

# Argyll and Bute Guidance for Community Benefits from Onshore Renewables

This document represents Argyll and Bute Council's guidance to assist communities and developers in their consideration of community benefits from new onshore renewable energy developments including wind, hydro, biomass and solar. The aim of the guidance is to maximise the impacts of community benefits as a result of renewable energy developments for the benefit of communities across Argyll and Bute. It is hoped that the document will be a useful tool for local communities and renewable developers to inform their discussions. The guidance seeks to identify the key principles to be considered and seeks to promote best practice, it is non-statutory and it is for communities and developers to decide which elements are most appropriate for them.

Community benefits in relation to renewable energy are voluntary and vary greatly in how they are delivered and what form they take. Community benefits can include monetary payments (funds) or other voluntary benefits provided to the community such as direct funding of projects, one-off funding, local energy discount scheme or other site-specific benefits. In line with Scottish Government guidance, community benefits do not include direct economic or supply chain benefits or infrastructure directly related to or 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. The Council has no powers to oblige developers to pay community benefits which, along with their differing administration arrangements, are wholly voluntary and are driven by the developers' willingness to contribute. Community benefits are not a material consideration in the planning process. This Guidance document will supersede the 2005 policy.

One of the main components of the guidance is the proposed increase in the payment level for onshore wind from £2,000 per MW (2005 policy) to at least £5,000 per MW of installed capacity per annum.

The following principles are intended to guide communities and developers in their discussions regarding community benefit. It is acknowledged that each community benefit arrangement is different due to the differing nature of the developments and communities involved and therefore that some elements may be more applicable than others, flexibility will be required.

After consultation with local community organisations and developers through a seminar on community benefit in June 2014 and a public consultation period in February-March 2015 it is proposed that the following principles are followed.

A school visit to a wind farm



### Community Benefit Principles:

1. Community benefits are provided for all new renewable developments with an installed capacity of 5MW or more;
2. Community benefits proportionate to the scale of the development are encouraged for new commercial renewable developments with an installed capacity between 50kW<sup>1</sup> and 5MW. Each case should be looked at on its own merits.
3. Community benefit<sup>2</sup> in relation to onshore wind is equivalent to at least £5,000 per megawatt of installed capacity per annum;
4. The community benefit<sup>2</sup> for other forms of onshore renewables is based on providing a contribution equivalent to £5,000 per megawatt of installed capacity per annum unless it is demonstrated that the economics of the development make this unviable;
5. All community benefit payments should be index linked to ensure that annual payment levels are increased in line with inflation;
6. A community investment option, enabling the community to purchase a share in the renewable energy development, should be explored for all new commercial renewable developments, this is in addition to the voluntary community benefit associated with the development although communities should be given the opportunity to roll community benefit funds into debt or equity investments;
7. Community benefit funds should seek to address local community needs within the renewable development catchment area agreed by the developer and communities and then wider community needs where funding is sufficient when considered in light of the scale of the community, the funds available and the immediate community need as demonstrated by a community investment/development plan. A regional/strategic fund of up to 50% should be considered. Communities are encouraged to consider how they access services, facilities and employment and how the funds could be used to improve these through job creation, skills and education, improvements to local towns which support the communities where the renewable energy development is located etc. Communities and developers should determine how this regional/strategic fund is best delivered, this could include:
  - a. A locally administered fund which is open to applicants from across the regional or sub-regional area;
  - b. Provision of funds 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 or sub-regional bodies working in key economic sectors to deliver local economic benefit. Examples of such organisations include ALI Energy (renewable energy and energy efficiency), Argyll and the Isles



#### Regional funding in action

Existing funds in both East and West Kintyre have provided funding to their local towns including support for the Campbelltown Picture House, although this facility is outside their community boundaries the benefit to local residents is recognised

<sup>1</sup> A 50kW scheme at £5,000 per MW would amount to an annual fund of £250

<sup>2</sup> Community benefits as defined by 3.1 of the Scottish Government Good Practice Principles

Tourism Co-operative (tourism), Argyll and the Isles Coast and Countryside Trust (outdoor access and environmental improvements) and Argyll College (skills and education), other organisations may also be appropriate depending on the communities involved.

8. The detailed fund arrangements for each new project are negotiated and agreed in writing with the community and developer. The Council, under the Powers of Wellbeing in the Local Government (Scotland) Act 2003, can assist in this process as required.

#### **Developers are encouraged to:**

- Operate community benefit arrangements in accordance with the Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments;
- Engage with the local community early in the process, separately to consultation on the planning process where possible, making it clear to them that the receipt of community benefit is not dependent upon their support for the proposal;
- Carryout consultation in an open and inclusive way allowing the community sufficient time to respond (particularly in relation to community buy in discussions);
- Provide clear timescales for community involvement and/or decisions;
- Provide support to communities, wherever possible, 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;
- Explore opportunities for community investment with local communities in line with Scottish Government Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments;
- 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;
- 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;
- Where existing renewable developments are being upgraded (re-powered) ensure that there are early discussions with the community to secure continuity of funds and to update community benefit arrangements to reflect the principles within this guidance ;
- Investigate with the Council the opportunity to enter into a strategic concordat to define wider local economic opportunities;
- Define an appropriate geographical area to ensure communities affected by the construction or operation of the renewable energy development can access community benefit (the local community);



- Start community benefit from the start of the construction period for the main element of the renewables project (although payments could be deferred until the site is operational);
- Include a facility to enable projects to be funded for several years or for large projects to be funded by making advanced, aggregated payments when possible and if requested by the community;
- Ensure community benefit arrangements will be honoured should the site be sold;

Argyll and Bute Council considers that there is a case for forging strong long-term



A concordat being signed

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.

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.

### Communities are encouraged to:

- Be aspirational – this is an excellent opportunity to make a difference not only to your local area but also to the wider community.
- Create a community investment/development plan to provide a strategic view of community priorities including links to other communities 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 or other key economic sectors and addressing issues of rural isolation and fuel poverty.
  - This may identify support to key facilities/services.
  - 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. Argyll and Bute Council, third party



organisations such as Foundation Scotland and Local Energy Scotland, and some developers may be able to assist in this;

- 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;
- Report on the operation of the community benefit fund and how funds have been distributed annually with a five yearly review to ensure it is operating effectively, maximising benefit and delivering the community investment/development plan;
- 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 into 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;

This guidance 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.



New community facilities

### 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. The minutes of the Trust can be found at <http://www.argyll-bute.gov.uk/moderngov/ieListMeetings.aspx?CId=449&Year=0>;
- 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 (<http://www.argyll-bute.gov.uk/community-life-and-leisure/contact-social-enterprise-team>) and Community Development Teams (<http://www.argyll-bute.gov.uk/community-life-and-leisure/community-development>);
- 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>.
- Has a statutory duty in relation to the determination of planning applications and will keep the consideration of community benefit arrangements separate from this planning decision process. The Economic Development Service will however provide guidance in relation if requested to do so by either communities or developers;
- Will review this guidance every two years to ensure that it remains up to date.

This Guidance 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/>
- Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments - <http://www.localenergyscotland.org/developers/good-practice-principles/shared-ownership/>
- 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/>
- 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>
- Scottish Government Register of Community Benefits from Renewables - <http://www.localenergyscotland.org/view-the-register/>
- Firm Foundations - <https://www.foundationscotland.org.uk/community-benefit/platform-for-dialogue/charter/>



Projects & Renewables Team, Argyll and Bute Council, Whitegates Offices,  
Whitegates Road, Lochgilphead, PA31 8SY

[renewable.energy@argyll-bute.gov.uk](mailto:renewable.energy@argyll-bute.gov.uk)

[www.argyll-bute.gov.uk](http://www.argyll-bute.gov.uk)

