

Community Benefits and Commercial Wind Developments: A Toolkit Approach

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Background



- Study *Community Benefits from Wind Power* for RAB/DTI comparing community benefits in UK with leading EU countries
- Published Summer 2005. At <http://www.cse.org.uk/pdf/pub1049.pdf>
- Main findings:
 - “*The routine provision of meaningful benefits to communities hosting wind power projects is likely to be a significant factor in sustaining public support and delivering significant rates of wind power development.*”
 - “*The overseas evidence points to a need to make meaningful community benefits more routine and systematic in UK wind power projects if future rates of deployment are to grow.*”



COMMUNITY BENEFITS FROM
WIND POWER

Policy Maker's Summary



<http://www.cse.org.uk/pdf/pub1051.pdf>

Most important study findings - I



- UK practice is not ‘standardised’ but main feature is voluntary contribution to some sort of community fund
- Planning system ignores this genuine local benefit but it ‘plays out in the shadows’ of the planning decision
- Benefits to host communities more significant and much more ‘in the fabric’ of wind development in Spain, Germany and Denmark
- Voluntary contributions to funds is unfamiliar concept; benefit comes from combinations of jobs/manufactured local content, local taxes and opportunities for local ownership

Comparison of 'typical' benefits



Benefit / Feature	UK	Denmark	Germany	Ireland	Spain
Community fund contribution	Yes	No	No	No	No
Community compensation	No	No	Yes	No	No
Pre-approval contribution	No	No	No	No	Yes
Local taxes	No	Yes	Yes	Yes	Yes
Jobs	?	Yes	Yes	No	Yes
Individual investments	No	Yes	Yes	No	No
Co-operative investments	No	Yes	No	No	No

Most important study findings - II



- Likely that higher and routine benefits significant factor in sustaining high levels of public support in these countries (similar to UK)
- BUT we can't simply import approaches from overseas – we have different support mechanism, different interpretation of procurement, and different planning approach
- Focus here needs to be on engagement, direct financial contributions (and status in planning), and simplifying opportunities for local ownership

6 Recommendations



- A good practice ‘toolkit’ on community benefits *
- Planning best practice guidelines to legitimise community benefits within planning process
- Guidance on community engagement *
- Review of the potential for local taxes to accrue locally
- Research into the impact of new planning policy framework
- Bankable models for community ownership *

The Community Benefits Toolkit



Purpose:

To improve understanding amongst developers, local authorities and local community groups of:

- the nature of the benefits typically available
- the background conditions (commercial, regulatory and practical) which can affect their scale & nature
- site-specific issues which affect their scale & nature
- the options for delivery of benefits (+ pros & cons)
- the roles each stakeholder can play

Goal:

Enable wind developers, local authorities, and local community representatives to have more open, informed and realistic discussions with one another about options for community benefits.

Issues for the Toolkit



Focus is on commercially-led developments

- What is 'the community'?
- What can be considered 'benefits'?
- When in the process does it make sense to have discussions?
- Who is 'entitled' to negotiate on community's behalf?
- What's a reasonable level of 'benefit'?
- How should decisions be made about how funds allocated (and by whom)?
- Why should wind power be different?

Justifications for benefits?



- Typical Developer:
“Being a Good Neighbour”
- Typical ‘Community’:
“Compensation for impact – since little other benefit accrues locally”
- Half way?
“Sharing the rewards reaped from farming the commons”
- International experience:
“Need routine benefits ‘in the fabric’ of projects to sustain public support with high deployment levels”

What are ‘community benefits’?



- Some benefits may accrue locally anyway (especially land rent and contracting), but not inevitable
- Some benefits (eg manufacturing jobs) require concentrated and sustained levels of deployment – and can't be everywhere!
- Focus on those ‘widely considered to be of benefit to local community rather than a few individuals within it’:
 - Community Funds
 - Benefits in kind
 - Local ownership (but not necessarily for investment ...)
 - Enhancing chances for local contractors and employment

The Toolkit approach



- Significant gains from developing common practice and improving understanding of factors which can (and should) influence levels of benefit on offer/requested
- Questions and issues that should be addressed in thinking and discussions around what's offered/requested
- Importance of documenting the provision and ensuring it sustains irrespective of project ownership
- Trying to establish some mutual ground for commercial interests and community interests to co-exist
- Case studies – any good operational examples?

Contact



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