

## Community Benefit

How do we manage the fund?

### Summary

What is a Community Benefit payment?  
Planning process & Community Benefit  
Who can manage fund?  
Community Benefit Agreements  
Current and future situation  
Your decision?

### What is Community Benefit ?

- The voluntary gifting of a payment or payment in kind to a **community** from a commercial developer.
- It is not part of the planning approval process.
- It is not a compensation payment.
- It is not a legally binding agreement and cannot be guaranteed until there is some form of CB agreement (a legal document) for each Renewable Energy project

### CB and Planning Approval

- Planning proposals are determined on planning issues as defined in law.
- Legislation prevents planning authority specifically seeking developer contributions where they are not considered necessary to make the development acceptable in planning terms.
- CB payments are not seen as relevant to the planning decision.
- The Localism Act does allow financial arrangements to be taken into account, but only where there is a direct connection between intended use of the funds and the development. For example an application with an element of community ownership may be given positive weighting when being considered for planning approval.

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## Cornwall Council Planning Policy

- Cornwall Council are developing a policy about Community Energy projects which are **owned by the community** with surplus income going back to the community.
- A Supplementary Planning Document will be produced. These arrangements **will** be part of the planning approval process
- This is not what we are talking about tonight and the financial arrangements will be separate from this Community Benefit fund management

## WPC - Renewable Energy Policy

- Solar installations of less than **60kW**, in principle - **No Objection**  
Wind Turbines under 60m to tip and less than **100kW**, in principle - **No Objection**  
These installations are generally considered to be for self-sufficiency purposes to support a property or micro business with their energy needs
- **Solar** installations of greater than **60kW** - WPC will seek a community benefit from the owner based on a minimum of **£1000pa** per Megawatt.  
**Turbines** with a tip height of over **60m** or installed wind power of greater than **100kW** - WPC will seek a community benefit from the owner based on a minimum of **£8000pa** per Megawatt.
- With any renewable energy application **public comments will be closely monitored**. WPC will reflect that in its comments and decision making process. This policy will be reviewed on a regular basis by WPC and will reflect residents views.

## Who can receive the CB Payment ?

- The CB Payment can only be received by a corporate organisation.
- This has to be legally formed, but can be in a variety of ways.
- CIC (Community Interest Company), Cooperative, Trust, Charity.

## Best Practice for a good Agreement

- Annual payment based on capacity (MW), or actual electricity generated, or single lump sum.
- Agreement should ensure continuity if the development changes ownership.
- Payment should be index linked (RPI)
- Should be valid for the lifetime of the development.

### Is there an organisation in Whitstone?

- The community could form an organisation to manage the CB fund.
- The Parish Council could manage the CB fund.
- The fund could be managed by an independent organisation covering a wider area.

### What is the situation now ?

- There are no formal CB Agreements in place with renewable energy companies
- Promised CB Payments are due now, so Parish Council has agreed to hold this money until a decision is made.
- One promised payment is overdue!

### What happens if no organisation?

- The developer may decide to make the payment to an existing independent organisation which may cover a wider area.
- Developer may decide to manage the fund themselves.
- There would be no guarantee of the level of funding that Whitstone would receive.
- CB payments generated in Whitstone could be used to benefit other areas.

### Present Renewables

#### Already installed in Whitstone

Dilland Farm - 1 turbine - 500kW - £4,000/year - No formal CB agreement yet

#### Planning Permission granted and in process of installation

Northmoor solar PV - offer of £50,000 single payment - no formal CB agreement yet  
 East Balsdon Farm WT - 500kW - offer of £3,750/year index linked - no formal CB agreement yet

## Future installations in Whitstone



Image courtesy of Anusorn P. natchol at FreeDigitalPhotos.net

## First Indications of new development

- Anemometer tower - to check feasibility for WT
- Screening opinion - Is an EIA required?
- Planning Application

## How can CB fund be managed ?

There are 3 typical management arrangements

1. Local Authority (Parish Council?)
2. Community Organisation
3. Independent Fund Administrators

## 1 Parish Council

### Advantages

Established relationships with local community with community representation already in place. Can distribute funds in accordance with existing controls and accountability. Governed by Acts of Parliament, Code of Conduct, Financial Regulations etc. Accountable to the community through the normal democratic process. Will be in existence continuously for the lifetime of the developments.

### Disadvantages

Could be restricted to spend on some things which it does not have the power to spend money on. At least until the PC adopts the Power of General Competence.

The Power of General Competence allows the council to do anything an ordinary citizen can do and is used 'for the benefit of the authority, its area or persons resident or present in its area'. WPC is working towards this and expects to adopt the power very soon.

## 2 Community Organisation

**Variety of Organisational structure**

CIC - Community Interest Company,  
Charitable Incorporated Organisation  
Local Trust

**Advantages**

Clear single-purpose organisation  
No legacy or liabilities to deal with  
An opportunity for the most appropriate people to be involved.

**Disadvantages**

New local accountability and representational structures need to be established.  
Additional organisational requirements required  
Will require a group of dedicated people  
Will need to stay in existence for a long time - continuity of people involved may be a problem.

## 3 Independent Administration

**For example**

Community Investment trust - administered in Truro

**Advantages**

No local administration required

**Disadvantages**

No guarantee all money will be spent in the Parish or within each year  
Charge an administration fee of 10% - 15% of the fund

## It's Your Decision

**Option 1**

**Parish Council to manage the Community Benefit Fund**

Decide which type of management to use (Trust, Charity, Parish Council etc.)  
Set up separate accounting system and governance  
Manage distribution of the fund in a fair and open way (Decision by committee/Council)

**Option 2**

**Community Organisation to manage the Community Benefit Fund**

Form an organisation of local people to manage the fund  
Decide which type of management to use (Trust, Charity, CIC etc.)  
Set up separate accounting system and governance  
Manage distribution of the fund in a fair and open way

**Option 3**

**Independent Fund Management Organisation**

Decide which existing organisation to receive CB payments  
Provides funding for wider area than Whitstone Parish  
Administration cost of 10-15% of the fund  
No local management effort required  
Reduced influence on where the money is spent