



CABINET – 21ST FEBRUARY 2024

SUBJECT: COMMUNITY BENEFIT CONTRIBUTIONS GUIDANCE- FOR PROJECTS AND DEVELOPMENTS WITH THE POTENTIAL FOR SIGNIFICANT COMMUNITY IMPACT

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

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1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for the Community Benefit Contributions Guidance for projects and developments with the potential for significant community impact.
- 1.2 To highlight the role of Caerphilly County Borough Council in working with private sector partners, in partnership with our local communities, to secure meaningful and sustainable benefits.

2. SUMMARY

- 2.1 There are numerous opportunities for renewable energy developments across Caerphilly County Borough. In addition, other projects such as tip restoration can have a prolonged and adverse effect on communities. Developments can help to support local and national net zero and decarbonisation objectives and improve the natural amenity of the county borough. However, the adverse burden on the host communities should be recognised by developers and should be compensated by long-term and sustainable CBCs.
- 2.2 The report explains the role of the Council in promoting community benefits in collaboration with private sector partners.
- 2.3 It outlines the process of developing this Community Benefit Contributions Guidance for projects and developments with the potential for significant community impact.

3. RECOMMENDATIONS

- 3.1 That Cabinet notes the comments made at the Scrutiny Committee meeting.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To establish the Council's stance on standards for developers when delivering Community Benefit Contributions (CBCs) to local communities within the County Borough.

5. THE REPORT

- 5.1 This report outlines the Community Benefit Contributions Guidance for projects and developments with the potential for significant community impact. It recognises the need for such guidance given the numerous potential opportunities for major projects and developments including low carbon energy developments- wind, solar, hydro-electric and hydrogen and potentially, decommissioning and remedial projects. This guidance is intended for developers seeking to work with, harness and utilise the resources of the county borough and to ensure that communities derive the maximum benefit from hosting such developments in their locality through the provision of direct voluntary community benefits.
- 5.2 The provision of Community Benefit Contributions is a developing area. During the drafting of the proposed guidance it has become clear that policy research around Community Benefit Contributions is taking place in other organisations. This document will therefore be kept under review and updated if new evidence or guidance becomes available.

Community Benefit Contributions Definitions

- 5.3 Community Benefit Contributions is the term used for 'goodwill' financial contributions voluntarily donated by a developer for the benefit of communities hosting a development.
- 5.4 Community Benefit Contributions can be monetary, or the delivery of projects and activities to improve the social, environmental, economic and cultural well-being of the area. CBCs can contribute to a range of national and local objectives.
- 5.5 CBCs are often made by the developers of projects where the adverse burden is recognised in communities, but suitable mitigation measures would be difficult to invoke. CBCs are an arrangement between the developer and the community, and entirely outside the statutory planning role of the Council. Such contributions are unconnected to the procurement of contracts by the Council and are best described as a relationship between the developer and the community in which the development is located.
- 5.6 CBCs are a mechanism to deliver social capital to projects. However, CBCs should not be considered as the only way to deliver these benefits. Developers are encouraged to consider all elements of their project, including, for example, designing in environmental improvements such as habitat provision, or landscaping provision beyond screening out potential nuisance.

Role of Caerphilly County Borough Council

- 5.7 CBCs are NOT a mechanism to make a development more acceptable in planning terms and they cannot, and are not, taken into account when determining any application for planning consent.

- 5.8 Teams within the Council will work regularly and closely with local community groups, and the formalised third sector, to provide insight and community intelligence that will be available to support the development of CBCs.
- 5.9 The Council has a well-being power under local government legislation (Local Government Act 2000) to do anything it considers will improve the well-being of the area and for this reason it will take an active role in the development of CBCs in its area.
- 5.10 The Council will encourage developers to use this guidance and communicate directly with us at the earliest opportunity to secure the greatest level of benefits possible for local communities.

Establishing CBC Schemes

- 5.11 A number of mechanisms are readily available to support the establishment of the Community Benefit Scheme.
- 5.12 Data and assessment of local communities is readily available from the Council. CBCs should set out how their contributions have been developed to meet the particular needs of the local community by referencing its unique position and building on the existing assets of the community.
- 5.13 Community engagement and effectively involving the full breath of a local community in developing a CBC is crucial. The Council has a key role in ensuring that as wide as possible representation is heard, especially from groups in the community whose voices are less well heard. Insights, intelligence and the community voice are key aspects of the Council's delivery and again, the Council has a broad base of contacts and local community groups which should be used in developing CBCs. Advice should be sought at the earliest opportunity to ensure effective engagement and involvement.
- 5.14 Proximity should be considered in the context of benefits and should be directed to geographic areas with regards to the level of impact they experience, the level of any impact expected in a community should be reflected in the proportion of benefits provided to that community. The Council believes that the most affected communities should receive a proportional benefit and the CBC should not be averaged over a wider area.
- 5.15 Community Benefit schemes should cover the whole of the lifecycle of a project or development and recognise the stages in its lifecycle. Decommissioning of a project and the restoration of the land involved has the potential to have as adverse an effect on communities as commissioning and build. Recognition of this phase of a project should be built into the amount, type and scheduling of the CBCs offered.

Use and Purpose

- 5.16 The purpose of the guidance is to achieve the best CBC outcome for local communities and to ensure that local data and community engagement is used in determining the use, and purpose, of CBCs. The guidance recognises the burden that may be placed on communities that host renewable energy and other developments.
- 5.17 This guidance will seek to serve social, environmental, economic, and cultural purposes. Each community is different and CBC funded projects will also be different.

However, projects should support the long-term well-being of those communities and projects developed using these contributions. They should support, thriving, prosperous and resilient communities, with good infrastructure, facilities and local nature amenity. The guidance sets out the Council's preferred uses.

5.18 The partners in a CBC are the developer and the affected community, or communities. CBCs are not an agreement between the Council and the developer and the Council's role is to guide the development of CBCs and advocate on behalf of communities. However, for the reasons set out above the Council has a key role to play in ensuring the maximum possible monetary and well-being benefit. The Council will work with developers to support any proposed mechanism for delivery but will seek to ensure that key principles are followed and that openness, transparency and accountability are embedded in the CBC.

5.19 The support for the delivery of this Guidance and negotiation with developers will be provided by the Council's Regeneration Team.

5.20 **Conclusion**

It is anticipated that this guidance will support our communities impacted by major developments to maximise the monetary and social potential provided by CRCs. It will also provide developers with a consistent understanding of the expectations of communities in the county borough.

6. **ASSUMPTIONS**

6.1 There are no assumptions.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 The Guidance is intended to support communities in their CBC negotiations with developers. While the guidance aims to support significant additional resources available to community projects, how any funds are ultimately used cannot be assessed. The guidance itself does not adversely impact on any groups.

Link to Integrated Impact Assessment

8. **FINANCIAL IMPLICATIONS**

8.1 As this is a voluntary agreement between developers and communities there are no direct financial implications for the council. There may some costs associated with existing Regeneration staff assisting communities in the negotiations, this will be absorbed within staffing costs.

9. **PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications.

10. **CONSULTATIONS**

- 10.1 During the development of this guidance the views of the Council's Planning and Regeneration teams and GAVO have been included. Town and Community Councils have been given the opportunity to comment, as have developers. Their comments have informed the guidance.
- 10.2 The "Community Benefit Guidance – For Projects and Developments with the Potential for Significant Community Impact" Report was considered by the Corporate and Regeneration Scrutiny Committee on Tuesday 9th January 2024.
- 10.3 A Member suggested some of the guidance was vague and highlighted the description of Community Benefit Contributions as "goodwill financial contributions" made voluntarily and which could be monetary. The Senior Policy Officer provided clarity to Members and outlined that contributions were mainly monetary, such as per kWh generated at renewable energy sites, but could also be the offer of an apprenticeship scheme by the developer for example.
- 10.4 One Member highlighted that the voluntary nature of contributions should be stressed so that the expectations of communities are not falsely raised.
- 10.5 The Chair asked how the criteria for contributions was set. The Senior Policy Officer advised that negotiations were a matter for communities and the developer but highlighted that key principles such as proximity to the development were included in the guidance. Also, any groups receiving funding had to be properly constituted. Assurance was given that Community Councils were regarded as being properly constituted.
- 10.6 In terms of the negotiations with developers a Member asked about the help available to communities without constituted bodies such as Community Councils. The Corporate Policy Manager clarified that Council teams such as the Regeneration Team and Caerphilly Cares would be able to use the guidance and offer assistance to such communities, and she also highlighted the collaborative regeneration work with colleagues from the Gwent Association of Voluntary Organisations.
- 10.7 One Member asked about the protection of the right for communities to object to proposed renewable energy developments. The Senior Policy Officer advised that this right existed within the planning framework rather than the Community Benefit Guidance. The Corporate Director for Economy and the Environment added that as proposed renewable energy sites were classed as developments of national significance the planning authority was Planning and Environment Decisions Wales (PEDW) and the associated Local Authority was purely a consultee in the process. During the ensuing discussion it was also highlighted that PEDW received a Local Impact Report prior to its planning meeting and that this was followed by a 6-week consultation period.
- 10.8 A Member asked about future responsibility for infrastructure if a developer ceased trading. The Corporate Director for Economy and the Environment advised that such considerations would be included in the planning conditions imposed by PEDW.
- 10.9 The draft report and guidance were distributed as detailed below. All comments received have been reflected within the report.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2003 and the Council's Financial Regulations.

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Cllr Jamie Pritchard, Cabinet Member for Prosperity, Regeneration and
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Corporate and Regeneration Scrutiny Committee
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Paul Cooke, Transformation Manager - Decarbonisation

GAVO
Bute Energy
Coalfields Regeneration Trust
Renewables UK

Appendices:
Appendix 1 Community Benefit Contributions Guidance – for Projects and Developments
with the Potential for Significant Community Impact