

# Argyll and Bute Framework for Community Benefits from Onshore Renewables **DRAFT**

This document represents Argyll and Bute Council's Framework to guide consideration of community benefits from onshore renewable energy developments including wind, hydro, biomass and solar. The document can be used by renewable developers and local communities and sets out the key principles that should be taken into account when considering community benefits; it seeks to promote best practice.

Community benefits in relation to renewable energy are voluntary and can include monetary payments (funds), benefits derived from community investment in the renewables scheme or other voluntary benefits provided to the community. In line with Scottish Government guidance, community benefits do not include direct economic or supply chain benefits arising from the individual developments such as local jobs or purchasing.

Argyll and Bute Council first adopted a Community Benefit Policy in 2005 and since then community benefit arrangements have been completely separate from the regulatory planning process. This Framework will supersede the 2005 policy; it will increase the payment level to £5,000 per MW of installed capacity per annum, confirm a regional element of funding and advocate community buy in.

After consultation with the Argyll and Bute Renewable Alliance (ABRA), developers and local community representatives it is proposed that the following principles form the basis of the framework.

## **This Framework recommends:**

1. Community benefits are provided for all new renewable developments with an installed capacity of 5MW or more;
2. Community benefits are also sought for new commercial developments with an installed capacity between 50kW and 5MW (although it is appreciated that the margins could be much tighter and therefore any level of community payments may be much



smaller. In addition this scale of project may represent a form of farm/estate diversification and a payment may not be appropriate). Each case should be looked at on its own merits.

3. The minimum community benefit payment in relation to onshore wind is £5,000 per megawatt of installed capacity per annum;
4. The community benefit payment for other forms of onshore renewables is based on providing a contribution of £5,000 per megawatt of installed capacity per annum;
5. All community benefit funds are index linked and last the lifetime of the renewable energy project;
6. A community investment option, enabling the community to purchase a share in the renewable energy development, should be offered on all commercial renewable developments;
7. Community benefit funds shall include a local (50%) and regional or sub-regional element (50%). The regional/sub-regional fund will focus on delivering wider community benefit aligning to the priorities set out in the respective community investment/development plans. This wider fund should be considered in all cases unless it can be demonstrated that the level of funding from the development, when considered in light of the scale of the community within the renewable development catchment area, is insufficient to meet immediate community need as demonstrated by a community investment/development plan. Any sub-regional/regional fund should have a more strategic focus, i.e. skills and education, benefit to service centres which support the communities where the renewable energy development is located etc. this could be achieved through:
  - a. A locally administered fund which is open to applicants from across the regional or sub-regional area;
  - b. Provision of funds to be added to an existing local Common Good Fund (these operate in many of our key service centres to be held in perpetuity for the benefit of local people); or
  - c. Funding provided to Argyll wide bodies delivering key economic outcomes or working in key economic sectors to deliver local economic benefit e.g. ALI Energy (renewable energy and energy efficiency), Argyll and the Isles Tourism Co-operative (tourism), Argyll and the Isles Coast and Countryside Trust (outdoor access and environmental improvements), Argyll College (skills and education).
8. The detailed fund arrangements for each new project are negotiated and agreed in writing with the community, developer and the Council under the Powers of Wellbeing in the Local Government (Scotland) Act 2003.

## Developers should:

- Engage with the local community early in the process, separately to consultation on the planning process where possible, making clear to them that the receipt of community benefit is not dependent upon their support for the proposal;
- Provide professional support to communities to secure the development of a community investment/development plan to allow the maximum community and economic benefit to be delivered from any future community renewable fund(s) and/or other sources of external funding;
- Offer a community investment buy in option to appropriate community bodies;
- Carryout consultation in an open and inclusive way allowing the community sufficient time to respond (particularly in relation to community buy in discussions);
- Be flexible in relation to the governance structure for community benefit funds and work with the community to find a solution which accommodates their needs particularly where they are already administering existing funds;
- Where existing renewable developments are being upgraded (re-powered) ensure that there is early discussion with the community to secure continuity of funds and agreement on any changes to existing community benefit payments;
- Ensure decision making in relation to allocation of funds is carried out at a local level;
- Ensure the governance structure is robust and is operated in an open and transparent way;
- Investigate with the Council the opportunity to enter into a strategic concordat to define wider local economic opportunities;
- Define an appropriately wide geographical area to ensure all communities affected by the construction or operation of the renewable energy development can access community benefit and encourage development of a regional/sub-regional fund in accordance with the Framework;
- Start community benefit payments from the start of the construction period;
- Include a facility to enable projects to be funded for several years or for large projects to be funded by making advanced, aggregated payments;
- Ensure community benefit arrangements will be honoured should the site be sold;



Generating hydro power

Argyll and Bute Council considers that there is a case for forging strong long-term relationships with renewable energy developers in order to ensure that maximum benefit is delivered to local communities. The 2005 Policy sought to secure this through the drawing up of a Strategic Concordat (a joint working agreement between the Council and the developer) following grant of planning consent for a renewable energy proposal.



A concordat being signed

The concordat typically lasts several years and can extend to cover a number of renewable developments. The concordat includes details of the community benefit fund arrangements, including level of payments, which would apply to any future developments. It seeks to maximise the benefit to local communities and the local economy through a range of different activities which can bring mutual benefits to the developer and the community. These have

included renewable energy resource assessments, support for a schools energy education officer and the promotion of green energy projects. A parallel can be drawn with the relationship between the Shetland and Orkney Islands and the oil industry.

There are concordats in place with a number of developers and these have secured the delivery of wider local economic benefit. The concordat approach will be continued in this Framework.

### Communities should:

- Be aspirational – this is an excellent opportunity to make a difference not only to your local area but also to the wider region/sub-region.
- Create a community investment/development plan to provide a strategic view of community priorities across the region or sub region with a focus on contributing to the outcomes set out in the Single Outcome Agreement and addressing key issues including support for community facilities and organisations, job creation or new businesses, improving skills of local people, support for tourism and addressing issues of rural isolation.
  - This may identify support to facilities/services which have previously been provided by the public sector but which are no longer able to be provided due to funding restrictions.
  - Any plan should be sustainable and give full consideration to meeting the ongoing revenue liabilities related to maintaining services and facilities in

the long-term including in the period after community benefit payments have ceased.

- The plan should be reviewed periodically to reflect changing circumstances and needs.
- Create a robust governance structure to administer community benefit funds which includes open and transparent allocations of funding;
- Create a decision making process which is fair, transparent and proportional to grant amount with any assessment criteria publicly available;
- Seek representation from all sectors of the community on community benefit fund administrating bodies to make them as inclusive and representative as possible;
- Review and report on the operation of the community benefit fund annually to ensure it is operating effectively and maximising benefit;
- Seek match funding where possible to maximise the benefit received;
- Consider long-term aims of the community including whether to invest some of the fund to buy invest directly in the commercial renewable project or alternatively to develop your own renewable project to provide an additional income. The community investment plan may identify this as an action or opportunity;
- Work with neighbouring communities where funds and/or projects are operating across administrative boundaries;



New community facilities

This Framework is designed to relate to community funds associated with commercial developments however some of the principles will apply equally to funds derived from renewable projects owned solely by the community with the principal difference being that community projects will usually provide all surplus funds as community benefits.

### Argyll and Bute Council:

- Offers guidance to local community groups on appropriate governance of community benefit funds, further information can be provided by the Council's Governance Team;
- Maintains a Wind Farm and Renewables Trust which can form the governance structure for community organisations free of charge;
- Offers support to community groups who are preparing Community Investment/ Development Plans or involved in consultation and engagement with their community through our Social Enterprise and Community Development Teams;

- Maintains details of community benefit funds operating across Argyll and Bute and makes these available at <http://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy>.
- Will review this framework every two years to ensure that it remains up to date.

This Framework is prepared to align with Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments and its purpose is to secure the maximum economic and community benefit for Argyll and Bute communities.

### Further Reading

- Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments - <http://www.localenergyscotland.org/developers/good-practice-principles/>
- Community Energy Policy Statement - <http://www.scotland.gov.uk/Publications/2014/08/1223>
- Investing in your community - A guide to managing community funds - <http://www.hie.co.uk/community-support/managing-community-funding/default.html>
- Community Renewables Opportunity Portal – <http://www.argyll-bute.gov.uk/crop-introduction>
- Onshore Wind Community Benefit Protocol - <http://www.scottishrenewables.com/technologies/onshore-wind/>
- Renewable energy on Scotland's National Forest Estate - <http://scotland.forestry.gov.uk/managing/work-on-scotlands-national-forest-estate/renewable-energy>



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