

CARES Community Benefits Toolkit

Monitor, report, evaluate,



The CARES community benefits toolkit builds on the strategic overview presented in the Scottish Government's Good Practice Principles for Renewable Energy Developments. It provides guidance to communities looking to secure, set up and deliver community benefits that achieve maximum impact and are managed in an accountable way.

The Toolkit is made up of six separate but linked modules. This module:

- Highlights some important mechanisms for enabling accountability and transparency of community benefits packages
- Sets out key steps in establishing a monitoring framework that can capture information on spend, impact and learning
- Provides guidance on planning for effective reporting on community benefits to key stakeholders
- Considers how to evaluate the impact of the community benefit distributed and adjust the community benefits strategy where necessary, so as to ensure its ongoing effectiveness.

In line with the Good Practice Principles the term renewable energy business is used throughout this document to mean the project owner.

This toolkit is relevant to communities being offered or managing packages of community benefits. Renewable energy businesses may also find it useful.

The previous prevailing model for community benefits has been the setting up of annual funds and as such many of the examples used within the toolkit relate to this. We expect to provide updated versions of the toolkit with new examples as further models are developed.

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1. Introduction

The Scottish Government's Good Practice Principles suggest that effective management of community benefits involves monitoring and evaluating their impact. The projects or initiatives supported through community benefits will be delivered with varying degrees of success, due to internal or external factors. Monitoring is a crucial aspect in finding out if the projects supported achieved what was anticipated; evaluation is an opportunity to reflect on these achievements and learn lessons for the future.

1.1 Defining monitoring, reporting and evaluation

Monitoring is the ongoing recording and collection of information about the activities being supported through community benefit packages. Monitoring will take place at both an overall community fund/ package level and an individual project level. Project level monitoring needs to be aggregated to provide evidence of what the community benefit package has achieved overall.

Reporting involves gathering together monitoring information and presenting it to both internal and external audiences. Key audiences for reporting are likely to include the decision-making group, the renewable energy businesses and the wider community. Each of these audiences are likely to require different information at varying points in time.

Evaluation is a process of reviewing monitoring information and other sources of data, such as evidence on the changing needs of the community, in order to assess the success of the community benefit package to date and decide what changes should be made to it, if any. This will usually take place at periodic intervals.

Together, these three activities – monitoring, reporting and evaluating – are aimed at ensuring that the community benefits package is targeted at the right activities, delivers impact and remains relevant to the local community, and that key stakeholders are informed of how it is doing so. They form an ongoing and cyclical process that is repeated throughout the life of the community benefits package.

At the end of each monitoring and reporting cycle, you could update your community's entry in the [Scottish Government's Register of Community Benefits and add case studies of projects supported](#).

2 Monitoring

2.1 Purpose of monitoring

Demonstrating accountability

Through project level monitoring, the recipient of community benefit support (for example a grant) is asked to demonstrate how the support was used and the outputs and outcomes

delivered as a result. These should be in line with the agreed purpose of the award. Monitoring should also support accountability of the decision making group (and third party administrator if there is one) for expenditure as a whole, to the wider community and to the renewable energy business.

Evidencing impact, and learning what works

By monitoring the outputs and outcomes of their project or activity, those receiving community benefits can better understand and communicate the likely impact that their project or activity has made. This can in turn help others understand their impact and contribute to a picture of how all support disbursed is delivering against the community benefit package's overall.

Learning from the way in which projects are planned and delivered is important in understanding how those receiving support have developed in their experience and thinking in this regard. Moreover, it can help the decision-making group (and potentially those involved in delivering community benefits elsewhere) understand what works in terms of project design and delivery, and therefore what projects to support in the future - and how to fund them.

The information provided through monitoring is an essential ingredient for effective evaluation of the overall community benefits package. It may also inform adjustments to the community action plan and any fund strategy, for example by suggesting specific types of project to be favoured or the introduction of new qualifying criteria for support.

2.2 Frequency of project level monitoring

To ensure monitoring activity will glean the right information for the above purposes, each award should have some level of monitoring arrangement. For short term awards (supporting activity for up to 12 months perhaps), a feedback or monitoring report template can be issued either with the award offer materials or towards the end of the funded activity. Where a project is scheduled over a longer period, it may be more appropriate for progress reports to be received at regular intervals - perhaps six monthly or annually - as well as on completion.

For large capital projects, such as the building or renovation of a new community facility, it may be appropriate to ask for a monitoring report a year, or even two years, beyond formal completion of the building, so the impact of the new facility can be evidenced.

It is important that those delivering funded activity are made aware of the information required in the monitoring report template when the funding is awarded, so that they can put systems in place for capturing the data required.

2.3 Monitoring – what to ask for

Monitoring reports will need to gather all the key information required but should be proportionate in length; for example, a group receiving a £1,000 towards a short-term project should not be expected to complete a 10-page report.

It is recommended the report asks for information on the following as a minimum:

- Funds brought in to deliver the project alongside the community benefit support awarded
- Which costs were paid for with the award (however, see below)
- Activities delivered with the award (outputs)
- Whether those differed from the recipient's plans as contained in their funding proposal, and if so, why
- Who benefited and how many of them
- Whether they were new beneficiaries to the project, or repeat beneficiaries
- How they benefitted - the differences or changes brought about for those beneficiaries through their participation in the supported project (known as outcomes)
- Any learning about how to improve project planning and delivery (what would the recipient do differently next time?).

Some information and advice for recipients on planning for monitoring is given in Box 1 (page 7).

Those involved in governing and administering the community benefits package will likely want recipients to provide a record of what the award was spent on. However, both providing and auditing evidence in the form of receipts, timesheets, etc. can take up a significant amount of time for all involved and, in light of the limited resources funders and community groups tend to have, the value of such an exercise needs to be considered. Adding up receipts for small amounts of money is unlikely to be the best use of anyone's time versus an assessment of the overall impact of the funded activity and focus on what the recipient has learned. Often (but not always) there may be a high degree of local knowledge of recipients, and subsequently an added level of accountability that further justifies this approach.

However, this will not be the case for every award, for example where the recipients or the beneficiaries are individuals and confidentiality and data protection obligations therefore apply. Or where progress is simply less visible due to the nature of the project or, where communities are too dispersed or fractured for people to have a good enough sense of the progress being made.

The key to financial monitoring of the support is therefore to achieve a **balanced and proportionate approach**. Instead of requesting receipts for every item of expenditure, recipients could simply be required to list the main categories of expenditure (e.g. stationery, travel, staff salaries). This can be backed up by requesting their annual accounts (which should show the expenditure) and ensuring that the decision making group (or any administrator on their behalf) is able to audit the organisation's records within a certain period following the completion on the funded project, should that be deemed necessary. However, it is suggested that receipts for larger items of expenditure, such as on capital items or high value professional services, be required to be submitted with monitoring reports. Or it may be that those governing the community benefits do not wish for larger amounts of funding to be paid out until invoices for the items to be purchased have been submitted by the recipient.

Once completed monitoring reports are returned, they can be shared around the decision-making group, and periodically with the wider community (see section 3 below on reporting).

2.4 Data input and management

Specialised grant management software can be very helpful in administering larger community benefits packages. These database programmes allow all the material relating to a particular award - such as the application, assessment, award decision, payments and monitoring forms - to be stored in a way that enables them to be easily accessed and collated. Some more sophisticated packages allow those receiving awards to submit monitoring data online, which reduces the requirement for an administrator to transcribe or transfer information from one format to another.

However, grant management software can be expensive. Simple spreadsheets can be a good alternative for those managing smaller community benefit packages.

It is important to be aware of data protection responsibilities when collecting, storing, using and passing on any personal (confidential or sensitive) data relating to individual grant recipients. These activities are covered by the General Data Protection Regulations, with which those administering the community benefits package should be familiar. Guidance is available from the [Information Commissioner's Office](#).

2.5 Aggregating data on outcomes and impact

Ultimately, a key purpose behind gathering monitoring information is to establish the extent to which the activity supported is addressing the purposes and priorities of the community benefit package, and ultimately the needs and aspirations of the community. In order to do this, it will be very helpful if information on the outcomes and likely impact of the activity is gathered, collated and presented in a consistent way.

Purposes and Outcomes

If there is a clearly defined set of purposes or outcomes (and perhaps priorities) for the community benefits, then of course these should be used.

Monitoring forms can ask recipients to state which purposes/ outcomes (however these have been defined) their funded project or activity has contributed towards and the manner in which it has done so. Many community projects are multi-faceted, with potential to bring about a wide range of outcomes, so it can be useful to offer recipients the opportunity to select a more than one project purpose/ outcome, in order to get a more rounded picture of the difference the project has made.

Data received

The monitoring data received can then be aggregated in a variety of ways, such as:

- The number of projects funded that contributed to each outcome/ purpose (according to the projects' main or primary outcome, or all outcomes selected by recipients)
- Spend per outcome/ purpose/ category
- Number of beneficiaries supported per outcome/ purpose/ category.

This can be presented according to various timescales, e.g. the most recent year of activity, past three years, or life of the support to-date.

Evidencing impact

Aggregated data on outputs and outcomes will provide one source of evidence that the community benefit package is achieving its desired impact. This can be supplemented by other techniques for capturing the difference made to beneficiaries by the activities funded, such as case studies, films, pictures, and collection of stakeholder feedback.

The monitoring process should encourage those receiving awards to collect a variety of impact evidence in ways that are meaningful and accessible to their particular beneficiaries. A photograph, painting, song or a story may tell us a lot more about a project's impact than knowing how many people attended an event or training session.

Box 1: Planning for monitoring

It is important that recipients are suitably prepared to report back on their funded project(s). In order to do so effectively, they must begin thinking about how they will measure and evidence success (or otherwise) at the very start of planning their project. Evidence of a clear plan for monitoring should form a key part of their funding proposal, as well as how they will evaluate the findings and take on board any learning from those.

Again, however, a proportionate approach is needed; much of the ongoing community activity that may be supported through a community benefit package is likely to be low level (though nonetheless important) and driven and delivered by hard working, heavily committed volunteers. Moreover, it would be unreasonable to expect a detailed monitoring and evaluation plan for a project that, for example, involved simply purchasing a set of planters for the village high street, whereas it may be reasonable in relation to a proposal to purchase and renovate a building that is to become a new community centre.

In order to measure and report on impact, it can be helpful to be clear on the meaning of the following:

- **Outputs:** these are the activities that will be delivered with the funding awarded. For example, the delivery of a training course or the installation of a new multi-use games area. Outputs describe what is being delivered, how much / often, and to whom.
- **Outcomes:** are the difference(s) or change(s) brought about by the funded activity. For example, the acquisition of new skills and knowledge or increased participation in sports activities.
- **Impacts:** these are the longer-term outcomes or changes brought about. For example, people securing a new job as a result of their new skills and knowledge or reporting increased physical and mental health and new social connections. Impacts may or may not be a direct result of the funded project; other factors may contribute to such changes in people's lives or the area. This is known as the problem of 'attribution'.
- **Indicators:** these are measures that can show whether the project is achieving the anticipated outcomes / impacts or not. They should cover more than outputs alone, otherwise it could appear that the group is doing lots of work (e.g. number of training session run, number of people completing the training course), but not actually achieving the kind of outcomes desired.

[Evaluation Support Scotland](#) offers more information on, and training in, measuring and reporting

3 Reporting

Key audiences for reporting include:

- The decision-making body, who need regular reports on income, expenditure, future commitments and performance of the projects and activities funded against expected results
- The renewable energy business who may have set out specific reporting requirements in the community benefit agreement

- The wider community and other key stakeholders, who will wish to know how the community benefit support is operating, the impact it is delivering, and the results of any review or evaluation activity.

Such reporting can demonstrate transparency and accountability in how the community benefit package is managed, capture and celebrate the success and learning that it has brought about, and inform key stakeholders of any changes being made.

If the community benefits package is considerable, the publication of an annual report may be appropriate, although for smaller packages every three years or so may be deemed sufficient. Box 2, below, provides an example checklist of items to cover.

Another option is to produce a newsletter more regularly, perhaps containing brief information on awards, the balance of funds remaining, selected case studies, and any other relevant updates. It is also worth bearing in mind any reporting commitments within the agreement between community and renewable energy business.

To enable robust reporting and feedback, those involved in administration will need to maintain thorough records on all applications received and awards made, including:

- Applicant details
- Proposals submitted (date received, amount of funding requested, and so on)
- Award decisions and the reasons for these
- Award amount, purpose, and any conditions
- Monitoring returns.

Box 2: Example report content checklist

- Numbers of applications received
- Number of awards made and total value of awards, including as a percentage of annual community benefit support
- Number and percentage of applications rejected, ineligible and withdrawn
- The total value of funded projects and matched funding 'leverage' ratio
- Any relevant comparisons of the above statistics against previous years, identifying and exploring reasons behind any significant trends in for example application, conversion or spend rates.
- A financial statement covering: income, awards made (including those released and committed), any administrative expenses, and the balance carried forward
- A full list of awards, including recipient name, amount awarded, and the purpose of each award
- Information on funding awarded (amount and percentage) against each of the agreed community benefit purposes or outcomes and priorities
- Case studies on selected projects covering key achievements and outcomes (consider the use of photos or video for added interest), that demonstrate how the funding is enabling delivery against the agreed community benefit purposes/ outcomes and priorities
- Relevant promotional activity
- Details the membership of the decision-making group, and any changes in this
- Details of any review, its findings and outcomes
- Further categories of information set out in section 4.2 may also be relevant.

Once finalised, ideally following discussion by the decision-making group, the report should be widely circulated, for example:

- Published on the relevant website
- Sent to key stakeholders, including the renewable energy business, decision-making group and community council (if there is one)
- Promoted via local newsletters and social media.

Some sample reports can be viewed from the following links:

- [Annandale & Nithsdale Community Benefit Company](#)
- [Berryburn Community Fund](#)
- [EDF Renewables Longpark Community Fund](#)

4 Evaluation

4.1 Purpose and frequency of evaluation

Once monitoring data has been gathered and aggregated, it can support an evaluation of the community benefits package. The purposes of this are:

- To assess the **impact and legacy** being delivered through the package; the range of activity supported, the socio-economic benefits of this, and the extent to which these are delivering against the community action plan and/ or fund strategy
- To establish whether the community action plan and any fund strategy and disbursement processes are **fit for purpose** or require to be changed.

The latter may also require some understanding of any changes to the socio-economic context within the community, including priority needs and opportunities, and local capacity to address these. This is best gained through a participative approach to the evaluation involving those within the area of benefit, as outlined in the remainder of this module.

We would encourage an evaluation of the community benefits package at a frequency that is appropriate to its characteristics including size, demand on the package and frequency of distribution. For packages with a lot of disbursement activity, or during periods of rapid change in the local area, evaluations may be appropriate every two or three years. For others, less frequently.

4.2 Methodology

The evaluation should be participative, involving as a minimum those accountable for the community benefits package i.e. the decision-making group and third party administrator (if there is one). It is recommended the process involves a workshop, inviting observations and views as to how well the package has been working to-date in terms of responding to local needs and opportunities, generating ideas for any improvements needed, and seeking consensus on the way forward.

Inviting feedback

It is also a good idea to invite feedback from the wider community in some way at key points in the life cycle of the community benefits package and where a wider reaching evaluation is deemed necessary. For example, where:

- An operational milestone is reached (five- or ten- year anniversary)
- There is particularly high or low demand for support
- There is some controversy or criticism around the community benefits locally
- There has been some significant change in the area's socio-economic circumstances, or
- Where further community benefit packages are due to come to the area.

This could be achieved through a survey in advance of the review workshop, or by simply opening the review up as a public event.

Changing priorities

It may, if the timing feels right, also be a good idea to revisit the Community Action Plan (if there is one), checking in with the wider community as to whether local needs, opportunities and aspirations have changed, and thereafter adjusting community benefit strategy in light of any changes. Communities are dynamic and constantly evolving, consultation may reveal that some issues previously considered a priority by the community are no longer such, while others are now more important, meaning that the activity should be re-focussed towards those.

If there are robust monitoring and recording processes in place, then it should be possible to provide an overview of the activity to-date in advance of the review workshop, as a basis for discussion. This might cover **facts and figures** (annual or overall, as required), such as:

- Number of funding proposals received
- Conversion rate from proposal to award and number/ percentage of rejected, ineligible and withdrawn applications
- Amount / percentage of community benefit income spent
- Fund balance at year end
- Lowest, highest and average award size
- Number of awards at the maximum permitted
- Amount / percentage awarded by community (if there are multiple communities in the area of benefit)
- Leverage ratio (matched funding)
- Percentage and amount of total spend/ projects funded/ beneficiaries per community benefit package purpose/ outcome
- Any projects achieving particularly strong outcomes or failing to deliver
- Promotion – channels used, effectiveness (media coverage received, webpage visits, likes, re-tweets).

Identifying trends

Attention can be drawn to any relevant **trends** in the above data. For example, are fund balances at year-end decreasing or increasing? Are the number of proposals received, awarded and/or rejected decreasing or increasing? And to what extent has each fund purpose/ outcome been supported?

Any relevant **feedback** gathered from those applying to the community benefit package should also be presented, for example views on the application or award process that may be given in monitoring reports. It is also worthwhile exploring how the package is perceived in the wider community. It is important that people feel those involved in administration are approachable, and that communities are aware of how they can access the support available.

The review workshop can then ask participants for their thoughts on what's working well and what isn't working so well or is a challenge. It can be used to uncover any **discernible reasons** behind the trends in the above facts and figures and explore what may be done to rectify any negative trends. For example, are there identifiable common factors in the most successful or unsuccessful projects?

Governance and administration

Participants can also be asked for their views on the adequacy of the **governance and administration**. This might cover:

- Application processes and materials
- Decision / award making processes
- Whether the governing document for the decision-making group requires to be revised or updated to reflect good (and actual) practice
- Post-award administration (payments, monitoring, etc.)
- Skills audit – are there any gaps in skills or perspectives/ interests within the decision-making group? Can these be filled through training or recruitment of new member? (see section 5.2 of the module *Getting the Governance Right* for a list of relevant skills)

Meeting long term needs

Community benefits represent a significant opportunity to deliver long-term, sustainable outcomes for and by communities. In addition to considerations around the immediate impact, the review should also take a longer-term perspective, asking whether the package is achieving a **lasting legacy** and, if not, how it might do so.

The following questions may help:

- Are funded projects meeting the needs of particularly **disadvantaged sections of the community**, for example those without access to transport? This might be through a community transport service, community ownership of the local shop and improvements to the range of services and goods it offers or, for example, the provision of a delivery service.
- Is the community benefit package supporting the **infrastructure** that is needed to address some key challenges the area faces? For example, is it addressing out-migration of young people by enabling people to work and raise a family in the area? This might mean supporting apprenticeships, affordable housing, childcare services or new business units for example.
- To what extent is the investment **responding to changing local circumstances**, need and opportunities as they arise? For example, opportunities to invest in local

enterprises, to attract new employers, or responding to imminent or sudden closure of key local services and facilities.

- To what extent are funded projects or services starting to **sustain themselves** by securing income streams beyond any initial investment? Are they generating their own earned income through trading or contracts for the provision of services?

Some communities may take a bit of time to fully understand the potential of the community benefits package, and to develop the experience, capacity and ambition required to enable the support available to achieve that potential. For some, making funding available early on through open grant-making rounds can support some initial activity, and through that some longer-term opportunities or needs may become apparent.

This initial support can also begin to achieve some of the community's 'wish-list', releasing or building confidence and ambition for longer term, more strategic investments. Where the community is involved in distributing funding, they may wish to investigate alternative methods of distribution (for examples of distribution mechanisms see the *Developing a Fund Strategy Annex*).

Investing some funds through a **community endowment** may be a good option if the community requires time to plan more significant and potentially transformative projects to a point where they are ready to be delivered. Returns can be generated on the invested funds in the meantime. Endowed funds can also provide an income into the community beyond the lifetime of the renewable energy project, once it is decommissioned and annual payments cease, bringing truly long-term value for money.

Communities are also encouraged to consider how community benefits can earn **further sustainable income** for that community. One way to achieve this is to explore opportunities to invest in renewable energy schemes or other enterprises that generate both a social and financial return. This might include those elsewhere in the region, Scotland or even UK. This type of 'social investment' usually requires investment in the initial, higher risk stage of such ventures and a long term and entrepreneurial mind-set as to what can be achieved. Not all such investments will pay off but with a considered approach, and the right skills and expertise on the decision-making group, there is a good chance they can provide a long-term legacy for the community. Support is available through the Scottish Government's CARES to investigate such opportunities – see the [Local Energy Scotland](#) website for details.

Externally commissioned independent evaluation

In the case of a particularly large or innovative community benefits package, the decision-making group may feel it appropriate to commission an external expert to support or conduct an evaluation. This might mean someone who carries out an independent evaluation in its entirety or facilitates review workshops or other activities such as focus groups and stakeholder interviews. In addition to the research expertise they can bring, an external consultant can bring objectivity and fresh perspectives to the process. Evaluation Support Scotland has produced [a guide to commissioning and managing external evaluation consultants](#).

4.3 Adjusting the strategy

Once the extent of the impact from community benefits to-date has been explored, the governance and administration arrangements have been reviewed, and the need to galvanise any activity to ensure a long term legacy has been considered, the evaluation process should identify whether any adjustments are needed to the community action plan, any fund strategy and governance/ administration arrangements.. These should aim to ensure the community benefits package can continue to deliver on the community's ambitions.

Changes may be required to:

- Purposes/ outcomes and priorities
- Other (horizontal) criteria
- Who can receive support
- Distribution mechanisms
- How the availability of community benefit support is promoted
- Application and award making processes and materials
- Post-award administration (payments, monitoring, etc.)
- The decision-making group and its procedures
- The review process itself, and
- How information on impacts and any learning is disseminated

Some of these elements, and various options within those, are described in greater detail in the *Developing a Fund Strategy annex*.

To what extent have the **purposes and priorities** in the Community Action Plan and the Fund Strategy, if there is one, (see module *Creating a lasting legacy and the annex Developing a Fund Strategy*) been addressed through the community benefits package to-date? It may be that, after a few years, the most immediate priorities have been 'ticked off', and the community benefits should be focussed on supporting some of the medium and longer-term outcomes and priorities.

On the other hand, if progress appears slow, do the criteria for support need to be revisited? Do the disbursement mechanisms need to be altered and/or others introduced so as to increase access? Or might some strategic investments be made that build the capacity of local groups to enable them to better deliver projects?

The Fund Strategy and distribution arrangements may need to be adjusted in response to issues such as **spending too little** (overall, or in relation to specific Fund purposes/priorities only) or **high demand** for funds (where this is beyond the amount available). Some options for either scenario are set out in the *Developing a Fund Strategy annex*.

The review workshop can then conclude by seeking consensus on which suggestions for improvement will be taken forward.

If time and resources allow, it may also be fruitful to include a peer review element and/or learning exchanges with other communities in similar circumstances. Funding to enable such exchanges, providing for travel and subsistence costs as well as a fee for any speaker or

'host' group, is available from Scottish Community Alliance through their [Community Learning Exchange](#).

The renewable energy business does not have to be involved in the review process but may wish to be. Whatever the case, they should be provided with a report on the outcomes of it (see section 3 above) and any intended changes to delivery.

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