

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:

- Sets out the purpose and structure of the CARES community benefits toolkit
- Provides a provisional road map for those seeking to secure, set up, and deliver community benefits.

The Annex **Overview and Common Opportunities and Challenges** provides some useful background reading on the subject.

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.

Contents of this module

1. About the CARES community benefit toolkit.....	1
2. A community benefit roadmap	3
3. CARES funding and support.....	4
Table 1: List of toolkit module objectives, key templates and tools	5

1. About the CARES community benefits toolkit

This toolkit has been developed to align with the [Scottish Government’s Good Practice Principles for Renewable Energy Developments](#). The Good Practice Principles provide the strategic overview, and have been widely adopted across the renewables industry. As well as providing a benchmark for the sector they have become an invaluable tool for those communities with little or no experience of engaging with renewable energy businesses developing projects. This toolkit delves into the detail of the practice of community benefits.

The renewables industry is in a period of transition, following changes to UK Government support schemes. This means that new models of community benefits, and new approaches, are likely to be needed. Whilst the previous prevailing model was a fund offered to communities, this will not necessarily be the case in the future. This toolkit aims to reflect that alternative packages of community benefits may be made available and the majority of the modules are applicable to both community benefit funds and other types of community benefit packages. Those particularly interested in community benefit funds can find specific references to fund management in Toolkit Modules *Getting the Governance Right* and the following annexes: *Guide to open grant making* and *Developing a Fund Strategy*.

Throughout the toolkit, the term 'renewable energy business' is used to refer to the organisation that owns the renewable energy project in question and is providing community benefits linked to that. The owners of such projects can and do change, however it may equally be that the original developer is still the project owner or at least part owner.

There is no single best practice model or structure for the delivery of community benefits. Local context is key when it comes to deciding on the most appropriate arrangements. The Good Practice Principles encourage early engagement from renewable energy businesses to allow communities time to consolidate their available resource, such as voluntary time and any additional support, and build capacity, as well as to enable discussion and identification of an appropriate area of benefit. Early engagement will help the renewable energy business and the respective community or communities to take into account a range of factors such as the community's experience and capacity, local priorities and aspirations, the package available, and any established arrangements for administering community benefits. This toolkit does not therefore seek to provide a definitive approach to how a community benefits may be set up and managed, but rather a menu of options and considerations aimed at supporting communities in making their own decisions.

There are however some key principles and standards that should be considered if the package of benefits is to be well managed and regarded. For example, most communities will wish for their community benefit(s) to be:

- Designed to meet locally identified priorities;
- Spent on the projects or activities they deem to be most effective / impactful in meeting those priorities;
- Disbursed and accounted for in a way that is fair, transparent, and involves input from the community.

Although this toolkit is intended to support communities that may receive benefits linked to forthcoming renewable energy projects, it will also be of use to those who are involved in managing existing community benefit schemes which may gain from review and perhaps some re-configuration so as to enable maximum local benefit for all.

While this toolkit is focussed on voluntary community benefit packages, there may also be the potential to engage the renewable energy business in a shared renewable energy project

via a **joint venture** or **co-operative scheme**. Explore these options with the renewable energy business at an early stage. If they are considering offering this, contact the [local CARES Development Officer](#) for advice on the next steps.

2. A community benefits roadmap

The CARES community benefits toolkit is structured according to key stages in securing, setting up and delivering a community benefits, with a corresponding module for each stage, as follows:

Stage 1 – Understanding the community context

Stage 2 – Securing community benefits

Stage 3 – Creating a lasting legacy

Stage 4 – Getting the governance right

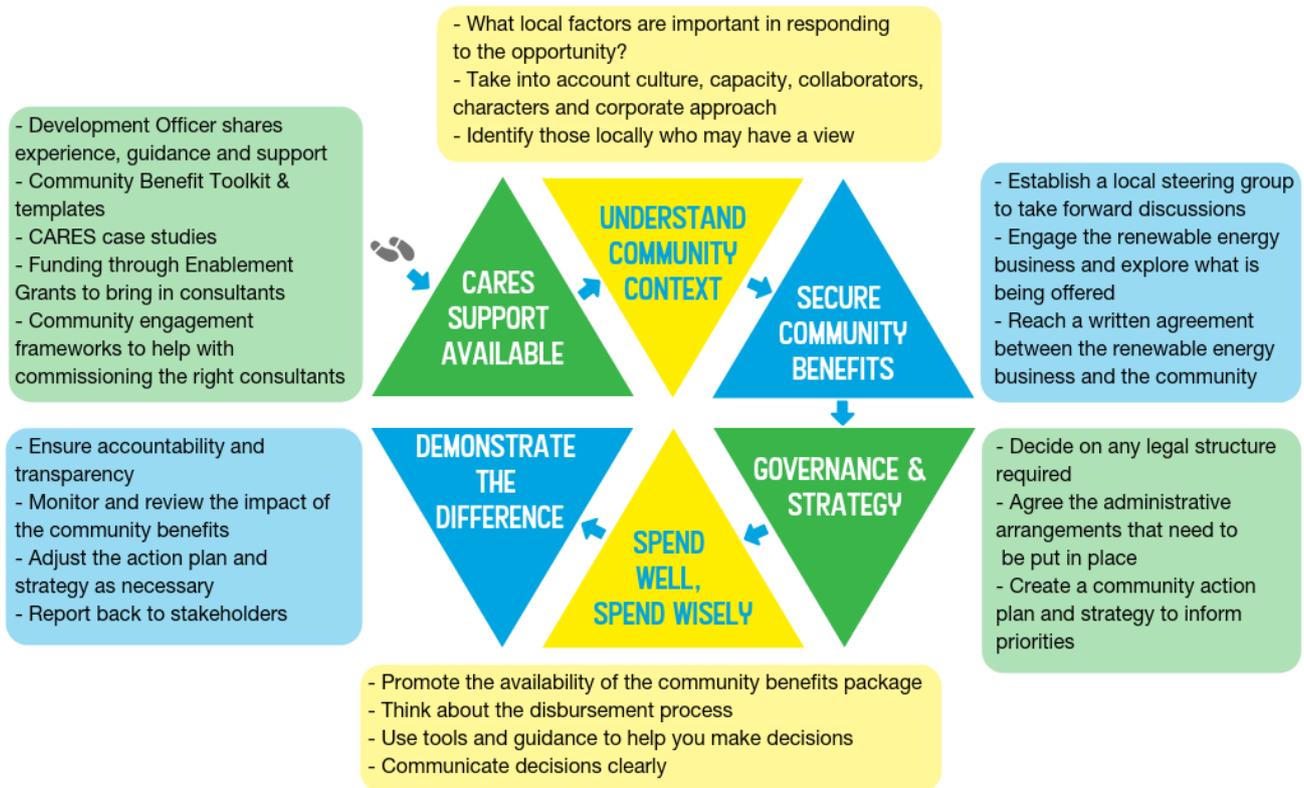
Stage 5 – Monitor, evaluate, report

However, the processes of developing and delivering community benefits will move at the pace of the renewable energy business and the community or communities in question. For example, the community action plan and any operational fund strategy may be developed before, after, or alongside a suitable structure for governing and administering the package of benefits. In addition, the module *Monitor, evaluate, report* covers processes for monitoring, reporting on and reviewing the effectiveness of a community benefits; however, measures to enable accountability (to a range of stakeholders) need to be built into the structure of the community benefits package and working practices from the very start. This toolkit is modular in nature, and will enable parties to access the information they require on the particular point they are at in their own community benefit 'journey'.

Each module has a set of objectives, describing the information and guidance it seeks to offer, along with some templates, sample documents and links to further resources provided either within the module or as links to websites. These are listed in Table 1. There are also annexes detailing further information for those who want to dig deeper into the subject matter discussed in the modules.

Stakeholder engagement is important throughout the establishment and operation of community benefits, including with the renewable energy business, local community groups, the wider community and others such as the local authority. Early engagement with these can help avoid some of the problems that may otherwise arise and impact on the effectiveness and efficiency of the set up and delivery of community benefits. Once operational, regular and inclusive engagement with the community(ies) will increase the likelihood of the package of benefits achieving impact and being viewed as a well-managed local resource. This Toolkit therefore provides guidance throughout on how to engage with relevant stakeholders at key points.

The diagram below summarises key steps in the community benefits journey.



3. CARES funding and support

It can be challenging for communities to secure, set up and manage funds or other benefits from renewable energy schemes - be these commercially owned, in shared ownership or wholly-owned by the community.

CARES can provide advice and support to help make the process more manageable and effective for all. This includes:

- an **enablement grant** of up to £25k to help community groups identify the needs and aspirations of their community (see the [Community Action Plans](#) we've funded), or support the securing and setting up community funds from renewables;
- **initial advice** from our [Development Officers](#) for groups to help them identify and explore issues around community benefits;
- **Case studies** to pass on lessons learnt from previous or current projects;
- **frameworks of contractors** which can help with:
- **Community Profiles and Action Planning** - to enable communities to maximise the impact from community benefits (or identify local energy opportunities).
- **Supporting Community Responses to Energy and Income Opportunities** – working with, and build capacity within, communities to help them respond effectively to new energy and income opportunities.

- **Facilitating Consensus on Community Fund Governance and Strategy** - assisting communities to build consensus on the appropriate governance structures, negotiate on formal agreements and adopt appropriate strategies for distribution.
- the [Register of Community Benefits](#) provides details and examples of community benefits already operational across Scotland.

Table 1: List of toolkit module objectives, key templates and tools

Module Title	Objectives	Tools, Templates and Annexes
Overview	<ul style="list-style-type: none"> • Sets out the purpose and structure of the CARES community benefits toolkit • Provides a provisional road map for those seeking to secure, set up and deliver community benefits. 	Links to: <ul style="list-style-type: none"> • Annex 1: Overview and common opportunities and challenges
Understanding community context	<ul style="list-style-type: none"> • Sets out key factors influencing how communities respond to a new community benefit opportunity • Describes the various stakeholders in a community and their roles • Signposts readers to sources of support available to the community. 	Links to: <ul style="list-style-type: none"> • Annex 2: Community Development
Securing community benefits	<ul style="list-style-type: none"> • Highlights key principles to bear in mind and questions to ask when discussing community benefits • Sets out how to develop respectful and accountable relations between the prospective renewable energy business and the communities involved. • Provides information on what a written agreement between the prospective renewable energy business and the communities should cover. 	Link to: <ul style="list-style-type: none"> • Template Community Benefits Agreement • Annex 3: Key questions for Community Benefit Funds

<p><u>Creating a lasting legacy</u></p>	<ul style="list-style-type: none"> • Key principles of creating a lasting legacy. • Sets out the value in creating a community action plan • Introduces the key elements of, and the practicalities involved in developing, a community action plan 	<p>Contains:</p> <ul style="list-style-type: none"> • Example purpose statement for a community consultation exercise <p>Links to:</p> <ul style="list-style-type: none"> • Example Community Action Plans • Example application forms for a grant making programme • Example Factsheets • <u>Annex 4: Developing a fund strategy</u> • <u>Annex 5: Guide to open grant making</u> • Example <u>Invitation to Tender, interview questions, scoring sheet and consultancy agreements</u> for Community Action Plans
<p><u>Getting the governance right</u></p>	<ul style="list-style-type: none"> • Defines good governance and some key principles to bear in mind when selecting the most appropriate governance arrangements • Outlines the most common legal structures used for community benefit governance in Scotland, some of their main features and key considerations in using them • Considers some key procedures for ensuring good governance in setting up and operating a community benefits, such as how to recruit those who will sit on the group (or groups) overseeing delivery 	<p>Contains:</p> <ul style="list-style-type: none"> • Guide to options for recruiting decision making group. <p>Links to:</p> <ul style="list-style-type: none"> • <u>Example Role Description for Advisory Panel Members</u> • <u>Example Conflicts of Interest Policy</u> • <u>Example Code of Conduct for Advisory Panel Members</u> • <u>Template Terms of Reference for a Community Panel</u>

	<ul style="list-style-type: none"> • Presents some options for administrative arrangements, and factors in deciding on the most appropriate one. 	<ul style="list-style-type: none"> • Annex 6: Governance arrangements
Monitor, evaluate, report	<ul style="list-style-type: none"> • Highlights some important mechanisms for enabling accountability and transparency • 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 to key stakeholders. • Considers how to evaluate the impact of the funding distributed and adjust the community action plan and strategy where necessary, so as to ensure its ongoing effectiveness 	Links to: <ul style="list-style-type: none"> • Example Fund Report

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