



Moray Council Community Benefit Guidance





Contents

Introduction	3
What are Community Benefits?	4
Expected Level of Community Benefit	5
Community Identification and Consultation	7
Supporting Effective Fund Spend	8
Ongoing role of Developers	12
Appendix 1	13
Small Scale Projects 50kW to 5MW simplified process	



Introduction

Many developers have individual company policies and approaches which work well to deliver community benefits. There is however a need to look for greater consistency in order to maximise the returns for communities from renewable energy developments. This guidance is closely based upon the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments published in April 2014.

The guidance is based on experience from the onshore wind sector however the Moray Council would like to see community benefits promoted across all renewable technologies and the processes and procedures set out here will be applicable to other onshore renewable technologies.

The basic principles within this guidance are expected to apply to all developments of 50kW and over with simplified processes for projects of between 50kW and 5MW. The work required in creating a community benefit package should be proportionate to the size of the renewable energy development, and smaller scale developments will be unlikely to undertake all the steps outlined. A simplified process for development between 50kW and 5MW is set out in Appendix 1.

What are Community Benefits?

Community benefits are an opportunity for communities to share in the rewards from their local energy resource. Community benefits are independent of impacts such as job creation and infrastructure upgrades. Being a voluntary contribution, community benefits are an entirely separate process from planning decisions and should be based on the specific needs of local people, not on the impact of the project.

The local benefits arising from renewable energy developments can include:

- Benefits arising from community ownership in the development, referred to as “community investment”,
- Voluntary monetary payments to the community that are not related to anticipated impacts of the planning application usually provided via an annual cash sum often referred to as a community benefit fund,
- Voluntary benefits which the developer provides to the community, (i.e. in-kind works, direct funding of projects, one-off funding, local energy discount scheme, habitat enhancement, visitor/recreation facilities).



Expected Level of Community Benefit

The key principle of this guidance is the local promotion of a national rate for onshore wind community benefits packages equivalent to at least £5,000 per MW per year, index linked for the operational lifetime of the development for community benefit packages together with the consideration by developers of the scope for community investment. Other onshore technologies should also aspire to this level.

Community benefits packages from commercial renewable developments are not limited to annual monetary payments into a community fund. It is recommended that part of the package is composed of an annual cash sum which involves a degree of local control.

Moray Council is keen to see communities get a chance to invest in local developments so that they have a direct stake in the energy being generated locally.

There is scope to encourage community benefit models that allow communities to invest strategically in order to maximise local gains. A range of community ownership models are developing and the advantages and disadvantages of each should be considered. It is essential to consider community investment at an early stage and developers should provide clear and accessible information upfront to communities about investment possibilities. Local co-operative societies offer the opportunity for local people to share the rewards for renewable energy.

Moray Council will consider investment in local renewable energy schemes and is willing to engage directly with developers to explore models of ownership that will generate income to the Council that can be used to support the delivery of services.



Community Identification and Consultation

It is recognised that community benefit schemes can be divisive locally given that they usually operate within geographic boundaries and sometimes across communities with varying needs and opportunities. Individual schemes would need to include an equality impact assessment as part of the community identification and consultation process.

A key component of this guidance is the provision of information regarding community benefits **pre-consent** of the energy development. It is vital to identify the appropriate communities to be involved in such schemes and to allow time for capacity building and developing ideas for implementation of the community benefit package.

In advance of full consultation, the developer is recommended to undertake an initial study to determine a proposal for:

- What should be the geographical area to benefit
- Within that area, who are the appropriate contacts and communities of interest

Consultation with communities should take place at the outset of considering benefits and should be open, timely, fair and inclusive, and everyone should have a chance to be involved. In the first instance discussions should be held with every appropriate community group which shares a boundary with the application site. To maintain the distinction it is recommended that discussions on the development itself and discussions on community benefits should be held separately.

Supporting Effective Fund Spend

The output of community benefits should be driven by local community members, who should play an active role in deciding how funds are spend. Developers are not required to have ongoing input throughout the lifetime of the scheme to but to ensure the fund is structured appropriately

The following features should be applicable to all funds:

Determining fund priorities:

Identify community needs, opportunities and aspirations

Community Action Plan:

Identify range of projects of varying scales proportionate to the income to be received that will create local economic, social and environmental benefits

Ensuring effective fund distribution arrangements:

Clarify how funds are to be made available i.e. targeted to specific themes

Ongoing fund administration:

Promote fund and assessment of bids

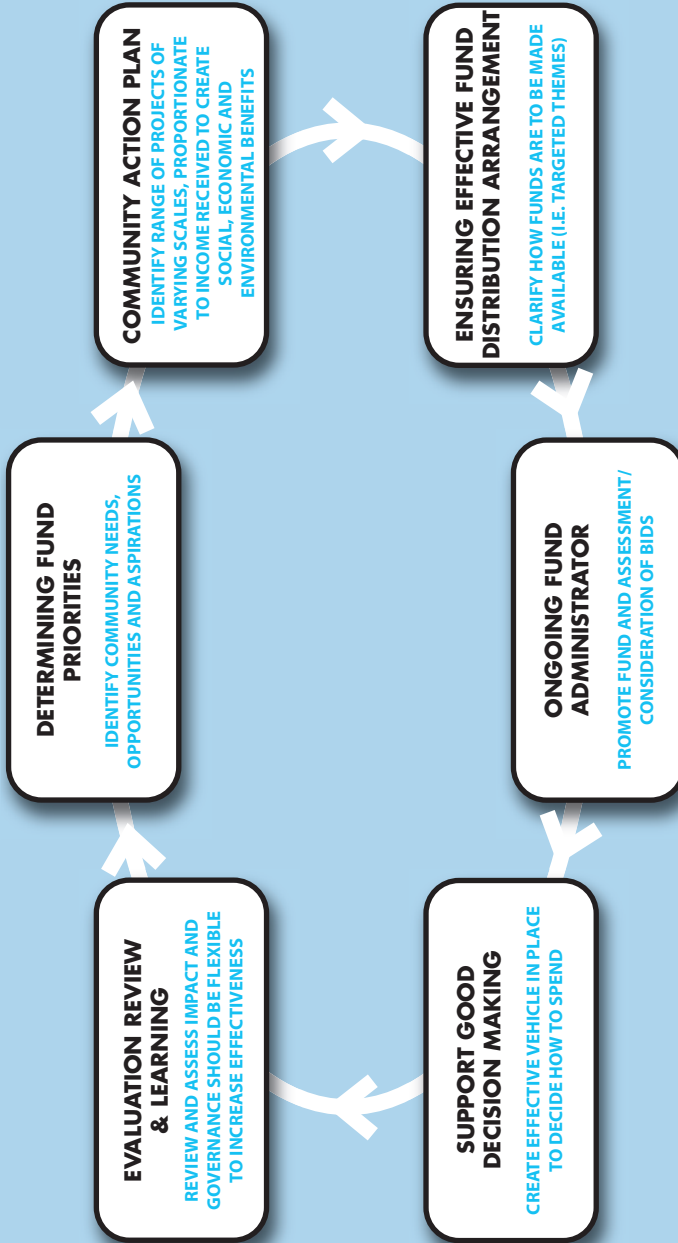
Supporting good decision making:

Effective vehicle in place to decide how to spend income

Evaluation, review and learning:

review and assess impact, governance should be flexible to increase effectiveness.

COMMUNITY BENEFIT GUIDANCE



Priorities will change overtime and it may be necessary to revisit and review community needs and wishes and the funds purpose and outputs.

Examples of potential projects/priorities for community benefits include but are not limited to the following:

- Investment opportunities to secure income beyond the project lifetime
- Development of a revenue-generating community owned renewable energy project
- Purchasing a community building
- Local skills and employability, education, apprenticeships and training
- Sports clubs, societies and groups
- Local energy discounts
- Environmental improvements
- Pedestrian/cycle footpath provision and community transport

Importantly these should be locally led priorities. There are various case studies set out in the Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments.

www.localenergyscotland.org/goodpractice

Communities can be assisted in developing a community plan, or assistance in negotiating with developers or managing funds by contacting the following organisations:

The Moray Council

Community Support Unit

Tel: 01343 563915

Email: csu@moray.gov.uk



Forres Area Community Trust (FACT)

Forres Area Community Trust
The Tolbooth
High Street
Forres IV36 1PQ
Email: info@forresarea.org
Web: www.forresarea.org



tsiMORAY

30-32 High Street
Elgin IV30 1BU
Email: info@tsimoray.org.uk
Web: www.voluntaryactionmoray.org.uk/



REAP

REAP Office
177 Mid Street, Keith
Banffshire AB55 5BL
Email: info@reapscotland.org.uk
Web: www.reapscotland.org.uk/



Foundation Scotland

Edinburgh Office	Glasgow Office
22 Calton Road	Empire House
Edinburgh EH8 8DP	131 West Nile Street
Tel: 0131 524 0300	Glasgow G1 2RX
	Tel: 0141 341 4960



Email: grants@foundationscotland.org.uk
Web: www.foundationscotland.org.uk

Ongoing role of Developers

Developers are encouraged to have legally binding contracts with fund administrators for the lifetime of the project. There should continue to be a clear point of contact and communication to keep up with fund outputs and outcomes. Developers should request an annual report detailing projects funded and planned. Good practice requires all developers to submit provider details to the Scottish Government Register of Community Benefits from renewables and encourage community groups to submit recipient details. A review should be undertaken to develop the community's vision and ensure fund providers are aligned to the long term goals of the group.

The Scottish Government Register of Community benefits from Renewables is available at www.localenergyscotland.org/register



Appendix 1:

Small Scale Projects 50kW to 5MW simplified process

Small scale projects receiving Feed In Tariffs (FITS) are encouraged to provide community benefits proportionate to the scale of their development.

The following simplified process should be followed as a matter of good practice:

- Identify appropriate community body or bodies, considering proximity, visibility, construction impact and undertake discussion with Community Council in which the site is situated.
- Explain proposals and method of administration and enter into a contract.
- Encourage annual reporting from community group to keep informed of projects the fund is supporting.
- Submit details to Scottish Government Community Benefit Register.



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