

RWE npower renewables

AN SUIDHE WIND FARM COMMUNITY BENEFIT PACKAGE

An **RWE** Innogy company

An Suidhe Wind Farm Community Benefit Package

Introduction

In April 2011, RWE npower renewables (RWE NRL) gave local people the opportunity to have their say on how the An Suidhe Wind Farm Community Benefit Package might be developed. Many thanks to those of you who took time to respond, your contributions are greatly appreciated. The results of the consultation have now been considered, and the next steps to be taken are detailed in this document.

To find out more about the An Suidhe Wind Farm please visit –

<http://www.rwe.com/web/cms/en/309960/rwe-npower-renewables/sites/projects-in-operation/wind/an-suidhe/the-proposal/>

General principles

- RWE NRL is voluntarily offering a Community Benefit Fund in association with the An Suidhe Wind Farm;
- The fund will be worth a total of £28,500 per year, index linked each year in line with inflation;
- The first payment will be backdated to the date the wind farm started exporting electricity to the national grid (December 2010);
- Subsequent annual payments will be made throughout the operational life of the wind farm;
- The fund will be secured for the future through a legal agreement with the administering body;
- A transparent administration process will be established, through an appropriately constituted body;
- The application process will be simple, and straightforward;
- Decisions on fund allocation will be made locally and will broadly support the following: environmental, educational, community and charitable activities.

Environmental education activity

- An environmental education workshop will be offered to Furness and Inveraray Primary Schools;
- Provided by our environmental education partner www.rowanbank.org.uk;
- Half day fun, interactive, curriculum linked workshop aimed at Key Stage 2 pupils;
- Workshop aims; to learn about climate change, renewables energy, what pupils can do to help the environment and to have lots of fun!
- In addition, we have developed a set of curriculum linked educational resources, which are available for all teachers to download from our website; www.npower-renewables.com/educationresources

Local economic benefit

During the development and construction of An Suidhe contracts with local companies represented significant investment into the local economy. Contracts with local companies included:

Enstone Thistle, Furnace (Concrete Supply)
George Mc Naughtons & Son, Lochgilphead (Plant Hire)
Colin Brolly, Lochgilphead (Tree Felling)
David Petro Forestry Services, Dunoon (Tree Felling)
McGougan Co. Ltd., Campbeltown (Switchgear Building)
Bob Black Environmental Consultant, Lochgilphead (Ecology Consultant)
Lawrence Environmental Consultant, Lochgilphead (Ornithology Consultant)

An Suidhe Community Benefit Fund

Outcomes of the consultation

The consultation on community benefit for An Suidhe Wind Farm took place in April and May 2011. To ensure the funds have maximum benefit to the community, RWE NRL consulted on various options regarding the structure and the administration of the fund .

A consultation document was sent to all relevant Community Councils neighbouring An Suidhe Wind Farm and it was made available on our website. A press release was issued to local media with information about the consultation process which was open to all groups and individuals.

The consultation document outlined the proposed structure and administration of the Community Fund and a map to demonstrate the potential area of benefit for the Fund.

The consultation generated a lot of interest and five local organisations submitted formal written feedback: [Dalavich Improvement Group \(DIG\)](#), [Furnace Amenity Association](#), [Inveraray Community Council](#), [Glenorchy & Innishail Community Council](#) and [Strachur and District Community Development Co. Ltd.](#)

Below is a summary of the consultation feedback and an outline of plans going forward:

Geographical boundaries of the fund

<p>Our proposal</p>	<ul style="list-style-type: none"> • We proposed an area of benefit by designating a 10km radius around the site rather than including all four, full, Community Council areas that border the site. This was because the centres of population for several of the Community Council areas are a significant distance from the site, and our aim is to invest in the communities that neighbour our sites. • When defining the geographical area of benefit for our community funds we usually consider a combination of the following factors: the proximity of communities to the development; visual impact of the development; level of disruption during construction period; how the location is used for work or recreation by the wider community; and the density of the local population.
<p>Consultation Responses</p>	<ul style="list-style-type: none"> • Glenorchy and Innishail Community Council preferred RWE NRL to guide on the area of benefit but added that they would support a flexible approach which meant that on occasion, projects based outside the fund boundary that substantially benefit those living within it could gain support i.e. first responders, volunteer car schemes, educational activities etc. • Inveraray Community Council agreed with the area of benefit proposed by RWE NRL. • Strachur and District Community Development Company responded acknowledging that their community was outside the geographical boundary proposed but asking if the company would consider offering them some support in covering ongoing revenue costs for their various community assets. • DIG made no specific comment on the area of benefit. • Furnace Amenity Association agree that the 10km radius was the best way to set the geographical area to benefit from the fund.
<p>Next Steps</p>	<ul style="list-style-type: none"> • The area of benefit proposed by RWE NRL, and supported by the majority of the respondents, will be adopted (see attached map). • This includes communities within a 10km radius of the centre of the site, as illustrated on the attached map. • When the local panel is establishing the criteria for the fund we will suggest they consider building in some flexibility to enable organisations and projects that are based outside the area of benefit but significantly benefit communities inside the area of benefit, to receive support. • Strachur and District Community Development Company will unfortunately not receive financial support from RWE NRL but we have responded to them directly to suggest potential alternative sources of grant funding for revenue projects.

Possible fund administration options

Fund Administration Options	Consultation Feedback
<ul style="list-style-type: none"> A single arms length trust similar to Cruach Mhor Wind Farm Trust or Clachan Flats Wind Farm Trust, with representatives of the communities within the funds geographical boundary. 	<ul style="list-style-type: none"> This was DIG's second choice and if this option was pursued, they asked that representation on the Trust be from the Dalavich Improvement Group Board rather than the Community Council as the Community Council covers a wider area. Inveraray Community Council suggested following experience of running an independent Trust they would prefer not to do so again. Glenorchy and Innishail Community Council stated that they would shy away from a new trust with attendant local political issues.
<ul style="list-style-type: none"> Consideration could be given to the Argyll and Bute Wind Farm and Renewables Trust approach. 	<ul style="list-style-type: none"> No feedback was given on this approach.
<ul style="list-style-type: none"> Fund held by an independent third party such as the Scottish Community Foundation www.scottishcf.org 	<ul style="list-style-type: none"> Inveraray Community Councils first preference was to work with an independent third party such as SCF. Glenorchy and Innishail Community Council felt a "one pot" approach administered through an existing body with good local representation seemed the way forward.
<ul style="list-style-type: none"> Splitting the fund up between the 4 geographical areas. 	<ul style="list-style-type: none"> Furnace Amenity Association (FAA) stated their experience in managing community facilities and hence their preference for the fund to be split with their portion administered by them to further the aims of FAA, and also to fund specific requests coming from their own community. FAA would be very happy for an independent body such as the Scottish Community Foundation to oversee their management of their portion of the fund. FAA believe the fund should be divided equally between 4 geographical areas; Furnace, Inveraray, Dalavich and the hamlets of Eredine and Ardchonell. Each community could then decide whether to manage their portion or have it managed by an independent body. DIG own, manage, improve and maintain their own community assets such as - the Dalavich Community Centre, various grounds in and surrounding the village, the village shore area, private road along the shore line and boat hire shed. DIG rely on fundraising to maintain community assets so their first preference is for their share of the fund to come direct to the DIG Trust to allow the Board to decide how to use them.

Fund administration – the way forward

As the response to this part of the consultation was divided, RWE NRL has taken a final decision on the approach to be adopted. Having carefully considered the feedback received from the community consultation exercise, we have decided to appoint the Scottish Community Foundation (SCF) to administer one single fund. Decisions about the awards of all grants will be made by a grants panel with representatives from the communities within the area of benefit we originally proposed (see attached map). More details on next steps in establishing the fund, and how communities can get involved, can be found below.

The consultation has obviously brought to our attention the extensive ongoing work in the communities of Furnace and Dalavich in terms of community ownership of community assets. RWE NRL has a flexible approach to the way our community funds are managed and we always make sure they are tailored to maximise benefit for the communities involved. With this in mind, despite the fact we are starting with a single fund arrangement for the reasons laid out below, we are more than happy to agree to review this process after the first 2 years of fund operation. If, after two years the grants panel feel the single fund arrangement is not meeting the communities requirements we are prepared to look at alternative models while retaining SCF as the overall administrator for the fund for the lifetime of the An Suidhe Wind Farm.

Why the Scottish Community Foundation(SCF)?

- SCF is a properly constituted charity, registered with, and regulated by, the Office of the Scottish Charity Regulator;
- They have 15 years grant making experience in Scotland making grants of over £6 million to 700 charities, social and rural enterprises and community groups in the last financial year. SCF works with over 250 clients who provide funds for distribution to good causes, and administers £10 million in charitable investments;
- SCF has significant expertise in successfully managing and maximising the benefit from community benefit funds on behalf of other renewable energy companies and their neighbour communities;
- SCF manage a number of complementary funding streams which applicants to the An Suidhe Community Benefit Fund can be signposted to, as appropriate. This may result in significant match funding opportunities from some of SCF's other funds, potentially through the completion of just one application form;
- Working with SCF cuts down the 'red tape' needed to get a Trust up and running by setting up a ring fenced fund which comes under the jurisdiction of SCF's Trustees;
- SCF will set up a local advisory panel who will make decisions about the allocation of funding with SCF's support and guidance;
- SCF will advertise the availability of funds and manage the administration of the whole application process including distributing funding;
- SCF will be responsible for the monitoring process for individual grants and for reporting to RWE NRL;
- All decisions about allocation of funding will be made by a grants panel of local representatives, recruited, trained and managed by SCF;
- SCF have a strong track record in making sure funding gets to small, grass roots community projects that really make a difference in local communities and that really need the support.

SCF's services attract a management fee of 10% of the fund's value which RWE NRL will pay in addition to the fund.

Why one fund?

RWE NRL has had many years experience across the UK of both the split fund and joint fund models of distributing community benefit. As stated in the original consultation document, RWE NRL's general preference is for funding to be distributed from a single pot rather than being divided amongst administrative boundaries model. Our reasons are outlined below:

- Splitting funds has historically caused divisions between communities based on the proportion of the split. Although there are several criteria that can be used to work out the potential ratio of the split, many of the factors are subjective, which has led to bad feeling between neighbouring communities which is something we as a company are extremely keen to avoid in the future.
- Splitting a fund can limit the potential for joint community partnership projects.
- Significant benefits can be derived from neighbouring communities working in partnership with each other, learning from each others experience and sharing best practise;
- A joint fund gives an opportunity to be creative with the larger pot of money rather than diluted, sub funds;
- Joint fund panels support the most worthwhile applications rather than working to a quota system;
- This approach creates an opportunity to trial/develop partnership projects encouraging sustainability;
- Two communities are keen to adopt this approach working with an independent administrator.

Next steps in establishing the An Suidhe Wind Farm Community Benefit Fund

RWE NRL has appointed SCF as the independent body overseeing the fund and SCF has assigned its Senior Grants Officer, **Helen Wray**, as the main point of contact for the An Suidhe Community Benefit Fund.

- ⇒ Helen's first task will be to set up a working group with representatives from all the communities within the area of benefit for the fund.
- ⇒ The main aim of the working group will be to come to an agreement on the composition and selection/election process to form the grants panel which will then make decisions on the allocation of all funding.
- ⇒ The working group will also draft a Memorandum of Understanding and Terms of Reference for the grants panel as well as agreeing criteria and an application process for the fund.
- ⇒ The working group will also agree a timeline for the appointment of the panel, launch of the fund and an initial round of grant making.

How to get involved

Taking into account the responses to the consultation, RWE NRL and SCF would like to ask the following organisations if they could please nominate a representative for the working group:

- Dalavich Improvement Group (representing the Avich and Kilchrenan Community Council area)
- Inveraray Community Council
- Glenorchy and Innishail Community Council
- Furnace Amenity Association (representing the Furnace Community Council area)

Could you please contact Helen directly to give her the name and contact details of your nominated representative by **Friday 29th July 2011**:

Helen Wray
Senior Grants Officer
Scottish Community Foundation
Empire House
131 West Nile Street
Glasgow
G1 2RX
Tel: 0141 341 4960
Email: Helen@scottishcf.org

Many thanks for your interest in the An Suidhe Community Benefit Fund, we look forward to seeing the fund open for applications and making a difference locally later on this year. If you have any other comments or questions please contact:

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