

2st July 2013

June Love



Dear Ms Love,

Thank you for participating in the Caithness Conversation during March and April. Please find enclosed a copy of the Executive Summary from the main report.

If you would like to obtain a full copy of the report please go to

<http://www.rwe.com/web/cms/en/1840140/rwe-innogy/sites/wind-onshore/united-kingdom/in-development/caithness-conversation/>

If you are unable to access this and wish to request a hard copy, please contact me on the above number and I will send one to you by mail.

Kind Regards,



Robyn Ewing

Programme Administrator

Executive Summary

With sizeable levels of community investment from commercial wind farms and other renewable developments anticipated for Caithness, RWE npower renewables has supported a research project called the Caithness Conversation to hear directly from communities, businesses and other key local stakeholders as to how they think future community benefit funds associated with such developments can benefit Caithness.

The research aimed to identify what the Caithness community considers is currently working well and what requires some improvement, as well as the types of initiatives any future community benefit could support and how those investments should be managed. The outcomes of the Caithness Conversation in its entirety are captured in this report, set against the backdrop of the current socio-economic situation.

There are a significant number of wind farm projects either consented or currently being developed in Caithness. RWE NRL wanted to explore the wider, strategic value of community benefit in Caithness alongside its more typical local application.

Foundation Scotland, an independent grant making charity with diverse Scotland-wide experience of community benefit, conducted the research during February – April 2013. Foundation Scotland worked with a number of organisations including Caithness Voluntary Group, the Association of Caithness Community Councils, Caithness Chamber of Commerce and Caithness Renewables to set up and deliver different elements of the Caithness Conversation.

Opportunities to participate in the Caithness Conversation were promoted on Caithness FM, in the local media, local posters, through www.caithness.org and local email distribution lists, via two local community council meetings and at a meeting with the Association of Caithness Community Councils. In some cases, people contributed as representatives of different agencies, interest groups and/or geographical communities while others contributed as individuals.

Over 320 individuals contributed through an online survey and hard copy questionnaire, nine discussion groups involving representatives of different stakeholder groups, an information session to community councillors, two public Caithness Café events and 12 individual conversations with representatives of particular communities of place or interest.

A series of critical questions were asked throughout the Caithness Conversation relating to the implementation of community funds in Caithness, the results of which are summarized below:

What's working well and what needs to improve?

Participants conveyed a very positive sense towards living and working in Caithness. But they have concern and anxiety about the social and economic impact of the gradual closure of Britain's former fast reactor research and development centre, Dounreay. There are mixed levels of optimism and caution about the potential to really seize the potential diversification opportunities that are being talked of.

What do you want to see in Caithness 10 years from now?

Participants wanted to see Caithness become a more cohesive, connected county, celebrating a diverse social and local economy that could provide stable and sustainable employment to a growing population and give young people the opportunity to live and thrive in Caithness.

What should community benefit funding support?

Investing in sustainable employment opportunities and in the social infrastructure of communities was seen as interdependent and equally important. Enhancing tourism opportunities and supporting the capacity of local groups and community-led enterprise emerged as a cross cutting theme.

How relevant are these investment 'themes' to local communities and/or more widely across Caithness?

The five thematic areas suggested in the survey were regarded as relevant both to local, individual communities and to the wider Caithness area by the majority of participants.

The proposed themes were Developing services, facilities and activities; Helping create and sustain more employment opportunities; Increasing our skills and knowledge; Preserving and enhancing the physical and natural environment and Getting around getting connected.

Who should be eligible to receive community benefit funding?

There was a majority view amongst participants that community organisations should be the primary beneficiaries of the community benefit funds but not exclusively so. There was acknowledgement though that businesses had a significant role to play in developing Caithness and that loans could be offered to private businesses which would help create an evergreen fund. Any Caithness wide fund/s should have an infrastructure that is flexible, not overly prescriptive and considers 100% funding.

Is it important where community benefit funds are spent?

The majority of participants in the Caithness Conversation felt it shouldn't matter where funds are spent – as long as funds are used to support eligible activity in Caithness. Across most of the discussions there was acknowledgement that the idea in principle of widening the area of benefit/investment and creating Caithness wide fund/s was sensible, reasonable and 'fair'. However this acknowledgement came with a number of caveats around such a fund/s being community-led and managed with communities closest to the wind farm informing the fund purpose, eligibility, application and assessment processes and actual awards.

How should community benefit be administered in Caithness?

The various discussion groups emphasised the need for transparent processes to be in place for any fund management arrangement. In the survey, respondents were invited to rank in order of preference from six options. On average the results show a preference for 'a Caithness organisation with dedicated support'. Next favoured was 'locally by communities themselves' and thirdly 'by a Caithness organisation'.

What impact are other community funds having in Caithness?

There was relatively high awareness about other sources of funding for community activity and with highest impact considered to be on improving community facilities and assisting with specific groups like elderly or younger people.

Recommendations from Foundation Scotland

As a result of the findings from the Caithness Conversation, Foundation Scotland recommends the following guiding principles underpin future community benefit fund arrangements in Caithness:

Principle 1: Some of the common issues affecting Caithness communities may be better addressed through a joined up approach to community benefit.

Principle 2: There doesn't need to be only one way of 'doing' community benefit or an 'exclusive' approach: a strategic, Caithness wide fund, possibly linked to particular themes would not necessarily diminish the need or ambition for 'local' funds to continue.

Principle 3: An inclusive community-led approach to shaping and distributing community benefit is likely to increase its impact in Caithness.

Principle 4: Improving co-ordination and support within and between communities could add value to the shape and structure of future community benefit funds.

Principle 5: Community benefit arrangements for local and/or a Caithness wide funds may achieve greater longevity, legacy and impact if they draw in a range of expertise and knowledge from across different communities and sectors.

Principle 6: Community benefit is an opportunity for the commitment and energy of the community sector to be harnessed & developed as part of a more vibrant, sustainable local economy.

In addition, Foundation Scotland recommends that RWE NRL continues to support Caithness communities by undertaking the following critical next steps:

- Support the formation of a working group comprising representatives from different communities and sectors to continue the momentum of the Caithness Conversation. An initial activity may include considering how a more joined-up approach to delivering community benefit from on shore wind farms could be delivered and how such an arrangement could be structured.

- Encourage this working group to find optimum ways to share best practice and learning about the development and delivery of community benefit across Caithness' different communities.
- Initiate a round table discussion with other renewables project developers on community benefit in Caithness to share the information gathered in the Caithness Conversation. Such a group could explore potential ways in which developers could work more collaboratively to best support Caithness communities, without compromising commercial business ambitions.