

COMMUNITY BENEFIT

FAQ's

Q. What is Community Benefit?

- A. Community benefit is a “goodwill” contribution voluntarily donated by a developer for the benefit of communities affected by development where this will have a long-term impact on the environment.

Q. Is Community Benefit a compensation payment by developers?

- A. No. Community Benefit is a “goodwill” contribution voluntarily donated by a developer for the benefit of communities affected by development where this will have a long-term impact on the environment.

Q. Is Community Benefit mandatory?

- A. There is no legal requirement upon a developer to offer a community benefit donation and Scottish Government planning guidance prevents this type of payment from becoming a condition of planning permission. A Local Authority therefore has no powers of enforcement if a developer is unwilling to make a contribution.

Q. Why did Highland Council set a policy on Community Benefit?

- A. A policy was agreed by Highland Council to assist communities to get the maximum benefit from renewable energy developments. Community take up of the policy is entirely voluntary.

Q. How much does the Highland Council Community Benefit policy say developers should contribute in Community Benefit?

- A. £5,000 per installed MW

Q. Is this a fixed sum or does it change according to inflation?

- A. This is linked to the Retail Price Index with 2011 as the baseline year.

Q. How much of the Community Benefit funds will Highland Council receive?

- A. None of it. All Community Benefit funds go to communities through the Trust Funds.

Q. How much of this will communities get?

- A. Communities will receive all of this funding:
The first £100,000 per year goes to the local community via a Local Fund
55% of the remainder goes to the local community via a Local Fund
30% of the remainder goes to the area communities via an Area Fund
15% of the remainder goes to Highland communities via the Highland Trust Fund.

Q. Who will have a say on how the Local Funds are distributed?

- A. The local community will have the say. They will manage the funds using their own local Community Company or Trust Fund.

Q. Who will have a say on how the Area Trust Funds are distributed?

- A. The representatives from the relevant communities will have the say. They will be part of an Area Fund Board that will manage the funds supported by representatives from other relevant agencies.

Q. Who will have a say on how the Highland Trust funds are distributed?

A. A Highland Trust Fund Board will comprise representatives from communities, public agencies and other relevant organisations.

Q. What advantage does the policy provide for communities?

A. The policy provides a consistent approach regarding Community Benefit to all communities across Highland:

- ***It maximises benefit*** – the policy provides assurance to communities of Community Benefit of £5,000 (plus index linking) per MW. Communities will no longer need to negotiate on their own behalf with developers to secure Community Benefit.
- ***Equity*** – the policy ensures equity of application across the Highlands and removes subjectivity with regard to calculating the proportionate share of Community Benefit. Each community can be confident of receiving their fair share of the Community Benefit being provided.

Q. What advantage does the policy provide for developers?

A. The policy provides a consistent approach regarding Community Benefit for all developers across Highland:

- ***Clarity*** – the policy removes any uncertainty and the need for protracted negotiations with communities regarding Community Benefit.
- ***Equity*** – the policy ensures equity of application across the Highlands and removes subjectivity with regard to calculating the proportionate share of Community Benefit. Developers can be confident the Council will calculate the fair share of the Community Benefit being provided for the affected communities.
- ***Simplicity*** – the policy provides for the Council to calculate the relevant share of Community Benefit. This removes the need for developers to negotiate with communities about relevant proportions of Community Benefit. The policy also provides for the Council to establish Area Trust Funds and the Highland Trust Fund making it simpler for developers to issue their Community Benefit funds to appropriately structured and governed organisations for disbursement.

Q. Does the policy imply that Highland Council is not supportive of renewable energy development?

A. Not at all. Highland Council recognises the important contribution renewable energy development in the Highlands makes to the national energy supply. It also recognises the contribution made by the renewables industry to the Highland economy through skills training and employment.

Q. Does the policy discriminate against the renewables industry and might it impede renewables development in the Highlands?

A. Highland Council does not consider this policy discriminates against the renewables industry. Many other types of development make contributions for the benefit of communities. It is unlikely to impede renewables development in the Highlands since many of the largest developers have already announced a willingness to contribute £5,000 per MW recognising this as an appropriate industry standard. In any case, the Council's policy does not apply during development phases but only kicks in when electricity is being generated.

Q. Does the policy create a conflict of interest for Highland Council in its role as planning authority?

A. There is no conflict of interest for Highland Council. Planning applications are dealt with by the Planning & Development Service and Community Benefit is dealt with by the Chief Executive's Service. Elected Members have a clear understanding of their role in the planning decision-making process and the very separate treatment of Community Benefit applied by Highland Council. Officials also are aware of the need for a clear separation of the planning process and Community Benefit negotiations.

Q. Does the policy exclude communities from negotiating Community Benefit and restrict their dialogue with developers?

A. Not at all. The policy is designed to maximise the benefit to communities from renewable developments in their area and to increase Community Benefit contributions to £5,000 per MW. Communities are entirely at liberty to negotiate with developers on their own behalf if that is their preference.

Q. If a community wishes to progress negotiations with developers on its own accord, is that community later eligible to apply for project support from the Area Trust Funds and/ or Highland Trust Fund?

A. Eligibility criteria will be established by the Area and Trust Fund Boards that will be established to manage these funds. However, as each project will be scored on their individual merits, and against agreed fund objectives, there is no reason why such a community should not be eligible to apply for Area and Trust Fund assistance.

Q. If a community has no access to a Local Fund, is it eligible to apply for Area Trust Funds and Highland Trust Fund support?

A. Yes.

Q. Will communities be able to influence the strategic objectives of the Area Trust Funds and Highland Trust Fund?

A. Yes, via consultations carried out by the Area and Highland Trust Boards and their representatives on these Boards.

Q. Will Community Benefit funds be eligible as match funding for the purposes of other grant programmes?

A. Yes. Community funds will be private funds rather than public sector funding that could be used to match a number of existing funding streams, e.g. the European Fisheries Fund, SRDP funding or Highland LEADER funding.