



**Achieving Impact with Community Benefit seminar**

**Lochgilphead, 19<sup>th</sup> June 2014**

**Seminar Report**

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## Executive Summary

On the 19th of June 2014, Foundation Scotland and Argyll and Bute Council hosted a seminar exploring national policy and trends in community benefit funds from renewables, local governance of those funds and how communities can ensure such funds achieve the most for their area.

This report provides a summary of the presentations made and discussions held. The views expressed represent those of the participants rather than Foundation Scotland or Argyll and Bute Council. It provides a rich resource to inform current and future conversations between all stakeholders. In particular it will inform the Council's forthcoming review of their framework on community benefit.

The majority of delegates were drawn from the Argyll and Bute local authority area. The event brought together around eighty delegates and speakers from:

- Community Councils, Development Trusts and other community organisations
- Commercial developers and associated industry support agencies
- Intermediary organisations and community / third sector support agencies
- Argyll and Bute Councillors and staff.

The seminar focussed on three key themes relating to community benefit:

- The local and national policy context;
- The impact of funds and how communities can maximise this; and
- The management of funds, how they are governed and supported.

Each of the themes was introduced with a series of presentations available online followed by round table discussions. Key observations from the discussions are outlined below.

### Theme 1: The Policy Picture

- A pressing need for Argyll and Bute Council to refresh their **framework guidance on community benefit** emerged if opportunities presented by community benefit funds are to be maximised.
- **Levels of community benefit funding secured in Argyll & Bute to-date have been low**, average per Megawatt payment £1,072 per year, although the **huge potential in the region for more community benefit funding** was recognised.
- **Scottish Government guidance** was seen as helpful in informing communities about best practice and **community owned or invested schemes were seen as the real prize**. Delegates felt a revised Argyll & Bute framework should push for £5,000 per MW plus options for community investment from all new schemes.

- The **role and effectiveness of community councils** was questioned by some delegates. It was concluded that developers and third party fund distributors should check the **local legitimacy and capacity of any community body** to manage community funds.
- A number of views were expressed in relation to **the way developers engage communities** during fund negotiation and the **role of the local authority** in this regard. A consistent approach across developers was requested and clear guidelines as to how they should approach community benefit negotiations. Some good practice was evident although the **complexity and sheer number of variables in the process** of agreeing community benefit was recognised.
- Some delegates wanted to see **community benefit discussions removed from the planning stages altogether**, others recognised it is often hard to separate these issues and there may be advantages to **starting community consultation early on**, otherwise it can leave a lot to be negotiated after consent. One solution put forward would be for the community to **establish separate groups** dealing with planning and community benefit. Many felt **guidance is needed for communities** on how to engage early on.
- Timescales for community consultation can be **driven by the developer's timescale** for planning submission. It can be difficult for communities to organise themselves and respond within these, as a result, some felt they had little chance to have a **meaningful conversation** about the opportunity or issues involved.
- With regard to the distribution of funds, a need was expressed to streamline grant making policies **to make these less cumbersome for communities receiving multiple funds** whilst recognising a **danger that such funds could supplant public funding**.
- Many delegates **supported the concept of a regional fund or sub-regional funds in principle** where pots of money are sufficient and it was done in a transparent and accountable way. Delegates generally felt this would widen the impact of community benefit monies and address **issues of equity between communities**. Several suggested sub-regional funds would allow for most coherence in Argyll and Bute. A regional or sub-regional fund could enable and encourage communities to join together and deliver projects or services that are more transformational and sustainable. Priorities should be driven by local needs and **decision-making over spend from any regional fund(s) needs to be in hands of communities**.

## Theme 2: Where is the money going?

- The impact of funding **depends on the community's appetite** and level of development / activity. Often, successful community groups start small-scale and then build more confidence to develop large-scale projects. Small-scale investments can demonstrate the

impact of funding immediately and win the trust of the community to become more 'strategic' in their thinking.

- Communities should be ambitious but also realistic about the viability of proposals; the advice was to **share data and options with the community** and then come to consensus. In some cases, communities may need to come together to enable viable service provision.
- The **value of a good community plan** was confirmed, the community planning process should be **open to all voices in the community** and the plan should be **achievable and deliverable**. Delegates felt a good community planning process can: **mobilise the community**; provide a robust and evidenced **statement of a community's vision** and **enable funds to be directed in a strategic way**. Plans need to be reviewed and refreshed over time.
- There was a clear sense that **the money shouldn't be 'frittered away'**, groups must try to become as self-sufficient as possible and some of the funds should be "put aside for the future".
- **To demonstrate value and enable learning**, more and better **reporting of impacts** from funds was advocated.
- The ability to leverage **match funding** was seen as important generally, and the often significant number of volunteer hours put in should also count as match.
- Many delegates highlighted community capacity as an issue and stated that **funding paid employees** to work on the development and delivery of local projects was a good use of funds. This would enable co-ordination of community effort focussed on priorities set out in a community plan and efforts to **involve the community beyond the 'usual suspects'**.
- The **provision of practical, independent support and advice, provided directly to the community**, was seen as most valuable in enabling impact to be achieved with community funds. There was also a recognition that much knowledge exists in the local authority, but that the multi-faceted nature of councils meant **communities need a designated person to be coordinator / contact point** for the provision of support.

### **Theme 3: How can community benefit funds be managed?**

- A **range of models** are operating in Argyll and Bute communities including: communities managing all aspects of funds themselves; use of a third party to provide administrative and governance support and advice with decision making in the community; and the use of the Argyll and Bute Wind Farm Trust providing governance support to community organisations.

- Some supported the availability of various models to manage funds, whilst others felt a need for consistency. The creation of **a forum for sharing information** was espoused, along with a 'toolkit' for communities to pick and choose from in managing funds. A **proportionate approach to administration** is required whichever model is used.
- A range of **challenges in the management of community funds** were identified, for example: varying levels of bureaucracy; the demand on a limited pool of volunteers; local politics; the need to manage conflicts of interest; the need for capacity building and; difficulties in ensuring decision making bodies are truly inclusive / representative of the local population.
- There were discussions around **confidentiality of decision-making over awards**, and different conclusions reached as to whether decision making meetings should be held in public or not. Pros and cons were outlined for each approach.
- There was a sense that **thematic priorities across areas / the region need to be supported**, for example economic development, skills / learning, rural disadvantage and ageing populations. However, flexibility as to what can be funded was seen as key, to enable funds to respond to local circumstances.
- Delegates also stated that direct **community ownership of renewables and joint ventures** should be strongly supported and that opportunities existed for the creation of new partnerships in the region to this end.
- It was proposed that good management of community funds requires vigilance; that all community benefit fund organisations should be **accountable and transparent to their local community** but that it was necessary for communities to hold them to account.
- Communities require **support in determining fund structure, its management and ongoing community engagement**. However, it was recognised that management of community funds is an evolving process, where **those involved learn and adapt** over a long period of time (c. 25 years in most cases). Again, flexibility is key.

Feedback from delegates indicated the seminar was a useful event, bringing together people from across Argyll & Bute and further afield to share intelligence and practice, and raising awareness of how community benefit funds are working.

The key discussion points are being used to inform the review of Argyll and Bute Council's framework on community benefit funds and a number of requests for further support from communities have been followed up by Foundation Scotland and the Council.

## About this Report

On the 19th of June 2014, Foundation Scotland and Argyll and Bute Council hosted a seminar at the Council Chambers in Lochgilphead exploring national policy and trends in community benefit funds from renewables, local governance of those funds, and how communities can ensure such funds achieve the most for their area. This report provides a summary of the presentations made and discussions held at the event. It is expected the report will also inform the Council's forthcoming review of their policy on community benefit that was announced at the seminar.

Please note that the views recorded here are those of individual speakers and delegates, as they were shared on the day. They do not necessarily reflect the views of Foundation Scotland or its staff, nor of Argyll and Bute Council and its staff.

## Structure of the Seminar

The day was facilitated by James Hilder of An Roth Associates. James introduced the speakers, kept the discussion moving and facilitated questions and feedback from the floor. Foundation Scotland and Argyll and Bute Council recognised that there would be a great deal of experience and knowledge gathered in the room and aimed to provide opportunities for discussion between delegates as far as possible. To this end, delegates were seated at round tables, each with a table host to facilitate dialogue and a note-taker to capture key points from the discussion. Table plans were produced in advance to help ensure a mix of voices from different sectors and geographic areas.

The seminar focussed on three key themes or aspects of community benefit over the day:

- The local and national policy context
- The impact of funds and how communities can maximise the benefits
- The management of funds, and how they are governed and supported.

Each theme was approached as follows:

- Speakers provided an introduction to the topic and ideas to spark discussion
- A facilitated discussion amongst delegates at each of the eight tables followed
- Feedback to the whole room on key points rounded off the session.

Full copies of all presentations are available from the Foundation Scotland website at [www.foundationscotland.org.uk/argyllandbuteseminar](http://www.foundationscotland.org.uk/argyllandbuteseminar) and from the Argyll and Bute Council website at [www.argyll-bute.gov.uk/achieving-impact-community-benefit-funds](http://www.argyll-bute.gov.uk/achieving-impact-community-benefit-funds)

The report is structured according to the programme for the event, with a brief overview of each presentation given, followed by a detailed set of key themes or learning points highlighted in the table discussions that followed.

## Context for the seminar



This was Foundation Scotland's third event focussing on sharing learning on the design and delivery of community benefit funds from renewables. Previous events were held in Dumfries & Galloway (Dumfries) in 2013 and Highland (Strathpeffer) in 2012. Following discussions with Argyll and Bute Council staff in early 2014, it was agreed to deliver this third seminar in partnership as this was a topic the Council felt was important to communities in Argyll and Bute.

The majority of delegates were drawn from the Argyll and Bute local authority area, which is experiencing significant interest from renewable energy developers, notably in relation to onshore wind energy. The Argyll and Bute Council is at the start of a process of refreshing its guidance on community benefit. This emerged as a pressing need for the area if it is to maximise the opportunities presented by community benefit funds.

## Who was there?

The event brought together around eighty delegates and speakers from:

- Community Councils, Development Trusts and other community organisations
- Commercial developers and associated industry support agencies
- Intermediary organisations and community / third sector support agencies
- Argyll and Bute Councillors and Council staff.

Promotion of the event was targeted due to the limited size of venues in mid-Argyll and the desire to involve those communities which are subject to renewable energy developments, either operational or proposed. All community councils did however receive an invitation and notice of the event was circulated through the Argyll and Bute Social Enterprise Network (ABSEN). A selected invitation list was therefore approached and all 80 places were booked up, with 73 delegates attending on the day.



## Welcome

The seminar was opened by Councillor Vivien Dance, Policy Lead for Argyll and Bute Council on Sustainable Environment, Renewables and Strategic Tourism. Vivien welcomed everyone to the event and to Argyll and outlined the main focus for the day as "*how these funds can be utilised to ensure maximum benefit to our communities and to allow them to realise their potential*" and confirmed that planning policy relating to renewable energy developments would not be covered.

The Councillor also set the discussion in its wider context, namely the contribution community benefit funds can make to Argyll and Bute's Single Outcome Agreement, which sets out the Community Planning Partnerships' vision for the region and includes the overarching aim that "*Argyll and Bute's economic success is built on a growing population*". Finally, she flagged that the event was occurring at a time when the Council is looking to update its policy in relation to community benefit and welcomed delegates' thoughts during the discussion sessions or via the evaluation forms in order to help shape the framework for the future.

## Theme 1: The Policy Picture

### Presentations

The first session was opened by **Audrey Martin**, Projects & Renewables Manager at Argyll and Bute Council. Audrey outlined key relevant policies and plans, again placing the topic for the seminar in its wider context, and went on to outline key strategic actions by the Council. She introduced the existing (2005) Argyll and Bute Council policy on community benefit funding and the nature and value of existing community benefit fund agreements highlighting in particular the significant (£100,000 p.a.) funds coming into Ardrishaig from the community's joint venture at Allt Dearg Wind Farm. Some examples of projects supported with funds were then provided, followed by some issues for consideration in securing funds from new developments, some of the policy pointers from the Scottish Government, and a call for input to a revised and updated Argyll and Bute framework on community benefit which might include consideration of a regional element to funding. Finally, Audrey touched on the value of community plans to guide where and how funding might best be directed at local level plus an overview of source of support from within the Council.

**Rachel Searle-Mbullu** of Foundation Scotland outlined how the Foundation is working with communities to implement community benefit funds at all stages in their lifecycle, from fund set-up through to evaluation, and to share good practice through events like this. She touched on the range of clients that the Foundation works with and the fact communities in receipt of funds are increasingly approaching the organisation for its services. Foundation Scotland seeks to design funds through a 'bottom up' approach, in collaboration with communities, rather than a top down approach. She highlighted some of the more transformative community projects that had been funded through the funds which the Foundation has been involved in managing, and went on to flag some of the risks associated with poor design and management of community funds as well as the opportunities that can be realised when this is done well. She then outlined the nature and scale of the opportunity and challenges associate with this kind of funding; with potentially up to £50M available by 2020. Finally, Rachel introduced Firm Foundations, a community led charter facilitated by Foundation Scotland which sets out some key principles and practices that communities would like to see observed by developers, local authorities and others when establishing community funds.

Scottish Power Renewable's **Tracy Kennedy** then outlined the value of SPR's current commitment to community benefit funds, and their focus on enabling communities to decide how funds are used via a flexible approach but with funding administered via a locally established body. The range of projects in Argyll and Bute funded via SPR were then outlined, and their process for engaging local communities where a new wind farm is proposed. Finally, Tracy highlighted commitments for the future, including observing the Scottish Government's Good Practice Guidelines for Community Benefit from Onshore Renewables and development of SPR's community engagement and community benefit policy.

The final speaker for this session was **Katy Woodington** of RWE Innogy UK. Katy outlined her company's involvement in onshore renewables across Scotland, its commitment to providing benefits through contracting with Scottish and local businesses, before going on to highlight the unique nature of and opportunities from community benefit funds from the private sector. RWE's commitment to engaging with communities in a meaningful way and being aware of the Scottish context and its unique challenges and opportunities were then raised. The example of RWE's close work with local communities to design the fund linked to the Gwynt Y Mor offshore wind farm was then outlined, including links with strategic bodies in the area, provision of loans and advice and well as grants and paid co-ordinator position. Katy ended by outlining RWE's commitment to leaving a positive legacy from its renewables activity in Scotland and providing the right support to communities in order to enable this.

## Discussion Headlines

Key points discussed at the eight tables following on from the above presentations are given below.

### 1. How are current policies influencing your situation?

Several tables were surprised at the low level of funding secured to-date, with the average per Megawatt payment of £1,072 per year. One table asked why Argyll and Bute is seemingly so far behind other regions, another stated that all existing agreements need to be reviewed urgently and that Argyll and Bute policy needs to insist on £5,000 per MW plus options for community investment from all new proposed schemes. **Scottish Government guidance** was seen as helpful in enabling communities to know what should or could be provided or expected.

Some delegates said payments should be £10,000 per MW. A justification given was that west coast households spend £1,000 p.a. or more on fuel, so higher payments should be tackling this issue, balancing renewables activity and fuel poverty. Another table suggested that the best formula for arriving at community benefit values was to identify the percentage of income coming from a wind farm and make community benefit a set proportion of this. Yet another suggested the public subsidy for renewables be given to the community instead of the developer, as this would avoid tensions and the need for complex negotiation. What the tables did seem to agree on was the **huge potential in the region for more community benefit**.

Community investment in renewables and **community owned schemes were seen as the real prize** by many, and something to be prioritised, with the examples of Ardrishaig's investment in Allt Dearg and Gigha's Dancing Ladies cited. This was seen by some as a conversation to be had separately from community benefit.

There was a focus on some tables in relation to **the role and effectiveness of some community councils**. Developers tend to look to community councils to discuss / negotiate funds as they are often the only community-level organisations that developers are aware of. However, community councils can vary in how transparent they are, how effective they are in engaging their community, and how representative of local views they are. Lack of engagement with local people has, in some examples cited by delegates, led to perceptions of them being self-perpetuating groups. Some delegates had also experienced excessive bureaucracy when applying for grant funding.

At the same time, the limitations placed on community councils were recognised – they have limited powers and (until now) no funds, which in some cases has made it difficult to engage communities and in return is why some communities have tended not to engage with them.

Developers and fund distributors should check the **local legitimacy and capacity of any community body** to manage community funds, exploring their relationship with and accountability to the community.

One table recognised a need for community councils to work better together, and another cited Carrick Futures in South Ayrshire as a model whereby the interests of several communities have been brought together to operate several funds.

There was agreement at two tables that relevant policies and plans need to reflect aspirations at the grass roots and be built up from local level. Councils and other organisations need to provide a facilitating role, helping communities themselves to lead.

One view was expressed that money is the driver for interest amongst all stakeholders (council, politicians, communities, developers, third party administrators) and therefore each has differing opinions. They urged all parties to be open and honest about this, and realistic about the scale of the opportunity.

The community benefit / investment scheme linked to the National Forest Estate (NFE) was discussed at several tables. Some considered this to be quite flexible, but perhaps not well known about, and that it was good the Forestry Commission (FC) insist developers offer community benefit.

An example was cited of the value of potential community benefit funding over the lifespan of a development being provided by the developer up-front so that the community could use it to become investors in the scheme. However, developers made it clear they cannot advise on such opportunities, as the provision of investment advice is regulated by the Financial Conduct Authority. Independent advice is therefore required.

There were a number of views expressed around **the way developers engage communities** plus the **role of the local authority** in this regard. There was some frustration with the lack of a consistent approach from across developers. An example was given of one community council being approached by six different developers with some having very different approaches. Others accused developers of playing communities off against each other. Some good practice was evident, but one table asked that Argyll and Bute Council produce clear requirements / guidelines as to how they expect developers to approach community benefit and related negotiations. Also that such guidelines are flexible enough to adjust to changing priorities.

The **complexity and sheer number of variables in the process** of agreeing how community benefit will work in any one scenario was recognised. Linked to this was the number of different stakeholders and difficulty in identifying who should benefit.

In terms of examples, the joint venture opportunity at Allt Dearg made the Ardrishaig community get more involved from the outset, and as a result consultation was successful. Conversely, Green Power's Carriag Ghael (Section 36) wind farm was cited as one of poor communication practice. The development went live last autumn and it is understood there is to be a fund starting in autumn 2014 to be backdated and operated by the developer.

Some delegates wanted to see community benefit discussions removed from the planning stages of an application, as this was seen as bribery, although others recognised it is often hard to separate these in practice. Others recognised the need to **start community consultation early** otherwise it leaves a lot to be negotiated after consent. Some felt that community benefit offers need to be finalised and agreed before a planning consent decision. There was also a request to clarify what early stage consultation is (as per Scottish Government guidance). Yet others said the most appropriate time to negotiate community benefit is between submission of a planning application and consenting decision. This issue was further discussed later in this session.

One table agreed community action plans were important to inform negotiations around community benefit and how it may be delivered, allowing for a 25 year view. These could be funded pre-consent. Similarly, and with regard to operating funds, one table felt that whatever vehicle is most appropriate; a significant amount of time and effort should be given to setting up and supporting groups before funds come on stream.

With regard to the distribution of funds once operational, one table felt there is no clear policy on this, which leads to uncertainty. However they recognised that an "inclusive" approach is the best philosophy. There was also **a need for some developers to streamline their grant making policies**, to make these less cumbersome for communities receiving multiple funds. There was also recognition of a danger that income from renewables could supplant public funding during austerity.

The unique opportunity of a 25 year funding stream was highlighted however there was also a question as to how robust guarantees of this income over 25 years were.

There was also a need to recognise that a small pool of volunteers tend to give high volumes of time to negotiate and then oversee community benefit funds, and that there should be the option for such individuals to claim expenses incurred.

Finally, the exchange of information and experiences between all groups was seen as important, and an ongoing forum for facilitating this was proposed.

## **2. What challenges and opportunities might be involved with creating a wider regional or sub-regional element to community benefit funds? How do you think this might work?**

The **concept of a regional fund was supported in principle** by a number of tables. They felt this would widen the impact of community benefit monies. When based on postcodes / boundaries close to the wind farm only, some areas lose out and opportunities for wider impact are missed. A regional fund would be a good thing as it would enable communities to join together, making investments more sustainable.

There was a sense that large settlements (e.g. Oban, Helensburgh) currently get very little, if any, direct benefit from the funds, yet over 50% of the Argyll and Bute population are located in such areas. Small communities may benefit by a considerable amount per head of population, while for larger populations the funds per head are currently very small. And neighbouring communities that are not deemed eligible for funds may be providing services that benefit communities within the fund area. In some cases, the community will never benefit from funds based on the prevailing model.

People do not live their lives according to administrative boundaries; moreover the value of funds could well grow. As they do, there is an **issue of equity**, a need to support communities across the region rather than enabling one to be "over-prosperous" while others are deprived, which would be contrary to the aim of supporting growth. 'Don't leave some communities behind' was a shared view.

A proportion of the funding from all developers could be **pooled to a regional fund** if it was done in a transparent and accountable way. People who don't necessarily live adjacent to the wind farm would see some benefit but this would reflect the fact that wind farms impact on all those travelling / working in the region. However, two tables felt regional plans should be driven by local needs established primarily by the work of Development Trusts / Community Councils.

Other tables supported a regional fund only where pots of money are sufficient. Where funds are small, there is a danger that a regional element could result in funds being spread too thin to be effective. An example was given of Strachur community, which is due to receive £2,500 per annum - fine for a local fund, but not worth spreading.

Three tables questioned whether a regional fund would be coherent in Argyll and Bute, suggesting instead other boundaries may be more appropriate, for example a split based on the four existing area boundaries. However, it was stated that local authority boundaries don't always reflect how communities and services align. Islay for example has stronger practical links to Glasgow than mainland Argyll in some respects. One table suggested contributing to a Scotland-wide fund.

Another table discussed the Highland Council policy, which it felt was developed quickly as the region needed a policy early on because of the scale and pace of development. However, this was considered to have failed, as some small communities still have too much to spend.

Some tables explored the question of criteria for awards from a regional fund. One felt it should **support more transformational projects** and schemes such as poverty reduction, skills development and investment in renewable energy. An example was given of ALI Energy, which provides workshops and advice on energy efficiency and renewables.

However, it is clear this issue is not straightforward. At some tables there was a concern that money "sliced off" for a regional fund would lessen impact, also that a regional fund may be beset by bureaucracy especially if controlled by developers or the Council. **The decision making needs to be in hands of communities.**

ALI Energy's services are delivered across Argyll but they have not seen a large amount of income and there is tension around what is seen to be 'fair'. Would communities agree on a model including a percentage to an organisation such as ALI Energy?

Another table stated that there should be a split of funding in local and regional terms but that one size does not fit all, although a 60/40 split may be about right.

### **3. How could communities and developers better manage the challenges of considering the separate issue of the planning application within the same timeframe as any potential future community fund?**

The timescales involved in a planning application were seen as difficult for communities to organise themselves and respond within; there was a sense these are set by the pace of the developer and community has to go along with that. Community representatives also have to deal with the wider community's comments as they encounter constituents on a daily basis – on the street and in the shops – but developers are removed from that situation.

Separation of the issues was seen as key, but also as difficult by several tables. It is inevitable community benefit will have an indirect influence but that shouldn't stop community groups 'getting in' early. The **solution is to split in to sub-groups** to deal with different elements, with the one group covering planning and a separate group with community benefit.

One table discussed the difference between local vs Section 36 planning applications, stating that when potential community benefit payments are in the public domain it has an influence and therefore it shouldn't be talked about pre-consent. Some developers stated their information is always in the community domain and not aimed at influencing objectors.

Developers need to be aware that **not all communities want to talk before planning**. But others want to know everything! Examples were given where developments took place with little consultation or where consultation was "steamrolled" over 30 days, with two public meetings during that time. The community in question felt they had little chance to have a **meaningful conversation** and make decisions amongst themselves in that timeframe.

Some tables agreed it is important to enter into negotiations / discussions as early as possible. The Scottish Government Guidance on Good Practice in Community Benefit from Onshore Renewables asks that developers and communities have early discussions. Relationship building was seen as important and that the conversation needs to start early no matter what the development is. Argyll and Bute Council needs to support community in doing this.

Some communities don't think they can engage at an early stage, leading to polarised views and conflict. **Guidance is needed for communities** on how to engage early on and what to ask for.



## Theme 2: Where is the Money Going?

### Presentations

The second session opened with a presentation from **Helen Houston**, of Kyle of Sutherland Development Trust in Highlands. Helen outlined the range of community benefit funds available in the Kyle of Sutherland Area and how the formation of the Trust had in part been a strategic response by the community to their provision. She went on to outline how the community had gone through a process to create a development plan for the area, setting out local priorities but being flexible enough to respond positively to opportunities as these came along. The various priorities identified were then discussed. Helen highlighted achievements since the plan was created in 2011. Finally Helen outlined her key tips for making it happen, and the significant growth and achievements of the Trust in more recently months

Next **Virginia Sumsion** of Cairndow Community Childcare discussed the experience of that organisation from inception in 2005 in accessing funding including a grant from RWE Innogy's An Suidhe Community Fund and Scottish Power's Clachan Flats fund as well as other funders. Virginia stressed the difficulties involved in sustaining a service like this in small rural communities and the welcome stability that a grant for salaries can bring. She provided advice to those present on applying for funds successfully, outlined how the organisation has grown in size and the range of activities it offers, and how it has helped underpin the viability of the village hall from where it operates. Finally she highlighted the lessons learnt by the group and their future plans including moving to a bespoke premises.

### Table discussions

#### 1. **How is money from community benefit funds being used in your community (if applicable)?**

There was a lack of operational funds represented at some tables, although a number exist across Argyll and Bute in general and they tend to be concentrated in the Kintyre, Mid Argyll and Cowal areas. Some are at the set-up stage. Anecdotes of a number of different models were given such as:

- High volume of smaller scale applications up to £1,000 at grassroots, uncoordinated but very useful. Bigger projects applying for over this amount have levered in almost twice the value of funds provided from wind farms.
- Some funds have been used to set up small businesses or get training to do so; it is possible to fund private sector.

- One fund was quoted as having received 23 applications with a total value of £70,000 in its first round; in the second round the same groups applied again. While this is in part down to the small nature of rural communities, a dependency culture can emerge.
- A c. £10,000 Fund serving Taynuilt has been non-competitive - it gave all applicants awards, for example drama group, pantomime trip for local kids.
- Historically funding was given to a group to rent a hall for anti-wind farm meetings, although developers will often now specify that community benefit cannot be used for anti-wind farm purposes.
- Another Fund had a clear preference for new groups and allowed applications for up to 5 years funding. However, there was a limit on what the fund can spend money on due to criteria laid down by the bank financing the windfarm.
- RWE Innogy's An Suidhe Fund is operated as an open competitive fund, and has a proportionate process in terms of administration. Lots of environmental improvements have been funded; successes include a play area and a decking area around community hall. Some of the communities involved are considering the long-term including investments/endowment. However, some communities have found local awareness of the fund to be poor.

One table concluded it is important to get word out about funds widely, also that a lot of what is funded **depends on the community's appetite** and level of development / activity.

## 2. Can you share a "lesson learned" from a successful/unsuccessful grant or project?

Successful community groups **start small-scale and then build more confidence to develop large-scale projects**. Trying to go big at the start means it often takes too long to see any results. Small-scale investments spread benefit more widely and can then win the trust of the community to become more 'strategic' in thinking. So, if you need to, start small. Examples were given of people now learning and seeing possibilities, feeling confident enough to think big, and this building confidence in the community's process.

One community had many holiday homes owned by skilled people, but they are not normally resident in area. Those volunteers who are resident are facing burnout. Meetings with partners involve a lot of time and the community needs the support of paid employees now.

There can be value in being ambitious but you may not be able to achieve some aspects of your plans. An example was given of a plan to improve public transport but there was insufficient population to support the service. The advice was to **share data and options with the community for them to discuss and come to consensus on**.

### 3. **What impact has the presence (or absence) of a strategic community plan had on your community (or communities you've worked with) in relation to where/how community funds are being used?**

The following examples were given:

- Anticipating funding from wind farm, one community developed its action plan which helped to demonstrate to funders what money would be used for. There was a strong process that brought people together and engaged the local community however, there is now no wind farm – expectations have been raised but it's unclear how these can now be fulfilled. They are now in discussions with the HIE Development Officer and it is important to have a development/business plan in place to be account managed by HIE.
- One community established trust and spent three years "frittering funds". It then took a decision to develop a community plan. The delivery of this plan is ongoing and flexible so the Trust can be "re-tasked" to take opportunities that come up into account.
- Another trust had conducted a community planning exercise to gain further insight into local needs but it was considered not to have made any appropriate changes to their grant award programmes to reflect needs identified.
- In response to a wind farm proposal on the National Forest Estate, a community action plan is being developed in conjunction with Forestry Commission Scotland (FCS). The community council organised surveys, FCS has funded community agents who carried out interviews, sent 400 survey forms out with 120 responses.

Delegates generally agreed that **having a plan is very important**, but **notes of caution** were made about:

- The time, energy and skills needed to gather opinion and information, analyse the findings, identify key opportunities and challenges and write up the results can be challenging, especially with volunteers alone;
- Evidence that at least one excellent plan has had no impact as it has not been followed through;
- The importance of plans being achievable – this can be difficult where the community is not a coherent entity;
- A need to avoid the process being dominated by people with axes to grind – there needs to be a community-wide vision.

On the other hand a **good community planning process** can:

- **Mobilise** the community and generate interest and energy;
- Provide a robust and evidenced statement of a **community's vision**;
- Take a considered view of the **prospects for a community**, future opportunities and threats, and contribute to long-term sustainability and success if funds are invested wisely;
- Be a **continuing process**: plans are not static; they need to be reviewed, refreshed and refined over time.

It was noted that any land use implication in a community planning process needs to take account of the wider development planning process and that this may affect implementation.

**Timing** is often a key factor in delivering a community plan. In 2007, Ardrishaig developed a regeneration master plan but then the recession hit and this quickly became too ambitious to deliver. Now there is a need to revisit this master plan and bring it up to date so it becomes a relevant, living document.

Different approaches to drawing up plans are needed, dependent on the size and nature of the settlement / community council area, and plans need to be flexible to respond to unforeseen circumstances / opportunities.

#### **4. How do you think maximum impact from a fund-can be achieved?**

There was a clear sense that groups that currently benefit from community funds must try to become as self-sufficient as possible, **the money shouldn't be 'frittered away'**. There was also a feeling that some of the funds should be "put aside for the future".

There is a need for **more reporting of impacts** from funds that are disbursed – **to demonstrate value and enable learning**. Similarly, one table stated there is lack of monitoring of the extent to which community plans are delivered.

All communities/regions need **a plan to ensure funds are directed in a strategic way**. This would include setting out what would and wouldn't be funded. There is also a lack of strategic thinking about how regional funds can be used to leverage in additional funds. Initiative on the edge was cited as a good model; this coordinated input from all agencies in an area to plan for the area.

Two tables discussed the need to pay members of the local community working on projects, not just rely on volunteer input. This would be more sustainable as it would avoid volunteer fatigue, for example **funding staff core costs and using this as leverage for securing other funds**. Such a model could help the community focus on its priorities.

Building on this, there is a need to ensure in small communities there is sufficient focus on certain projects and involvement in them. A key question was how can such community involvement be driven?

The **ability to leverage match fund** was seen as important generally, and the question was asked as to how successful groups had been in using volunteer hours for match funding. The numbers of hours that tend to be put in by volunteers mean it should be possible to very quickly secure match funds.

There was **resistance to funds being used to replace existing statutory services** and to Councils receiving donations. Issues such as poor roads and the need for traffic calming were raised in this regard.

One Community Trust took a strategic approach using:

- Widespread consultation through which the community came up with ideas.
- In the first year or two, the Trust aimed to spread the benefit so it was felt across as much of the community as possible – funded the musical society, horticultural society, befriending, old folks coffee morning, sailing / canoeing club.
- Now and for the next few years the Trust is building capital to focus on larger projects, e.g. village hall improvement for which a feasibility study has already been funded.

Funders were said to all ask for different information and the point was made it would be easier if they had a unified approach, using the same language. Moreover, application processes for most trust funds were seen as onerous by some, especially when the amounts of money are small. Joint ventures (investment) were seen as offering the opportunity of transformative funding that can make a real difference.

One representative was concerned that their community wouldn't know what to do if it received funds – and that as a result funds would perhaps not have the greatest impact. Another issue was seen as remoteness, including poor road connections, meaning some services will likely be difficult to deliver.

## **5. What development support has been accessed by your community / organisation? Are there any gaps in / further needs for development support, and if so how might these be met?**

The main focus of the discussion was around bringing the community together, identifying their views and producing a community plan.

Communities had received development support from a range of organisations including Business Gateway, Community Energy Scotland, HISEZ and ABSEN. One had received help from Evaluation Support Scotland to analyse feedback forms / questionnaires.

**Practical, independent support and advice, provided directly to the community, was seen as most valuable.** An example was given of a community council area having worked up a local plan: holding an open meeting, following up with a newsletter to ask whether people wanted a new organisation to be set up, then a working group was formed and a final plan written up. No help was needed except for analysis of demographic data, which was commissioned. It was noted that the council can also offer this but the group felt that somebody working specifically for them would be more helpful.

One table felt that if the community asks the developer for help to fund production of a community plan they will be perceived as being in their pockets. Support needs to be provided locally. In the same vein, one developer felt that they are compromised and can't be supportive / providing advice without being seen to bribe. There is a need for a 'go to' organisation.

In a complex administrative environment (for example council boundaries, National Park area) it can be difficult for communities to know who to consult or how best to go about it. The local authority has access to lots of knowledge and skills but communities were unsure of who to go to - **there needs to be a designated person to be coordinator/ contact point for communities**. This was corroborated by a second table who stated the FCS have led on supporting communities in engaging with opportunities on the National Forest Estate, but perhaps they should have brokered-in support from the Council.

South Lochaweside Community Company has conducted a survey of local priorities. However setting up such an initiative itself can divide people. Practical, external help is needed for this reason and also because there is too much work to be done by volunteers alone. Having gone through the process, the group is now more aware of whom to go to for advice/ help.

Other difficulties encountered were:

- Lack of knowledge of what funds may be available to develop plans.
- Community councils and other community organisations need professional advice and support on how to consult people effectively.
- Community plans are often long term / aspirational, so it can be hard to get residents to buy-in / engage. Help is needed, both direct assistance and sharing of tools / good practice.
- Where a community is fairly disempowered or lacks cohesion, it may be difficult to bring the community together, identify local views or achieve consensus.

## Theme 3: How can Community Benefit Funds be Managed?

### Presentations

**Charles Dixon-Spain** of Colintrave and Glendaruel Development Trust kicked off the session by outlining the community and the challenges facing it. He then covered the Cruach Mhor Wind Farm Trust, which disburses money from Scottish Power's Cruach Mhor development. This was one of the first communities to receive community benefit funding from onshore wind energy. Charles went on to explain how the trust is set up, application process, and range of projects invested in from the village hall and play park to a wide range of extra-curricular activities at the primary school and, crucially, part funding of salary costs for a local development worker. Charles then discussed some of the challenges involved and lessons they have taken from the operation of the fund, and the Development Trusts' plans to build their own renewable energy projects on local woodland recently purchased.

**Tom Black**, speaking for Foundation Scotland, outlined their approach and services that support fund delivery as a third party. This included support around good fund governance, fund strategy and a Fund Panel as a community-led forum for making decisions and ensuring both accountability and impact. The Foundation's full suite of grant making and fund management services were covered, from creating application materials and assessing applications to making payments and evaluating fund impacts. The pros and cons of using the Foundation were explored, with the organisation providing both an administrative and advisory role that frees up the community to focus on what the money achieves. Tom also gave an example of a new model of fund management, the single community trust, aimed at providing a streamlined approach to management of funds from multiple sources in a community. Tom's input was an amendment to the agenda as a representative of a Community Panel supported by Foundation Scotland was unable to attend.

Finally, **Margaret Pratt** of West Kintrye Community Council Windfarm Trust gave an overview of how that community organisation manages several funds in its area. Margaret covered the funds administered, application process, how Trust meetings are run, and the positive and negative criteria against which applications are considered. Specific criteria exist for capital and revenue grants and Trust meetings are held in public. The pros and cons of the model were then outlined, including the provision of free advice by Argyll and Bute Council. Margaret finished up with a list of ideas that may be the focus of future funding efforts, from solar panels and educational bursaries to broadband and a mini-bus.

### Table discussions

Some tables did not have anyone involved in managing community benefit funds and therefore had limited knowledge to draw on.

## **1. What are the arrangements for managing community benefit funds in your community or communities you work with? (E.g. decision-making, administration, who's involved?)**

A range of models were operating / experienced in Argyll and Bute communities including:

- Community doing it themselves via a charitable limited company set up as a Special Project Vehicle to disburse funds. There is a Memorandum of Understanding with Argyll and Bute Council and an educational allowance scheme. It was felt this model leaves more money for the community.
- Foundation Scotland managing funds including assessing applications but decisions made by community Panel. Community council getting a small amount to give out as micro-grants has a positive response.
- A Community Trust with a Panel made up of observers (Council, Co-op Bank), directors of the trust and community councillors (up to 18 people). Each person scores each application and an average is arrived at. The highest is funded and so on until available funds are used up.
- Developer managed by a Community Investment Team with funding decisions made by a local Panel (not currently operating in Argyll and Bute).
- Developer managed - Community was consulted but further information and establishment of the fund is awaited.

There were **discussions around confidentiality of decision-making over awards** and different conclusions were reached by two tables. One felt that the most transparent way to run a fund was through public meetings whereby decision makers could be held to account. This approach also means applicants can bring in additional information during the deliberations.

However another table felt decisions should be made in private to protect the individuals on the panel as they are local community members, so there may be repercussions outside of the meeting, making the role very challenging. This, however, should not compromise the transparency that is important for trust within the community, as minutes should still be publicised. However, individual members' comments should not be non-attributable.

It was agreed by several groups that **flexibility** is needed to enable funds to respond to local circumstances.

## **2. How was this arrangement arrived at? (E.g. wide community involvement, community council decision, decided by developer?)**

Where developers are involved in fund management this is because they felt they need to be. Otherwise, this question doesn't seem to have been explored very much by the groups.



However, several mentioned the need for the **community to remain in control of decision making** over how funds are used.

### **3. What are some of the challenges and opportunities (pros and cons) you have experienced with particular models of fund set up?**

Challenges highlighted were:

- Access to funds can be needlessly **bureaucratic**
- The community-run model has pros and cons – it can get personal when **clashing personalities** are involved.
- It is difficult to **engage young people / different members of the community** in decision-making, beyond the 'usual suspects'.
- Several groups mentioned the **high level of volunteer time/contribution** that can be involved in planning for, managing and reporting on funds, and this needs to be recognised.
- There is a danger of community organisations taking on "normal statutory body activities".
- It could be difficult to merge several community benefit funds into one application process where developers set different conditions.
- There are too many options as to how the funds might be distributed. One group felt there is a need for consistency in approach and a "tool box" to help decide the best fit.
- Regional models need to support the capacity that exists to deliver on themes at local level - there was a feeling that ALI-Energy, while reflecting a strong thematic priority on energy may not be working everywhere across Argyll and Bute.
- There is a need to **build local capacity** to respond to the opportunity and manage funds well.
- One group discussed the **politics of community empowerment** through benefit funds. Is it the 'delegation of misery' to a lower tier so councils can shed responsibility? How real is the danger that services and facilities that should be taxpayer-funded will fall on the shoulders of funded communities that have the funds to pick these up – a real issue in times of public sector stringency? There should be a pragmatic solution to, and open discussion of, these issues.
- Another discussion was about the **balance between local and regional development**: some local issues are best dealt with on a regional or sub-regional basis. Any regional spend should not be used to close budget shortfalls or replace existing services.

Opportunities highlighted were:

- One group recognised that having a **funded development officer** can bring in added value – using funds to make money through deriving income streams or bringing in

match funds, rather than a drip-feed of small funds to the community that doesn't deliver impact or sustainability. Consequently, there is a need to think about the right balance between investing in capital projects and revenue funding.

- Development staff are also useful to produce and manage delivery of community plans which were seen as important as they can deliver both short-term wins and keep a focus on long-term aims.
- There are lots of different perspectives and having different models of fund management does seem to work. What is needed is **a vehicle for sharing information on a wide basis at sub-regional level**. The group felt this event has been useful to meet stakeholders.
- Communities are best placed to manage funds as they can identify what is needed easily (but there will always be dissenters).
- Funds should have an **economic development and skills focus**, and also cover education on renewable energy development (including through ALI Energy). An example was given of a developer directing funds for up-skilling adults.
- There were mixed views on communities outwith the immediate vicinity of wind farms receiving funds. However there was also recognition that **thematic priorities across regions need to be supported** and that there are particular challenges connected with rural disadvantage and ageing populations.
- Direct **community ownership of renewables and joint ventures** should be strongly supported to realise the maximum benefits for communities. There is the opportunity for creative partnerships between communities, the private and public sectors including housing associations.

#### **4. If you could improve your current arrangements – what changes would you make?**

One table felt all existing community benefit **agreements in Argyll and Bute should be reviewed now and funding increased** in line with the amounts set out in *Firm Foundations – a community-led charter on community benefit*, published recently by Foundation Scotland, and in the *Scottish Government Good Practice Principles*.

Another questioned the suitability of community councils as vehicles for delivery, they noted that there are other models for deciding how funds are used, such as development trusts and panels – but any structure can be either progressive or obstructive. It comes down to the community being vigilant about what is happening in their area and challenging inappropriate actions of community organisations. **All community organisations should be accountable** and ultimately able to be voted out or replaced.

A number of other principles were espoused in relation to good fund management:

- Reduction of dependency on funds should be a desired aim.
- Transparency and accountability are key to good fund management.

- An independent broker may help facilitate fund apportionment where this is spread over number of communities.
- Decisions on spend and fund management should be made locally.
- There is a need to manage conflicts of interest clearly.
- Proportionality is important in terms of administration effort in relation to the size of fund.
- Fund criteria need to be adjustable to local circumstances.
- There is a desire for consistency in developers' approach to community benefit and engagement with community.

Two groups liked the Foundation Scotland's Old Luce Community Trust model, regarding it as a practical solution to multiple funds coming into one community.

On the other hand, one group stated that, to enable effective management of funds that span more than one community, and to reduce division amongst those communities, funds could be managed on a sub-regional basis. However this must be community led.

Management of community funds is **an evolving process, where those involved have to learn and adapt** over a long period of time (c. 25 years in most cases).

##### **5. Does your community require further support or capacity building to help you administer the fund?**

Several representatives stated they found it useful to hear about the range of options and undertook to feedback to their respective communities. Communities require **support around determining fund structure and in its management and ongoing community engagement.**

One representative outlined the difficulty in engaging with the whole community, for example the resources required to get information out widely and how to be representative. Support with this would be welcomed.

Others suggested Argyll and Bute Council could give training to community councils regarding good practice in communications and the use of information and communication technology, also how to get the community involved. The main resource that communities have is time; however support is required to assist them.

## Conclusion

The event brought together around eighty delegates, from community organisations, developers, Argyll and Bute Council, and intermediary bodies involved in community benefit funding and building the capacity of communities to discuss a wide range of policy and practical issues relating to how community benefit funds can achieve the most impact in Argyll and Bute.

Feedback from delegates revealed that they overwhelmingly found the event very useful in terms of learning from and networking with others. They welcomed the opportunity to come together and hear about the experiences and diverse perspectives of both those elsewhere in the area and further afield:

*"Very interesting to get the picture from other areas"*

*"Useful to bring all the key stakeholders in community benefit - with a range of perspectives. Fantastic to network and share ideas/experiences."*

*"Very interesting and an excellent opportunity for networking"*

*"Good to hear how different community funds operate."*

*"The opportunity to learn (and sound off!) around the table was good"*

Communities need, and are asking for, support to enable them to negotiate with developers, manage community benefit funds in a way that is transparent and accountable, and ensure funds deliver maximum impact for their areas. The following suggestions were made in relation to actions to follow on from the event:

*"Future events may be useful, but need to be more thematic - addressing specific issues, to identify solutions."*

*"I'd encourage the Council to publish its support resources better. Alternatively, ensure each community has a Council contact who can be consulted and direct communities to the Council team best able to help."*

*"It would be good to look at how professional helpers could help co-ordinate community discussions with diverse rural communities helping ... to look at developing areas with the help of large probable funding from developers ..."*

*"Argyll and Bute Council should review immediately the policy regards the money given per MW – [developers] should all pay £5k/MW minimum."*

There is an opportunity to grow the value of community benefit funds in Argyll and Bute going forward, to improve their management and the impact they make. Key to this is continuing to share experience and learning. To this end, the key points coming out of this event are being used to inform the review of Argyll and Bute Council's framework on community benefit funds. In addition, Foundation Scotland and the Council have followed up a number of requests for further support from communities.