

Caerphilly County Borough Council

Community Benefits Guidance- for projects and developments with the potential for significant community impact

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AIMS

Caerphilly County Borough Council welcomes major projects and developments that have the potential to deliver positive economic, societal, and environmental change.

The Council is committed to supporting and enabling Community Benefit Contributions (CBCs) for the county borough from all major developments to improve the well-being of local communities, improve quality of life and provide long term, sustainable community investment.

The Council has no power to compel developers to provide voluntary CBCs, however, we will be proactive, consistent, and transparent in our approach to working with private and public sector partners, in partnership with our local communities, to secure meaningful and sustainable benefits.

This guidance is aimed at developers and communities and sets out the Council's expectations in relation to CBCs. It serves as a source of advice to both sides of the

CBC equation, the developer, and the local community in which the development is situated.

INTRODUCTION

The county borough area provides numerous opportunities for major projects and developments, including, **but not limited to**, low carbon energy developments- wind, solar, hydro-electric and hydrogen. This guidance is intended for use by developers seeking to harness and utilise the resources of the county borough, to ensure that communities derive the maximum benefit from hosting such developments in their locality through the provision of direct voluntary community benefits.

The scale and significance of projects has a direct impact on communities. The Council will seek to ensure that social value can be derived from these developments to the benefit of those most impacted by them and to provide a lasting and sustainable legacy for future generations.

Community Benefit Contributions have the potential to support and contribute to the wellbeing of communities and the people living within them. They can be used to improve quality of life, alleviate poor socio-economic situations, improve multiple deprivation factors, improve local biodiversity, empower resilient communities and support community participation and engagement. This could be via direct support for projects in the community, or monetary contributions to recognised and constituted community groups. Statutory land use and planning seek to ensure that adverse impacts on communities are avoided, minimised or mitigated wherever possible.

Under S106 of the Town and Country Planning Act 1990, as amended, contributions can be sought from developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of a new development taking place. This funding is commonly known as 'Section 106'. Community Benefit Contributions are unrelated to the Town and Country Planning Act, however they are increasingly voluntarily offered by developers to recognise that the location of some projects has the potential for adverse impact on communities, and by way of mitigation they provide benefits direct to the community concerned. The impacts a community may experience could include accommodating disruption from construction, changes in the landscape, changes in the way land is used and accessed, and intangible but important aspects such as changes in the sense of place and qualities such as tranquillity and nature amenity.

The Council is committed to enabling this process and will offer its data, assessments, and its linkages into local communities to facilitate it.

The Council recognises that renewable energy developments can contribute towards both the UK and Welsh Governments' targets that have been set for the generation of energy, which are a key part of their commitment to decarbonisation and tackling the climate emergency. Building a more resilient and equitable low-carbon economy and helping to meet carbon reduction targets are equally important to the Council,

are part of its **Corporate Plan (2023-2028)** commitments and contribute to our own well-being objectives for the area and the national well-being goals for Wales. Our well-being objective- **Enabling Our Environment to be Greener** includes an outcome to promote and explore green energy opportunities for the council, communities and local businesses. However, this guidance is intended to be equally applicable to other projects and developments that have the potential to impact on the community in which they are located.

WHAT ARE COMMUNITY BENEFIT CONTRIBUTIONS?

Community Benefit Contributions (CBCs) are 'goodwill' financial contributions voluntarily donated by a developer for the benefit of communities hosting a development. They 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. They are often offered by developers of projects where the adverse impact is recognised in communities, but suitable mitigation measures would be difficult to invoke. They provide an opportunity to recognise the objectives in the Well-being of Future Generations Act and the socio-economic aims of public bodies, including the Council. The Council's role is to support CBCs recognising that they are an arrangement between the developer and the community, and entirely outside the statutory planning role of the Council as the Local Planning Authority. 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.

Social Capital

Social capital relates to societal, environmental, economic and cultural well-being which in turn derive from sustainable development goals and principles. CBCs are one mechanism to deliver social capital in projects. However, CBCs should not be considered as the only way to deliver social capital and developers are encouraged to consider this in all elements of their project, including, for example, designing in environmental improvements such as habitat provision, or landscaping provision beyond screening out potential nuisance. The Council will seek to ensure that CBCs reflect social capital objectives by:

- Asking that they align with Welsh Government social value objectives.
- Engaging effectively with the affected communities.
- Asking that they seek to alleviate any particular socio-economic context of the community in question.
- Measuring and reporting on social value outcomes as part of CBC monitoring.

Local Ownership

Local ownership offers the opportunity to buy shares or make an investment in developments. This opportunity can be for individuals or communities. By taking a share in projects, local communities can directly benefit from the profits of a project. If local ownership forms part of a CBC proposal, the Council's view is that this would be more equitably offered to the community rather than individuals living within the area, as the most socio-economically disadvantaged will likely lack the purchasing power to avail themselves of the offer.

Industry Standard

As of December 2023 Welsh Government's current Community Benefit Fund assumptions for wind (£5k/MW) matches the level suggested by [Scottish Government](#) and [RenewableUK](#), a lower level for solar (£2.5k/MW) is suggested due to the lower yield per MW associated with solar, as a starting point for discussions between developers and communities.

Role of Caerphilly County Borough Council

CBCs are NOT a mechanism to make a development more acceptable in planning terms and they are not taken into account when determining any application for planning consent. No Councillor or Officer will be permitted to be involved in any discussions or negotiations in respect of a CBC, and then also participate in a land use planning (decision-making) process that corresponds to the development.

The Council holds a wealth of data and information about its communities including the current local assessment of well-being that divides the county borough into five geographical areas for community planning processes.

[Gwent Well-being Assessment - Gwent Public Services Board Gwent Public Services Board \(gwentpsb.org\)](https://www.gwentpsb.org)

Teams within the Council work regularly and closely with local community groups and the formalised third sector, and have a wealth of insight and community intelligence that will be available to support the development of CBCs.

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.

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. The Council has a longstanding and supportive relationship with the community and voluntary sector through the Third Sector Partnership Agreement. Its partners include the Gwent

Association of Voluntary Organisations, Gwent Police and Aneurin Bevan University Health Board, Natural Resources Wales, Public Health Wales and South Wales Fire and Rescue Service.

Council officers that facilitate or assist in the data, assessments and community engagement to support CBCs will hold roles entirely outside of the statutory planning process.

ESTABLISHING THE COMMUNITY BENEFIT SCHEME

Community Benefit Contributions should seek to support place-shaping initiatives which improve and increase access to community assets, including public spaces and anything that collectively improves community well-being.

Data and Assessment

The Council and its public sector partners hold a wealth of data, both quantitative and qualitative around local communities. Developers will find this data on the Gwent Public Services Board's website as hyperlinked above and further insight can be obtained from teamcaerphilly@caerphilly.gov.uk.

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.

Community Engagement

Effectively involving the full breadth of a local community in developing a CBC is vitally important in ensuring that a few groups, or voices, do not hold undue influence over the decisions that will be taken as part of the CBC development.

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. An engagement plan should be developed at the outset of a CBC and shared with the Council for comment and advice.

The Third Sector

The community and voluntary sector in the county borough are vibrant, effective and hard-working. Local voluntary groups are key to ensuring the resilience of local communities and offer a representative voice for the people living in the area.

The formalised local Community Voluntary Council - the Gwent Association of Voluntary Organisations (GAVO) works well with the Council and its other partners through the local Third Sector Partnership Agreement. CBCs should seek to support the sector and these arrangements in the county borough.

Local Representatives

Many areas of the county borough are served by Town and Community Councils. As the tier of democracy closest to communities they will have a vested interest in the development of CBCs where any are proposed in their areas. Noting that not all of the county borough area has this tier of democracy.

The Council's own 69 elected members cover 30 wards across the county borough and these members are the democratically elected representatives of the residents in the area. Their role means they have a range of insight and views on the development of their local communities that should be factored into the development of CBCs. However, like the separation role of officers of the Council, they are unconnected to planning decisions in their local areas.

Proximity Principle

The proximity principle simply provides that benefits 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 cumulative impact and concentration of other projects should be considered when developing the CBC. The most affected communities should receive a proportional benefit and the CBC should not be averaged over a wider area.

The Council advises a transparent, equitable and well-publicised approach to decisions around proximity and acknowledges that developers will seek to ensure that the distribution of CBCs reflects localised impacts. Openness and the ability to influence proximity decisions should be part of the engagement process when developing CBCs.

Amount and Timing of Contributions

The amount of benefit provided by the CBC will vary with each project or development. The time at which benefits become available may also depend on the nature of the project. However, the Council will seek to ensure that benefits become available to communities at the earliest point possible in the project lifecycle. CBCs are expected to be provided for the whole of the operational life of the project. The amount, type and scheduling of CBCs should be set out at the beginning of their development and be part of engagement with communities.

The approach to community benefits has been widely adopted for renewable energy projects and the Council will expect developers to commit to provide

community benefits equivalent to the current industry standard per MW of installed capacity, or equivalent benefits-in-kind, directly to host communities.

For other projects and developments, the industry standards are less well developed and understood, although they are evolving. The Council will, again, seek to ensure that a fair and representative amount is offered to local affected communities with an equitable proximity calculation built in.

Decommissioning

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 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 OF THE COMMUNITY BENEFIT SCHEME

The Council's role 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. It may be appropriate for the Council to administer the funds allocated to the CBC, which has happened for renewable energy schemes in the past. GAVO also administers CBC schemes on behalf of communities. However, this is not intended to be the standard approach and the best administration mechanism will be determined as part of the CBC development.

Social, Economic, Environmental and Cultural purposes

The unique data, intelligence and engagement with communities will determine the most appropriate criteria for each CBC. However, the long-term sustainability of communities will be the focus of development and the Council will seek agreement that long-term projects will be developed using contributions. Projects that support the long-term well-being of future generations, thriving, prosperous and resilient communities, with good infrastructure, facilities and local nature amenity will be preferred. Indicative areas would be:

- Investing in young people by promoting skills development and apprenticeship opportunities;
- Supporting the local economy through targeted training and recruitment of local labour, sourcing materials, contractors and services locally etc. reducing the need to travel and improving sustainability;
- Providing means of alleviating disadvantageous circumstances and raising aspirations amongst individuals and groups, for example, through scholarships to local universities and colleges, work placements and visits to operational facilities;

- Supporting services which improve community cohesion and quality of life for example, youth engagement and participation projects;
- Making investments which contribute to sustainable long-term projects in communities;
- Supporting the sustainability of community owned/managed assets i.e community buildings, allotments;
- Promoting and enhancing local identity, distinctiveness and culture recognising the desire to support the Welsh language;
- Providing enhanced support and recognition of the needs of residents with protected characteristics;
- Making contributions to electric vehicle charging infrastructure and the collective imperative of targeting net zero;
- Providing resources for citizens to pursue the low carbon agenda through community-based energy efficiency measures, or community-based energy clubs;
- Providing open space improvements, biodiversity net gain projects, providing or supporting landscape reinstatement or enhancement schemes;
- Providing communities with the opportunities to invest in the proposed development and with the tools to enable them to make better use of their local energy assets; and
- Adding value to existing community projects.

DELIVERY MECHANISMS

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.

Key principles

1. The proposal must deliver a defined benefit to local communities, in accordance with the proximity principle and with clear objectives around the outcomes to be achieved.
2. The administration of the fund must involve local people in decision making; while the developer can set the parameters of what the CBC can be used for, they should involve local people in this decision and involve local people in decisions on precise projects and schemes.
3. Funding should be provided to properly constituted community groups rather than individuals, unless an element of the scheme is devoted to educational purposes such as bursaries, or apprenticeships. Funding

bodies should ensure due diligence when determining which groups and projects to support.

4. All processes should be publicised and transparent, the existence of funding and how it will be used and has been used must be easily publicly available. Dedicated websites and social media platforms should be used. However, recognised digital exclusion should be an important part of openness and transparency, options for face-to-face events in communities should be taken to ensure that people with protected characteristics are equally able to contribute.
5. The use of funds should be reported on. An annual report setting out how funds have been used, what projects or schemes have been supported and what outcomes this has resulted in, should be produced and made available to local communities.
6. The holding of CBC funds should be properly managed and audited. Accounts showing the application of funds, including deductions for administrative costs, should be made publicly available at the end of each year of operation to assist the understanding of communities, partners and their representative.

Delivery support

- **Caerphilly Cares** The 'Caerphilly Cares' team, a team of established Caerphilly County Borough Council staff, offers a centralised coordination and response triage service for those county borough residents in need of support for issues such as food poverty, debt or rent arrears, isolation or loneliness. 'Caerphilly Cares' aims to offer the individual a single point of contact with the team, who will assist that individual in getting to the root cause of their issue, meaning they will only need to explain their situation once. The team links up with existing services, both within Caerphilly County Borough Council and with partners, including the voluntary sector and local community groups, supporting that individual through their journey with those various services, from end to end. The team plays a key role in community development and works with local community groups to maximise community and individual well-being.
- **GAVO** Gwent Association of Voluntary Organisations (GAVO) is the county voluntary council in Caerphilly. GAVO is one of 19 intermediary bodies in Wales and is an umbrella organisation providing support, advice and information to the voluntary and community sector, with over 800 members in the county borough. GAVO is an invited member representing the voice of the voluntary sector at the Caerphilly Public Services Board, and at a strategic level across the county borough. GAVO supports joint working through the Caerphilly Well-being Plan, the Voluntary Sector Liaison Committee and forums and networks.
- **GAVO Community Development and Volunteering Officers** provide governance, sustainable funding and volunteering, support & advice to

the Third Sector in Gwent, including community and voluntary groups as well as individuals who are interested in helping and supporting their community.

CONTACT

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