priorities will help communities to realise their long term vision. Communities should set out an action or implementation plan in partnership with the fund administrator and developer. This should draw on existing plans for the area and set out how the community benefit fund can help the local area achieve their objectives.

The community should devote some time to establishing the plan, building local capacity and consensus as it is drawn up. Each action plan should be locally specific and take into account the size of the fund. They should consider wider strategic priorities and how the priorities fit with other local initiatives.

This work can be coordinated by a local community organisation, an external organisation, the local authority or even the developer. Involving a regional partner in developing these action plans is a good way of ensuring that the strategic angle is covered. Agreement on the best approach should be achieved through consultation with the wider community.

Once a vision and plan is established, the developer and local community should discuss funding priorities and plan for effective spend, if this hasn't already been undertaken at an earlier stage.

Figure 4. Diagram demonstrating the process of ensuring effective fund spend

Establish the vision for the community

Shape an action plan setting out how the community fund can help to deliver this vision

Communicate this

Ensure good fund administration and governance

Support good decision making

Evaluate impact and review learning

Developers are not required to have an ongoing input through the lifetime of the scheme, but it is in their interest to ensure the fund is set up properly and delivers the benefits they envisage from their money.

It is for the community to determine what 'effective spend' could look like in the local area and for the developer to agree that this delivers a long term, sustainable legacy.

A number of community funds have adopted strategic aims as part of their community fund provision to help ensure the funds are delivering lasting benefits to the community.

Case Study

Strathy North wind farm: Strategic approach to the distribution of funds

Construction of SSE's Strathy North Wind Farm in Sutherland, Scotland, began in February 2014. The 68 MW capacity project is expected to be operational by the end of 2015. The project illustrates how a considered distribution of funds can provide a long term positive impact for both local communities and the wider region.

In addition to an initial one-off payment of £228,000 made to the host community of Strathy and Armadale, the project offers a community benefits package of £170,000 annually over the 25 year lifetime of the project, or £2,500 per MW per year. The community benefits package is accessible by communities of Strathy and Armadale, Melvich and Bettyhill, Strathnaver and Altnaharra. A further £2,500 per MW is contributed to a separate regional Sustainable Development Fund.

A local community benefit fund: accessible to community-focussed or charitable activities that support the local economy, help build a sustainable community and develop a range of activities and services for the local residents. Only people local to the wind farm may apply for these finances. SSE provides administrative support to a panel of local residents who review applications and evaluate which projects to support.

A regional Sustainable Development Fund: available for projects that will benefit the wider region of the wind farm. The Strathy North wind farm contributes to the Highland Sustainable Development Fund which is available for charities and non-profit organisations with the aims of:

- increasing job opportunities and employment
- allowing communities to develop renewable energy schemes
- enhancing the natural and built environment, for the benefit of local people

The Sustainable Development Fund applications are assessed by an external panel of 5 people, each of whom have expertise in one of the three priority areas for the fund.

Both funds are advertised on SSE's website, with projects they have previously funded.

Once consent for the wind farm was provided, presentations were held in the local communities to publicise the fund.

For more information go to:

<http://sse.com/beingresponsible/responsiblecommunitymember/localcommunityfunds/strathy-north-joint-community-fund/>

To date, little research⁴² has been undertaken on which approach to fund distribution is the most effective and into the social impact of community funds. Monitoring and evaluation by administrators of the fund is therefore important and demonstrates the delivery of best practice.

Best practice for developers (and operators) is:

- allowing communities sufficient time to build consensus as they draw up the community action plan. Consider frontloading part of the community payments to help with set up if required.
- delivering first payments to the fund within a year of commencing operations.
- encouraging the community to set out a vision for long-term spending.
- providing a clear point of contact and open channel of communication with the community throughout the lifetime of the project and signpost communities

⁴² Vento Ludens Ltd & Docherty Consulting Ltd (2012). Securing the Benefits of Wind Power in Scotland: A new concept for community benefit provision.

 www.ventoludens.co.uk/cms/upload/unternehmen/presse/Sec-Benefits-of-Wind-Power-in-Scotland-website.pdf

to relevant local, regional and national support who can help to build capacity and achieve strategic and effective fund spend.

setting out what type of activities should and should not be funded at the outset and why.

 reflecting whether the approach being applied by the community reflects the needs of the wider community and considers strategic opportunities.

 requesting fund spend is reviewed for its effectiveness and appropriateness every three to five years.

Best practice for communities is:

 taking the time to develop a community action plan, in line with local policies and visions and build consensus.

 developing a community action plan which identifies a range of potential projects at varying scales to improve the social, economic and environmental wellbeing of the community. Having a clear audit trail regarding decision making on which projects the fund will be spent on, ensuring appropriate governance at all times.

 encouraging and advising community representatives how to apply for the fund and considering when it might be appropriate to bring in expert knowledge to support decision making.

 advertising details of the fund widely and using creative techniques to ensure the wider community engage with setting the funds priorities.

 ensuring all parties have the chance to influence what the fund priorities are, and that probity and integrity remain a priority throughout the lifetime of the fund.

Best practice for local authorities is:

 supporting the community fund administrator with information regarding other sources of funding available in the area and providing advice on evaluation procedures.

 where they are playing a role in the administration of the community benefits fund, considering how they are respecting the views of the community on an ongoing basis.

Ongoing questions for the community to consider:

- Have you developed a community action plan to support the strategic delivery of projects through the fund?
- What procedures are required to review ongoing governance of community benefit processes to ensure that processes and priorities remain fit for purpose?
- What communication channels can be used to publicise the availability of the fund and to ensure the fund priorities remain locally appropriate?

Ongoing questions for the developer to consider:

- Have you identified a clear point of contact within your organisation for post-construction?
- What additional local, regional or national support can you signpost communities to?
- How can you check that the fund is meeting the needs of the wider community?
- What level of reporting on the effectiveness of community benefit measures is suitable and how can you ensure this is done?

Ongoing questions for the local authority to consider:

- How can the local authority offer ongoing support to the community to manage the fund?
- What experience and resources can the local authority draw on to support the community?
- What additional sources of funding are available in the area that the community could access to increase the impact of the fund?
- If the local authority is playing a role in the administration of community benefits, how can you check the fund continues to meet the priorities and needs of the wider community?

Related documents

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