

The Highland Council

Community Safety, Public Engagement and Equalities Committee – 26 March 2014

Agenda Item	11
Report No	CPE 13/14

Highland Council response to the Consultation on the “Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments”

Report by Acting Head of Community and Democratic Engagement

Summary

This report asks the Committee to homologate the Highland Council response to the “Consultation on the Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments”.

1. Background

- 1.1 The consultation on the “Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments” sought views on principles designed to practically guide developers and communities through the process of negotiating community benefit. The full document is available at: <http://www.scotland.gov.uk/Resource/0043/00438782.pdf>

2. Highland Council response

- 2.1 The Community Benefit Officers Working Group considered the Good Practice Principles and drew up a response to the consultation (see Annex 1). As the consultation closed on 17 January 2014, there was no opportunity for the Committee to approve the response. However, prior to submission the response was agreed in consultation with the Chair of the Committee.

3. Implications

- 3.1 There are no Resource, Legal, Equalities, Climate Change/Carbon Clever and Risk implications resulting from this report.

Recommendation

Members are recommended to homologate the Council’s response to the “Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments” detailed in Annex 1.

Date: 14 March 2014

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Background Papers: Highland Council response to Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments

Annex 1

Consultation regarding the Draft Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments



Please enter any comments or views you wish to make on the Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments in the box below.

In general, this is a good document that clarifies a number of issues and will prove valuable for developers and communities. It is sensible to have a set of national principles for developers to work towards and ideally implement in full

In particular we support the following:

- Clarity provided on basic principles of Community Benefit
- £5K per installed MW target
- Emphasis on pre-consent discussions and information
- Clarity on the right to negotiate Community Benefit without affecting right to express opinion on proposed developments
- Community investment in renewables, although we would like to see more emphasis on this
- The links to support and further reading are useful
- Importance of Service Centres, wider Community Benefit areas in rural areas and regional funds
- Encouragement of cooperation between developers – inc. example of Achany in Highland
- Reiterating the importance and methodology of public consultation, especially regarding record keeping and memoranda of agreement
- Contract between developers and fund administrators covering the lifetime of the benefit package and issues such as transfer of ownership of the development
- Reporting and 3-5 year review
- The proposed banding of developments (50kw-5MW) is interesting. At Highland Council we have generally taken the view that our policy does not apply to developments generating less than 1MW (whilst still encouraging some contribution from the developer to the community)

However there are areas where concerns remain:

Identification of the community

This is one of the most complex areas of Community Benefit, and was doubtless discussed in great detail. We are keen to prevent the exclusion of some communities from negotiations and receipt of Community Benefit – whether through other communities actively lobbying for their exclusion; a lack of capacity to respond to consultations being mistaken for lack of interest; or a few vocal individuals rejecting contact from developers, despite not reflecting the views of the community. The Principles refer to the consultation area for planning as the starting point for

Community Benefit consultations. However this is potentially limited to neighbouring properties and the Community Council in which the development is located. We think this is too narrow - Highland Council policy proposes all Community Councils falling within 15km concentric ring around the development site.

Role of Community Councils

We would also like to see more emphasis in the Principles on the central role of Community Councils in representing the community that elected them. Other community “representatives” may be self-appointed and do not always reflect the views of the community. Furthermore, if Community Councils are to prosper and attract the best community representatives, they need to be given their place as the first point and continuing focus of community contact. However, we are not saying that other groups should not be involved, and Community Councils will usually identify additional groups and individuals with appropriate skills who should be involved in community benefit discussions and the management of funds.

Community Plans and capacity building

Community capacity is an issue that needs to be recognised and addressed by developers. The Guidance should promote support for development of community plans as part of the Community Benefit package offered by developers. It does not seem correct to use CARES funding to support community development in communities about to receive Community Benefit (and able to afford to pay for the community plan) and divert the finite support available through CARES away from projects in other communities. Some developers are proactively supporting and resourcing community development/ development of community plans and we would like to see all developers follow this lead and for it to be included in the Principles of Good Practice.

Community investment

We think that promoting community investment to developers should be a significant focus of the Principles. Scotland is seeing significant investment in renewable energy generation projects. Most of this investment is financed by global private sector investors. Local communities benefit financially only very little from these. Community ownership interests in commercial schemes, as opposed to community developments of small schemes wholly-owned by the community, remains the exception rather than the rule even though developers are often willing for communities to invest in their developments. By taking stakes in commercial renewable energy projects, community groups could make significant returns to be applied to forging stronger, more sustainable communities. Such stakes offer advantages in terms of the risks involved. For the most part community bodies would be benefitting from the expertise of commercial wind farm developers (so there is reduced risk in terms of getting the project completed) and, potentially, benefitting from economies of scale.

National and/or local frameworks should be considered to enable communities to capitalise on these investment opportunities, Furthermore a development fund/company could invest, on behalf of communities, in a number of projects, earmarking the resultant income (net of overheads), for distribution within those specific communities according to the communities’ own priorities.

Role of Local Authorities

In general the Principles of Good Practice do not highlight the key role that Local Authorities play in Community Benefit and supporting communities to negotiate benefit when required. The Principles should identify potential roles for Local Authorities in negotiations and/or supporting communities and developers. Local Authorities have considerable experience and involvement with communities and are often required to support communities (particularly where Community Benefit results in community tensions and splits).

Specifically regarding Local Authority guidelines, we recognise that these are voluntary, but they do not exist in a vacuum: developers should recognise that Local Authority policies and guidelines are approved by directly elected Councillors and should be promoted as a starting point for developers.

In-kind benefits

In-kind benefits are important but we would like to see an aspiration to in-kind benefit being additional to £5K/MW. Where there is substitution, the basis of valuation needs to be transparent and agreed by all. It is important that in-kind benefits are not imposed on communities in place of monetary Community Benefit payments i.e. community agreement is prerequisite. In the example provided in the document, LEDS substitute for £3K/MW Community Benefit.

Community contribution to service provision.

The Community Empowerment Bill will give communities a greater say in the running of services in their communities and the opportunity to own/manage publicly owned assets. Given this, there needs to be a re-think of the “not to be used for services provided by public authorities” clauses that many Community Benefit agreements contain and that are highlighted in advice recommended by the Principles (e.g. Local Energy Scotland guidelines, prepared by Foundation Scotland). These clauses prevent communities from using Community Benefit to improve and/or introduce services. In many communities these clauses foster a “not our responsibility” mind-set, just when the Community Empowerment Bill is promoting the idea that services belong to the communities that use, and pay for, them. We would propose limiting these exception clauses to statutory services, and exclude instances where, with the formal agreement of the responsible authority, communities deliver or augment those statutory services.

In general, we would welcome guidance for developers and communities from the Scottish Government which promotes the use and investment of funds in sustainable projects, community renewables and community run services, especially in the context where small communities are sitting on considerable community benefit funds.