



## **CORPORATE AND REGENERATION SCRUTINY COMMITTEE - 9<sup>TH</sup> JANUARY 2024**

**SUBJECT: COMMUNITY BENEFITS GUIDANCE- FOR PROJECTS AND DEVELOPMENTS WITH THE POTENTIAL FOR SIGNIFICANT COMMUNITY IMPACT**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT**

### **1. PURPOSE OF REPORT**

- 1.1 To seek the views of Members on the proposed Community Benefits Guidance for projects and developments with the potential for significant community impact, before decision by Cabinet in February.
- 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 The report explains the role of the Council in promoting community benefits in collaboration with private sector partners.
- 2.2 It outlines the process of developing this Community Benefits Guidance for projects and developments with the potential for significant community impact.

### **3. RECOMMENDATIONS**

- 3.1 That Scrutiny Committee consider the guidance and provide comments to Cabinet. The aim of the guidance is to establish the Council's stance on standards for developers when delivering Community Benefit Contributions (CBCs) to local communities within the County Borough.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 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.

## **5. THE REPORT**

- 5.1 This report outlines the draft version of the Community Benefits 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.

### **Community Benefit Contributions Definitions**

- 5.2 Community Benefit Contributions are 'goodwill' financial contributions voluntarily donated by a developer for the benefit of communities hosting a development.
- 5.3 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.
- 5.4 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.
- 5.5 CBCs are a mechanism to deliver social value in projects. However, CBCs should not be considered as the only way to deliver social value. 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**

- 5.6 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.
- 5.7 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.
- 5.8 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.

- 5.9 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**

- 5.10 A number of mechanisms are readily available to support the establishment of the Community Benefit Scheme.
- 5.11 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.
- 5.12 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.
- 5.13 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.
- 5.14 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**

- 5.15 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.
- 5.16 This guidance will seek to serve social, 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.

- 5.17 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.
- 5.18 The support for the delivery of this Guidance and negotiation with developers will be provided by the Council's Regeneration Team.

### **Conclusion**

- 5.19 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 IIA](#)

## **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 This guidance is still being developed. The views of the Council's Planning and Regeneration teams and GAVO have been included. Further engagement with key stakeholders, including with Caerphilly Cares, Town and Community Councils and developers, is still to take place, and will further inform the final guidance. The views of this committee are sought.

- 10.2 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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### **Appendices:**

Appendix 1 - Community Benefits Guidance – for Projects and Developments with the Potential for Significant Community Impact