



Foundation
Scotland

Aultmore Wind Farm Proposal

Community Benefit Fund Workshop

Report

September 2023



Contents

1 Introduction	Page 3
2 Workshop Aim, Objectives and Agenda	Page 3
3 Project Overview and Workshop Purpose	Page 5
4 Exercise 1: Community Benefits - Fact or Fiction	Page 6
5 Exercise 2: Making a Difference	Page 11
6 Cabrach Trust – Clashindarroch Wind Farm Fund	Page 14
7 Exercise 3: Fund Structures	Page 15
8 Workshop – Key Learning Points	Page 21
9 Reflection and Feedback	Page 23
10 Conclusion	Page 25
11 Next Steps	Page 27
Appendix 1	Page 28
Appendix 2	Page 29

1 Introduction

Vattenfall is in the final design stages of a wind farm proposal at Aultmore Forest, approximately 6km north of Keith and 7km south of Buckie, in Banffshire, Moray. The proposal is expected to be submitted into planning by the end of 2023.

In response to feedback from community stakeholders, Vattenfall held a workshop to provide more information to Community Council representatives and anchor organisations about the community benefit that could be delivered from Aultmore Wind Farm should it be granted consent. It was also recognised by Vattenfall that the workshop could be a useful information event for the community in relation to other community benefit opportunities that may arise in the local area.

The workshop was held in Portessie Hall on Friday 1st September 2023 and this report seeks to capture the content and findings of the workshop.

2 Workshop Aim, Objectives and Agenda

The aim of the workshop was to explore community benefit, in the context of Vattenfall's Aultmore Wind Farm proposal, and engage participants in a few exercises to help build awareness and understanding of how a potential community benefit fund may operate as well as the potential benefits that it could deliver for the local area.

The objectives of the workshop were to:

- **Share and exchange** knowledge, understanding and experience of community benefit.
- **Understand** how community benefit funds were making a difference to communities.
- **Learn** how community benefit funds could be structured and governed.
- **Identify** issues to consider in relation to the Aultmore community benefit opportunity.
- **Have positive and productive discussions** about community benefit with representatives from different communities in the area.

The event was attended by 31 people representing 18 different organisations with a specific interest in, or role serving, one or more of the seven Community Council areas associated with the Aultmore Wind Farm proposal.

The workshop was hosted by Vattenfall and facilitated by Foundation Scotland, a Scottish grantmaking charity, with significant expertise in community benefit linked to renewables.

The agenda was comprised as follows:

- 5.00 pm Doors open, registration, teas and coffees
- 5.30 pm Welcome and introductions
Project overview and Workshop purpose
Exercises 1 and 2
Cabrach Trust: Clashindarroch Wind Farm Fund
- 7.00 pm Buffet supper
- 7.30 pm Exercise 3
- 9.00 pm Reflection and feedback, event end, teas and coffees



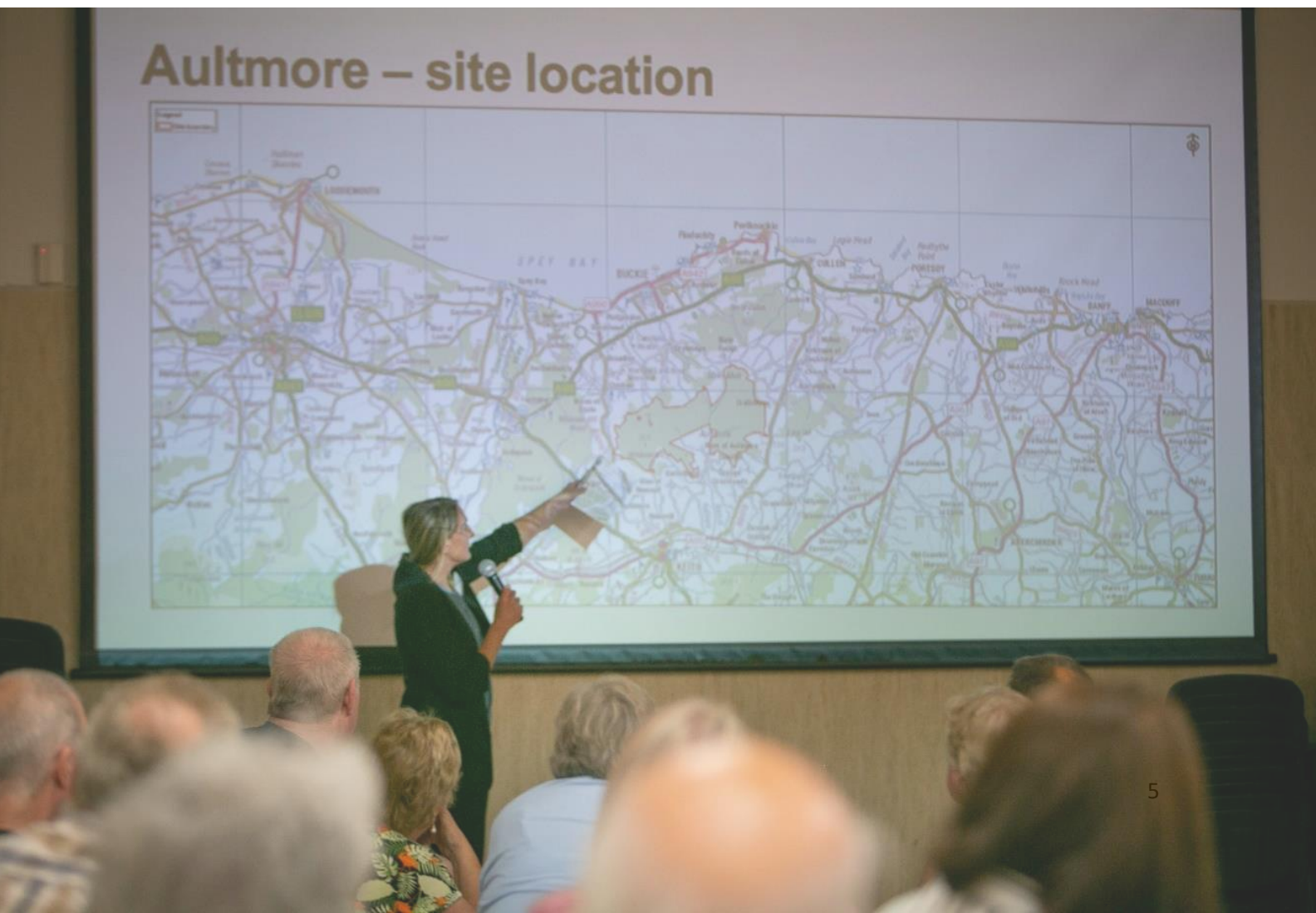
3 Project Overview and Workshop Purpose

The workshop was opened by Vattenfall providing a short project update followed by introductions from the workshop facilitators.

Vattenfall explained that this event was a step towards exploring the opportunities presented by the community benefit fund, should the redesigned Aultmore Wind Farm receive planning consent, and developing a collective understanding of community benefit.

Vattenfall added that they wouldn't typically hold a community benefit workshop at this stage in a project and emphasised that the workshop was very much a 'pilot', in response to community feedback, to find out if this sort of event was useful.

If so, similar events could perhaps be held for the wider community and considered for other Vattenfall projects.



4 Exercise 1: Community Benefits - Fact or Fiction

Working in groups, participants were given a few statements about community benefit and asked to consider whether these were **fact or fiction**.

Each statement was then considered in plenary, followed by a number of key points being confirmed about community benefit as outlined below.

Community benefit funds last for 20-25 years

The duration of an onshore wind farm community benefit fund can vary depending on what's agreed. It's fairly standard for a fund to be provided for the operational lifetime of a project.

In a few instances, payments may be frontloaded in the earlier years - to perhaps support larger strategic projects - which results in a fund then ending earlier.

When community benefit funds for onshore wind farms started being set up in Scotland the operational life of most projects was expected to be around 20 years; this then increased to 25 years, and now turbine designs mean that the operational lifetime of some projects is 30-40 years or more.

The terms for offshore wind farm funds are presently less defined.

If consented, Aultmore Wind Farm is expected to have a 35-year operational life cycle and could deliver a community benefit fund to the local area of £18.4 million over that period.

Community benefit funds are mandatory for onshore wind projects

Most operational onshore wind farms offer community benefit in one form or another. However, community benefit is provided on a purely voluntary basis by project owners and there are no legal obligations underpinning the provision of community benefit funds.

Community benefit funds are managed by the owner and they make the funding decisions

Community benefit funds are managed or 'administered' in different ways depending on the context.

A few wind farm owners are involved directly in administering funds and have a specialised in-house team.

In certain areas of Scotland, the local authority has control over how community benefit funds are spent.



However, most wind farm owners work with local community organisations and /or third parties, like Rural Environmental Action Plan (REAP) - who were represented at the workshop event - or Foundation Scotland, to administer the funds on their behalf as these organisations have the grant-making expertise.

This approach to administration helps take the burden of financial responsibility and fund governance off the community so that they can focus on the things that really matter such as which projects they'd like to support.

In this context, funding decisions are usually made through a community decision-making panel comprised of community representatives, appointed through an open and transparent process, and which meets regularly to discuss and agree funding decisions.

In some scenarios a community organisation manages the fund and is sometimes expressly established to undertake this role. That organisation may then contract an administrator to operate the fund or they may have the skills and capacity to do it themselves.

Should Aultmore Wind Farm receive consent, Vattenfall would consult with the local community on how best to administer and manage the fund.

Most communities are short changed and receive less than the Scottish Government's recommended £5,000 per MW

In 2012 the Scottish Government worked with an Advisory Group (which involved Vattenfall and Foundation Scotland) to develop the first [Good Practice Principles](#) for Community Benefit from Onshore Renewable Energy Developments in Scotland.

This recommended that all onshore projects provide community benefit at the rate of £5,000 per MW. This rate was endorsed again when the Principles were reviewed in 2019.

It is uncommon for owners of onshore wind farm projects, consented since 2014, not to meet this recommendation but there are some projects consented pre 2014 that are not providing this rate of community benefit.

Vattenfall follows the prevailing Scottish Government guidelines on community benefit which means that, based on the current community benefit rate of £5,000/MW, the 105.6MW Aultmore Wind Farm project would deliver an annual community benefit fund of £528,000 for the local area should it receive consent.

Areas of benefit are usually too small. This means too few communities are ending up with lots of money

From the early days of community benefit, project owners and communities sought to be thoughtful and not selfish – and were doing their best with what they had and knew at the time.

For example, one particular group of communities in the Highlands agreed from an early point (back in 2006) that any onshore wind farm community benefit which involved any one of them would be shared with all three of them – and they were strategic from the outset.

Another early project in the Highlands, which involved about eight communities, took a similar approach.

Another example is in Dumfries and Galloway where three funds which Foundation Scotland works with could be described as 'area' or 'sub regional' funds (depending on how an area is defined); one benefits 13 communities, another 28 and another 42.

The area of benefit will be one of the issues which Vattenfall would consult the community on in the event of Aultmore Wind Farm securing consent.



For example, what would an area of benefit look like that was coherent, reflected how communities operate and connect, and gave communities the optimum opportunity to help ensure the money really did make a difference?

Community benefit is usually distributed and shared by Community Council area. Usually, the 'host' Community Council areas which are closest to the project and likely to experience the most impact are automatically included – and the bigger question is which other Community Council areas, if any, should be included.

For example, in relation to the Aultmore Wind Farm proposal, the four host Community Councils are Cullen and Deskford, Lennox, Buckie and District, and Strathisia - all of which were represented at the workshop.

In addition, Vattenfall has also engaged with the wider Community Councils of Portknockie, Findochty, and Keith - who are the next closest Community Councils to the project - and invited them to attend the workshop.

Whilst the workshop event was not intended to make any decisions on the area of benefit – this is something longer term that would need to be decided and which Vattenfall would consult with the community on, should the project be consented.

Community benefit is just paying for gold plated taps, in some lucky village halls, and more football strips and outings for the elderly.

There are some instances where community benefit may not be being used particularly strategically and spend appears to be a bit more scatter gun - although often focused on supporting activity that builds social connections and helps maintain low level but critical community activity.

For a community that may only have a small amount of community benefit money to distribute, it's important not to underestimate the value of that funding for services or activities often organised by volunteer-led groups.

It's also important not to underestimate how this funding can help build the capacity and confidence of a community to then plan other more ambitious projects which meet more strategic community needs.

In some settings, community benefit is already achieving this. Across Scotland, community benefit funding is contributing to affordable housing projects and helping communities purchase and operate assets like woodlands, hotels, hubs, harbours, and supporting the delivery of local services that improve people's lives.

One transformative approach in some areas is to use the community benefit fund to help pay for Development Officers or other paid staff who can support the delivery of activities and projects.

This approach, for example, has helped shape Vattenfall's South Kyle Wind Farm Fund in South Scotland where communities have agreed to ringfence a portion of the Fund for the next 5 years to support paid staff; in this instance, the Fund is not only creating employment opportunities – it's creating employment opportunities that will then help deliver further value and impact.

5 Exercise 2: Making a Difference

In this next exercise, participants were invited to consider what kinds of things community benefit funding could support that would enable positive change/ make the most difference in their community.

Working in small groups the participants provided a range of ideas. What follows is a verbatim record of the comments made by the participants.

Comments referring to specific locations:

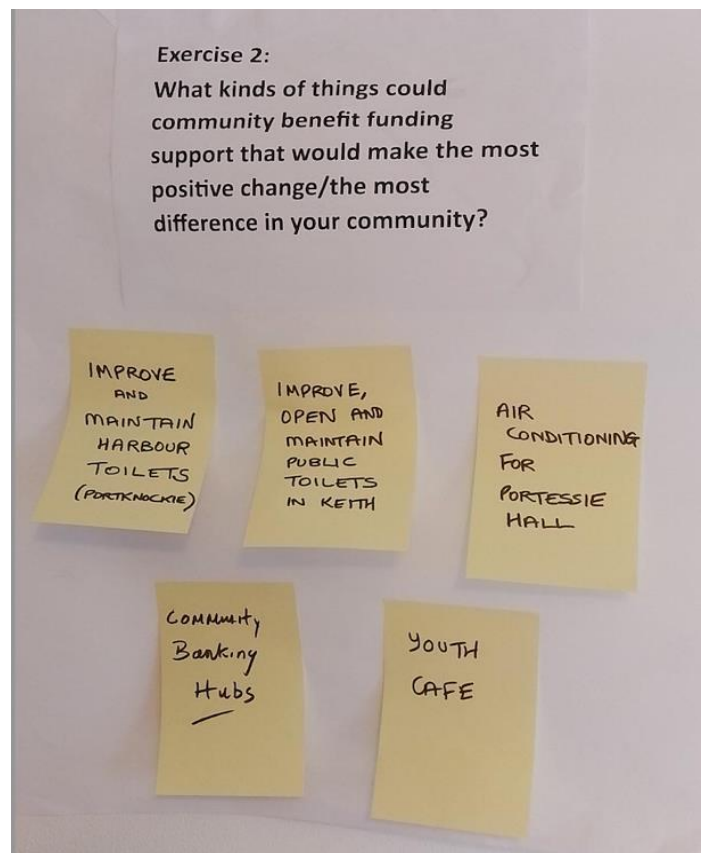
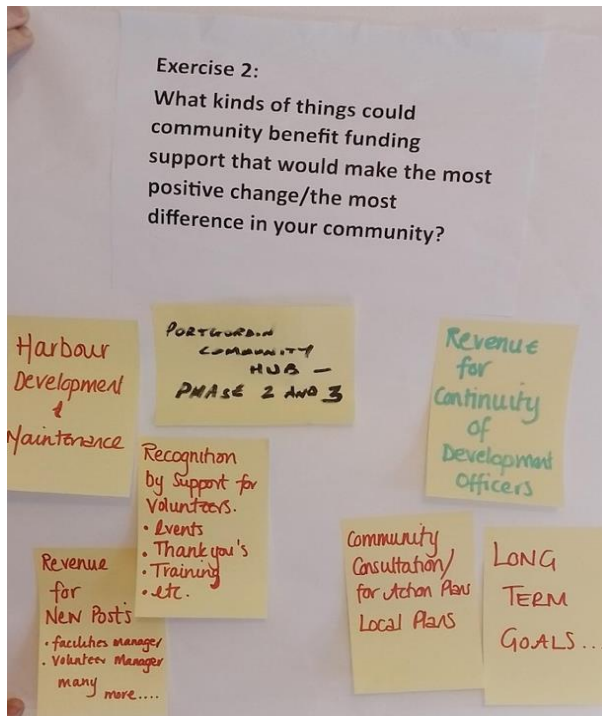
- Improve and maintain Harbour toilets in Portknockie
- Improve and maintain public toilets in Keith
- Provide air conditioning for Portessie Hall
- Deliver Portgordon community hub phases 2 and 3

General responses are on the page below.



- Community Banking Hubs
- Complete refurbishment of village halls, including accessible toilets, new toilets, new heating, roof repairs, window replacement
- Youth Café and youth development opportunities
- Pathway to connect parts of community to railway line, connecting communities, transport and safer routes
- Harbour development and maintenance
- Provision of a development trust officer to be able to apply for funds, minimum time commitment e.g., a five-year funded post to ensure longevity of projects
- Revenue for new posts (e.g., facilities manager, volunteer manager Community development officers etc) x2
- Increase awareness of community benefit funding for everyone in the community
- Recognition for volunteer support – events, thank yous, training, etc
- Community liaison worker/ community development officer/ continued funding
- Revenue for continuity of Development Officers
- Financial support to ease the burden of volunteers
- Community consultation for local and community action plans
- Professionalism
- Ensuring energy generated does not 100% get exported out of Moray - develop community energy
- Grants for redeveloping town/village centres
- Pop up shops, small business grants (but not 100% funded)
- Long term goals...
- Local annual volunteering event to recognise and appreciate volunteers that community support workers attend
- Low cost battery top ups for residents
- Actions in the community action plans
- Tourism – e.g. land train to be shared with other communities
- Long term goals – e.g. housing and employment
- Apprenticeships
- Village halls – community spaces that are energy efficient and generate power.
- Community hubs
- Rural footpaths improvement both recreation and active travel
- Tennis court revamp
- Reintroduction of the railway
- Social enterprise to supply young people with employability opportunities
- Harbour improvements
- Recreational facilities
- People employed to support volunteer effort and community led action
- Climate hub

The photos below show some examples of the above comments.



6 Cabrach Trust – Clashindarroch Wind Farm Fund

Following the group sharing their ideas, a representative from the Clashindarroch Community Fund Panel (who was also a member of the Cabrach Trust) was introduced and provided a presentation about their experience of being both a member of the Fund Panel as well as a grantee of the Clashindarroch Community Fund.

Key points from the presentation included:

- Now in its ninth year, the Clashindarroch Fund had delivered £1,637,810 to 155 projects.
- The fund was relevant and understanding of local context.
- At a local level, the Cabrach community had been awarded 13 grants totalling £257,344.
- Funding from Clashindarroch had enabled the Carbrach Trust to lever in additional sums from other funding sources.
- The continued support of the projects delivered by the Cabrach Trust had increased the capacity of the community and delivered a legacy in line with the objectives of the fund.



Images courtesy of Cabrach Trust (showing local projects undertaken)

7 Exercise 3: Fund Structures

The third exercise focused on discussion about the different ways that a community benefit fund could be structured and governed when it involved more than one community. This was very relevant in relation to the Aultmore Wind Farm proposal given that the project is likely to involve different communities and certainly more than one Community Council area.

Foundation Scotland emphasised that across all the many varied and different community benefit arrangements in Scotland they knew of, or were linked with, it was likely that at their most basic they would fall into one of the following three types of structure:

- i) Fund is retained as a 'Single' amount for the area
- ii) Fund is 'Proportioned' between communities
- iii) A 'Hybrid' arrangement is set up where some of the money is retained as a single amount for the area and some is devolved to each community to distribute.

Whatever the structure of a fund, consideration also needs to be given to how it is governed (i.e. who is making decisions about strategy and spend) and administered (i.e. who is undertaking the back-office work to then operationalise those decisions). Sometimes both functions are carried out by the same body and sometimes they are separated.



With this in mind, the participants, in small groups, were invited to consider the different pros and cons, challenges and opportunities, that each structure presented.

Their responses, noted verbatim in each table below, were then shared in plenary. Key points from the plenary discussion are captured under each table.

Single Fund – initial post-it note comments

<u>Pros</u>	<u>Cons</u>
Big build ideas	Small units are ignored
Agreed and feasible plan	Not fully thought through and unforeseen issues are possible
Clarity	Strict
Community decision and involvement	Bias is possible due to geography
Could fund larger projects	A new group of volunteers will need to be set up
Easier accounting	No long term vision
Can fund legacy projects	No legacy projects
	No equality, expertise in applying and the number of groups

Further comments raised during the plenary about the Single Fund structure

Pros

- Feasible for bigger projects to be funded and delivered.
- Easier for the developer to have a single point of contact/delivery.
- Allows for the development of legacy projects (a legacy project being something that has impact long after the CBF has ended).

Cons

- Risk of bias towards bigger projects and developments, with only a few benefits and concerns about how levels of equity are ensured.

As an aside, Community Energy Moray was mentioned as an example of this format with subgroups to be set up for decision making.

Proportioned Fund – initial post-it note comments

<u>Pros</u>	<u>Cons</u>
Easier to apply	How is the amount agreed to make it <u>fair</u> ? Is it the size of population or the geography?
You know how much is available	Areas might not need all their allocation
Planning	Larger projects take longer to achieve
Smaller communities have ring-fenced funding	Can't plan strategically
Clear funding, can plan your allocation	How to proportion fairly
Decisions are local	How to get the community involved
Local areas can divide money to focus on age/ gender/ area as needed	
Opportunity, if time lapses, to move into main account and provide long term funding	
Potential for real deep community participation and development	

Further comments raised during the plenary about the Proportioned Fund structure

Pros

- Ringfenced funding guaranteed for smaller communities.
- Different pots can be allocated to key things that the different communities need.

Cons

- Money might not be used by the individual communities and may accumulate.
- It would be important to strategically address the shortfall or accumulation of funds throughout the different communities in the area of benefit.
- How do you get engagement across the area?
- It depends on how the funds are proportioned; smaller communities may not have the capacity to access a larger funding pot.
- Allocating the proportions can be a tough call to make.
- It is good to have smart questions when thinking about this.
- Communities co-operating and having agreements can be a difficult and lengthy process.

Hybrid Fund – initial post-it note comments

<u>Pros</u>	<u>Cons</u>
Flexible	Smaller communities might not have the people resource
Long term planning	Some areas do not have a development officer
Target those in need – fuel poverty and retrofitting	Not a level playing field
Quick response	Could be confusing, who can apply?
Everyone gets something	Conflict
Extra cash for special projects	Needs a lot of engagement
	Bias
	Proportioned by what? Would larger areas get more cash?

Further comments raised during the plenary about the Hybrid Fund structure:

Pros

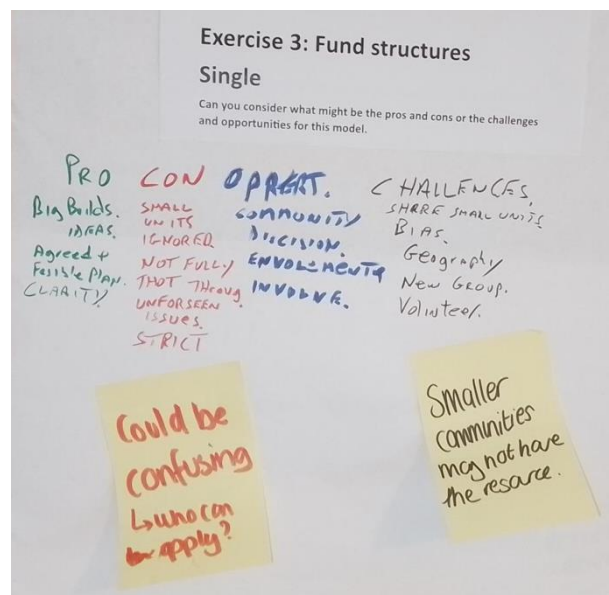
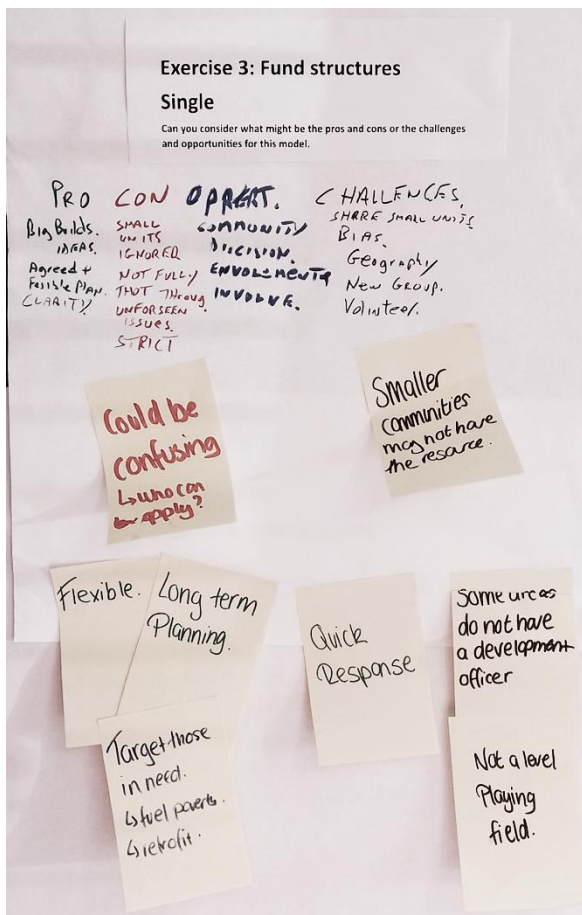
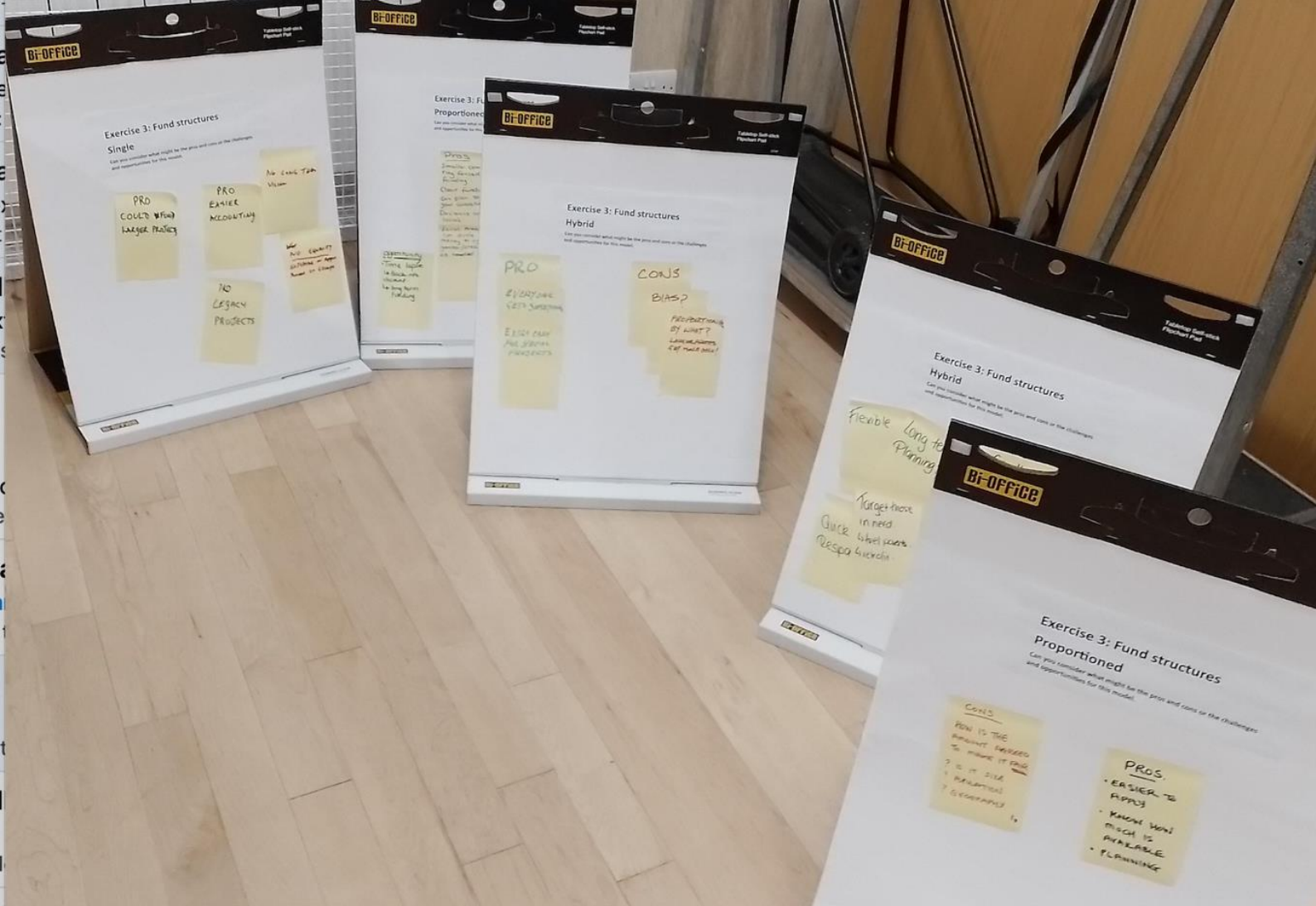
- It is a flexible and long-term approach and can address issues that need a quick fix (e.g. fuel poverty, cost of living rises, pandemics) for people in need.
- Everyone will get something.
- If there is a larger project or special event the retained pot could be used to top up the proportioned funds.

Cons

- The proportioned fund aspect might experience a bias of allocation.
- How to reach agreement at the beginning about the proportionality.

A participant commented that the hybrid structure still required agreement on the criteria for determining the proportioning and that process may cause conflict.

The photos below show some examples of the initial post-it note comments regarding the different fund structures.



8 Workshop – Key Learning Points

Participants maintained a high level of engagement with each of the exercises in the workshop. A large number of participants willingly offered comments and ideas into the main plenary sessions and participants were busy talking with each other throughout the small group discussions. This demonstrated a real willingness by participants to listen and learn from each other which bodes well for any further discussions about the Aultmore Wind Farm community benefit opportunity.



In the scene setting section of the event, at the beginning of the workshop, some introductory questions were asked to the group regarding i) community benefit funds that they were aware of locally, ii) whether any of them



represented a group that had received funding from a community benefit fund and iii) whether any of them were involved in making decisions from a community benefit fund. The range of responses indicated there was already a good level of knowledge and experience about community benefit although it was also clear that attendees were generally only familiar with the one or two example fund arrangements that they had experienced.

There were a range of strategic, long-term ambitions that the communities share – alongside more localised, shorter-term goals. The longer-term ambitions included:

- Preservation and development of community buildings.
- Environmental improvements.
- Capacity building in communities including employing community development officers, and developing and supporting volunteers.
- Provision of training and employment for young people - including apprenticeships.

There was a general consensus that investing in paid staff could bring a diverse range of benefits to local community organisations as well as helping develop cross-community strategic activity.

9 Reflection and Feedback

Before the workshop closed, participants were asked to consider three questions. The collated responses are provided verbatim below.

What will you take away from tonight?

- That there are more opportunities for funding out there.
- Future plans for Aultmore Wind Farm.
- Vattenfall is open to engaging with communities.
- Different approaches and opportunities are available.
- There are a range of ways that the fund could be distributed.
- Realised that funding is so complicated!
- Have gained a better understanding about what happens next
- Many helpful connections made with other communities.
- How much talent there is in our communities.
- Really liked the opportunity to participate.
- Workshop was well structured, friendly, engaging.
- Appreciated the interaction with different community groups.
- It is in our hands.
- There seems to be good support from developers, Foundation Scotland, and consultants.
- This is the start of the conversation, let's keep talking.
- A better understanding of community benefit funds and how they work.



What did you like best?

- The food 😊.
- Flow of the workshop.
- Individual dialogue has been strong.
- They (Vattenfall) didn't have to do this ... front-loading community engagement.
- Input from the Cabrach Trust.
- Exhibitions were helpful.
- The buffet.
- The pilot study (Vattenfall's Clashindarroch Wind Farm Fund).
- Really good to learn about the background of the funding, thank you.
- Good discussion, good to be engaging the communities at an early stage 😊
- Lovely food, well done to the caterers, much welcomed, yum!
- Buffet.
- Cabrach presentation.
- Meeting representatives face to face.
- Networking with other communities.



What could be done differently next time?

- More about the process of applications, support with applications for funding.
- Examples need to be brief and more than one.
- Nothing, got the balance right.
- Who organises the 'committee' that distributes the fund?
- Wine!! Or on a weeknight.
- A daytime session would be preferred.
- Ask for feedback after the event.
- Have it on a week night.

One participant reflected how much they enjoyed the workshop and valued the fact that it 'got the story across' about community benefit without 'being too technical'. They commented on how much they had learnt 'by talking with others' and that 'they'd have never known some of these people otherwise'.

10 Conclusion



The workshop was well attended, and participants engaged fully throughout the event.

It was clear that all those present were interested and cared about where they lived and understood the purpose and value of attending this workshop - to learn about the benefit that could be delivered from Vattenfall's Aultmore Wind Farm, should it receive consent.

The workshop gave the opportunity for key community representatives to meet, discuss the possibilities of how community benefit could be distributed and begin to think about what the priorities might be for the different Community Council areas.

Across the room, there were many similarities about what people felt was needed and an appetite for further workshops and meetings to continue to develop the potential of the community benefit that would be derived from the project if it was consented and built.

Apart from the need within communities to improve their facilities and physical assets, there was a strong desire to build the capacity of the different communities.

This included an appetite to work together strategically to ensure that any funding addressed not only the local issues but contributed to helping tackle climate change – in addition to helping address other key issues such as the rising cost-of-living that was affecting people, especially those who were most vulnerable or disadvantaged already.



By delivering this workshop at an early stage it has enabled Vattenfall to further develop relationships with the different communities and communicate clearly that, in the event of consent, the community benefit opportunity will be explored and designed very much in partnership with the community.

It has also emphasised how the process has the potential to build on learning from other Vattenfall projects and highlight the creative ways that other communities have utilised the benefits of wind farm funding for their area. This approach will enable Vattenfall and the communities in the area of benefit to work together more effectively long term, should the project be consented, to design and deliver a community benefit model which meets the needs and priorities of the local area.

11 Next steps

This report will be shared initially with the workshop participants, as well as key stakeholders that Vattenfall has been engaging with, and uploaded onto the project website to enable the general public to access it.

This report will also form part of the Pre-Application Consultation (PAC) Report (summarising the consultation activity undertaken by Vattenfall) which will accompany the Section 36 application for consent that Vattenfall will submit to the Scottish Government for their Aultmore Wind Farm proposal in due course.

Vattenfall will offer further information and events in the future to engage with the wider community regarding community benefit, should there be a clear interest in this.



APPENDIX 1

Workshop organisers and facilitators

Organisation
Vattenfall (x 3 representatives)
Foundation Scotland (x 2 representatives)
Community and Stakeholder Engagement Consultancy (x 1)

Attendee list

Organisation
Cullen and Deskford Community Council (x 3 representatives)
Lennox Community Council (x 2 representatives)
Strathisla Community Council (x 1 representative)
Buckie and District Community Council (x 1 representative)
Portknockie Community Council (x 3 representatives)
Keith Community Council (x 1 representative)
Findochty Community Council (x 2 representatives)
Portgordon Community Trust (x 3 representatives)
The Three Kings Cullen Association (x 2 representatives)
Deskford and District Community Association (x 3 representatives)
Keith and Strathisla Regeneration Partnership (x 2 representatives)
Findochty and Buckie Development Trust (x 1 representative)
Buckie Area Forum (x 2 representatives)
Moray Federation of Community Halls and Associations (x 1 rep)
REAP - Rural Environmental Action Project (x 1 representative)
Business Gateway (x 1 representative)
Moray Council (x 1 representative)
tsiMORAY (x 1 representative)



APPENDIX 2

About the project

Aultmore Wind Farm is located approximately 6km north of Keith and 7km south of Buckie and was originally consented by Moray Council in 2014 as a 13-turbine scheme with an installed capacity of 29MW. Since then, significant advances in turbine technology have taken place with more powerful turbines becoming available. As such, Vattenfall has been exploring a 'redesigned' scheme which would significantly increase the amount of fossil-free electricity that could be produced as well as the community benefit delivered to the local area from the project.

We expect to submit a Section 36 application for consent to Scottish Ministers towards the end of 2023. More information about the project can be found at: www.vattenfall.co.uk/aultmore.

About Vattenfall

Vattenfall is a Swedish company, 100% state owned, and has a long history having been established in 1909. Vattenfall means 'waterfall' in Swedish and originates from the company's heritage of pioneering large scale hydro power in Sweden. Vattenfall is now one of Europe's largest producers and retailers of electricity and heat – operating mainly across Sweden, Germany, the Netherlands, Denmark, and the UK. Vattenfall is committed to building a future where everyone can choose affordable, fossil-free ways to move, make, and live and wants to **make fossil-free living possible within one generation**. Vattenfall has been in the UK since 2008 and is a key partner in enabling the UK to reach net zero. Vattenfall has invested more than £3.5 billion in enough wind to power 850,000 homes and is on track to help save 8 million tons of CO₂ a year by 2030, the same as taking 4 million cars off the road. Vattenfall invests more than £3 million annually into local communities hosting wind farm projects. More information about Vattenfall's approach to community benefit can be found [here](#).

About Foundation Scotland

Foundation Scotland is a Scottish charity (SC022910) and a company limited by guarantee (SC152949) with 25 years' experience in managing charitable funds and making grants to local causes across Scotland.

Through the provision of varying levels of specialist fund design, grant-making, and fund management services, it currently supports over 70 community benefit funds benefitting more than 350 communities. Community benefit donations for distribution through Foundation Scotland totalled over £7,300,000 in 2022/23. In its work to drive up good practice in the design and delivery of community benefit funds, Foundation Scotland favours a long-term view, which promotes and harnesses community strengths and supports decision making processes that are inclusive, accountable and community led. More information about Foundation Scotland can be found at www.foundationscotland.org.uk.