Working Paper response

Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure

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Electricity Storage Network

The **Electricity Storage Network (ESN)** is **the industry group and voice for grid-scale electricity storage in GB**. The ESN has 100 members who have a mission to promote the use of energy storage and flexibility to support the net-zero transition. The ESN membership includes clean energy developers, owners, investors, optimisers, and academic institutions. This includes representation from publicly listed specialist funds focusing on storage and independent developers that have raised several billion pounds to invest in this new technology.

The importance of bringing the sector along and shaping these discussions cannot be overstated and it is a role that Regen and the Electricity Storage Network are very happy to play. As a centre of expertise and a membership organisation representing leading companies and organisations across the energy sector, we are well positioned to support DESNZ as it continues to explore this topic. We would like to offer our insight and help ensure that policies are grounded in sector experience and practical delivery.

We also want to highlight the specific context of the electricity storage sector, a nascent industry, operating primarily on a merchant model, which will require tailored support to effectively implement community benefit approaches and to share learning as the sector evolves.

About Regen

Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.

Regen is a membership organisation with over 200 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups and research organisations across the energy sector. We manage the Electricity Storage Network (ESN) – the industry group and voice of the grid-scale electricity storage industry in GB.

Summary of recommendations

We welcome this working paper and the opportunity to contribute to the development of community benefits and shared ownership. Engaging local communities and bringing people with us on the journey to net zero is critical to the success of the energy transition. As this transition accelerates, it is more important than ever that communities are at the heart of decision-making, are fully involved, and genuinely benefit from low-carbon energy infrastructure.

We want communities to feel first-hand the significant economic benefits this transition offers to the UK's growth and jobs. Community benefits and shared ownership must be designed not only to maintain public trust, but to ensure that the economic opportunities created by the energy transition are experienced directly and locally.

The proposals outlined in this working paper represent a significant step forward in creating a more equitable and participatory approach to energy infrastructure. Their success will depend on getting the implementation right, with well-designed support mechanisms, clear governance frameworks, and inclusive engagement that delivers meaningful local outcomes.

This response from the Electricity Storage Network (ESN) reflects wide engagement with our members, including a detailed survey, bilateral conversations and input via our Planning Working Group. Across this engagement, there is general agreement that communities impacted by low-carbon infrastructure should share in the value created. Mandatory community benefits - if proportionate - were not opposed by the majority of members, who recognise the opportunity to build trust and support communities.

Key themes emerging from our engagement include the need for:

- Flexibility in how community benefits are delivered, allowing developers and communities to tailor solutions to local contexts.
- Differentiated approaches for different technologies, avoiding a one-size-fits-all model that could undermine investment.
- No minimum financial contributions for battery energy storage systems and long duration energy storage projects.
- Options for payment structures, including the ability for communities to opt for upfront funding.
- Stronger community guidance and support, including practical tools and examples, and a public register of community benefits.
- Guidance on governance structures and support for establishing these for larger community benefit funds, while ensuring that the ultimate decision rests with communities themselves.

- Establish a central capacity support programme that provides the core guidance, methodologies and funding for communities to hire staff or intermediaries to upskill and engage with community benefit or shared ownership processes.

Recommendation: Community benefits should be mandated in a way that enables flexibility in how they are delivered, are not overly onerous or expensive, while ensuring that benefits are meaningful and aligned with local priorities.

Recommendation: Community benefits should be mandated in a way that recognises the different community impacts of different technologies as well as their revenue models and investment case. Long duration energy storage may require a differentiated approach between different technology types.

Recommendation: No minimum financial contribution to be set for battery energy storage systems and long-duration energy storage projects. If a decision is made to introduce minimum financial contributions for energy storage technologies, the levels should reflect different revenue models.

Recommendation: Where minimum contributions are set, community benefit contributions should be based on installed capacity to provide certainty for developers and communities.

Recommendation: The option for communities to receive funds as a single upfront payment rather than an annual fee should be considered, if communities prefer this arrangement.

Recommendation: Introduction of technology-specific guidance for communities, highlighting best practice and supporting communities to understand the process. This should sit alongside the publicly available register of community benefits.

Recommendation: UK government should produce guidance on governance structures and support for establishing these for larger community benefit funds, while ensuring that the ultimate decision rests with communities themselves.

Recommendation: DESNZ should establish a central capacity support programme that provides the core guidance, methodologies and funding for communities to hire staff or intermediaries to upskill and engage with community benefit or shared ownership processes.

Responses to questions

Question 1: Do you agree with the principle that developers must provide community benefit funds? Please explain why/why not.

Yes, we generally support the principle that developers must provide community benefit funds. When low-carbon infrastructure is located in or near a community, that community bears real and ongoing impacts, including visual impacts. Community benefits, in their various forms, can provide a fair and tangible way to ensure that local people share in the value created by low carbon infrastructure. Many energy storage developers already provide high-quality community benefits on a voluntary basis, however this has not been standardised across the sector.

Mandating community benefits for battery energy storage systems (BESS) is therefore a positive and necessary step, provided the framework remains flexible, proportionate, and responsive to local context. It is essential that developers and communities can co-design benefit packages that reflect local needs, and that requirements are not overly burdensome or costly to implement.

Best practice involves actively engaging residents and stakeholders to shape benefits that support long-term community development. High quality engagement, as set out in our recent guide, forms a key part of this.

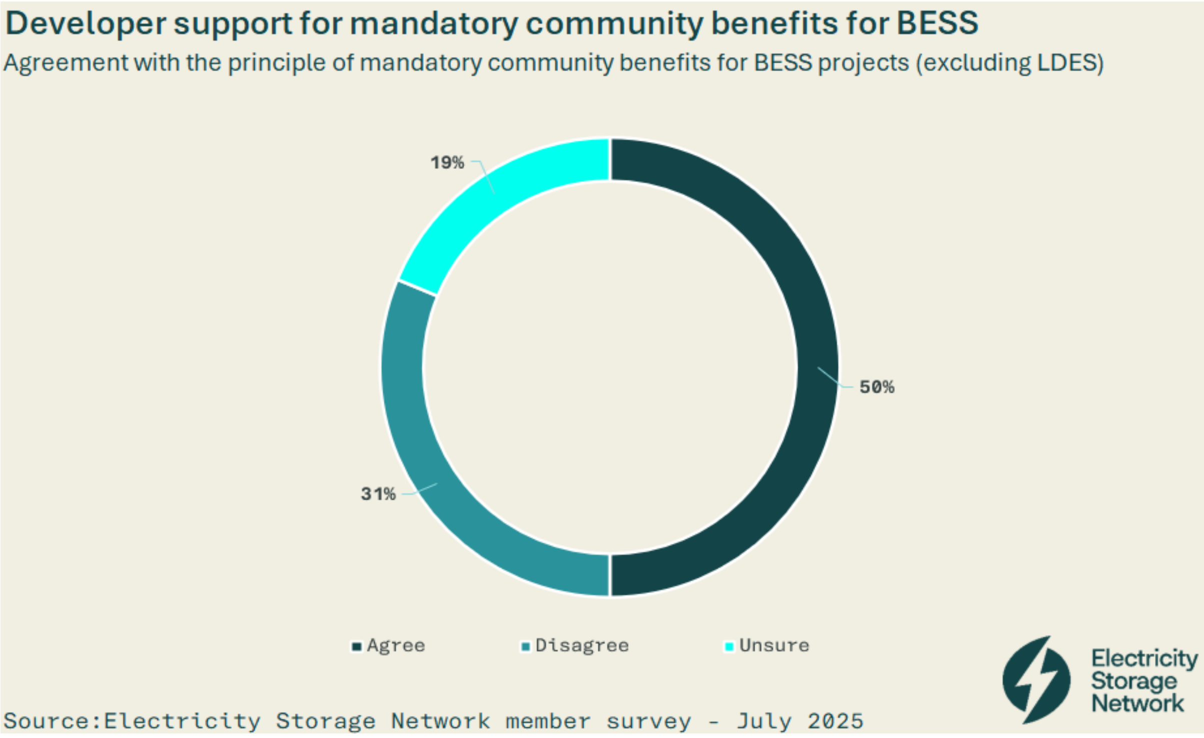

Figure 1: Results from our member survey regarding support for mandatory community benefit funds

Figure 1 shows the results of ESN's member poll on the principle of mandatory community benefits for energy storage projects (excluding Long Duration Energy Storage, LDES). Overall, 69% of respondents either supported the principle or were unsure, indicating a generally positive or open stance across the sector. Among those who opposed, concerns were raised around the potential impact on project investability, as well as the fact that energy storage projects typically require less land and are often located in industrial areas. Some also noted that battery storage is frequently co-located with energy generation projects, a key consideration which we address later in our response.

Based on our member survey and ongoing engagement, the Electricity Storage Network has found that most members do not oppose mandating community benefits, provided that any policy is well-designed, proportionate, and does not undermine the investment case for projects. When delivered effectively, community benefit schemes can build public trust, foster long-term local support for energy storage and renewable projects, and help prevent backlash against these technologies.

Recommendation: Community benefits should be mandated in a way that enables flexibility in how they are delivered, are not overly onerous or expensive, while ensuring that benefits are meaningful and aligned with local priorities.

Question 2: Considering the policy parameters for the scope proposed above, what types of low carbon energy infrastructure should be included within the scope of the policy? Please provide your reasoning.

We agree that community benefits should be provided across the range of low carbon energy technologies, recognising that all such infrastructure has an impact on host communities. However, we also believe that the level and structure of community benefits must reflect the financial characteristics and scale of each technology.

A one-size-fits-all approach would not be appropriate, and we therefore support the idea of differentiated 'financial threshold amounts' by technology type. These thresholds should be set in collaboration with industry.

We agree that community benefits should be provided for the following technologies:

- Offshore wind
- Onshore wind
- Solar
- Marine – tidal stream and hydro
- Nuclear
- Power CCUS

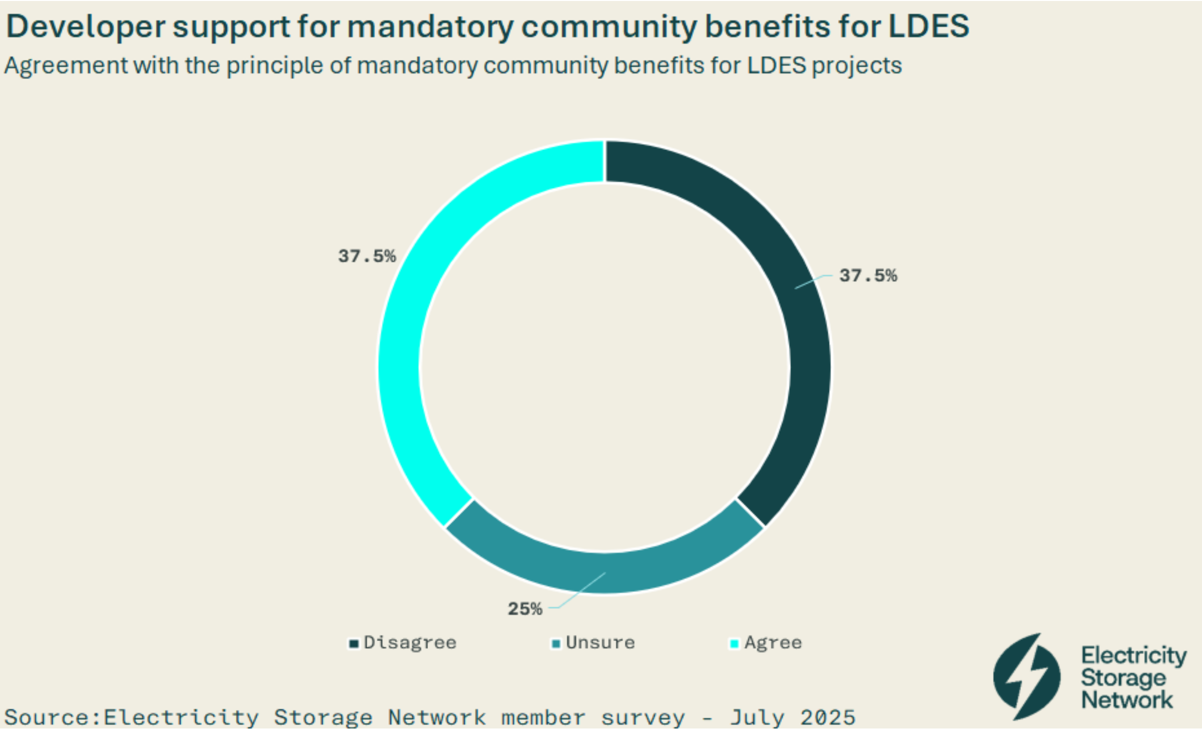

Figure 2 - Results from our member survey regarding support for mandatory community benefit funds for LDES

- Hydrogen to Power
- Battery energy storage systems
- Long Duration Energy Storage

Each of these technologies represents a vital part of the UK's decarbonisation strategy, but they vary significantly in capital intensity, revenue models, and spatial impact.

Figure 2 presents the results of ESN's poll of members on the principle of mandatory community benefits for Long Duration Energy Storage (LDES). Responses were evenly split between those in favour and those opposed, reflecting a more cautious view within the sector compared to shorter-duration battery storage.

Among those who opposed the principle, concerns centred on the investability of LDES projects, particularly given that lithium-ion LDES remains a nascent and emerging technology. Members also noted the varied nature of LDES technologies: for example, pumped hydro projects typically involve large-scale civil works and therefore have different community impacts than lithium-ion-based systems.

The government is actively seeking to stimulate investment in LDES through mechanisms such as a cap-and-floor scheme. In this context, an inflexible or overly costly mandatory community benefit requirement could be counterproductive, potentially undermining the viability of projects and slowing progress toward the government's Clean Power 2030 (CP30) targets.

Recommendation: Community benefits should be mandated in a way that recognises the different community impacts of different technologies as well as their revenue models and investment case. Long duration energy storage may require a differentiated approach between different technology types.

Question 3: What would be the impacts on specific low carbon energy infrastructure technologies of bringing them into the scope of this potential scheme?

We recommend that no minimum financial contribution towards community benefits is set for battery energy storage systems and LDES. These thresholds should be set in collaboration with industry.

If a decision is made to introduce minimum financial contributions for these technologies, the levels should reflect different revenue models and local community impact.

While a community benefit rate of £400 / MW per year for solar has been supported by the solar sector, a baseline of £100 / MW for BESS projects was supported by 56% of members polled by ESN, while 38% thought this even level was too high (Figure 3) given the investment case.

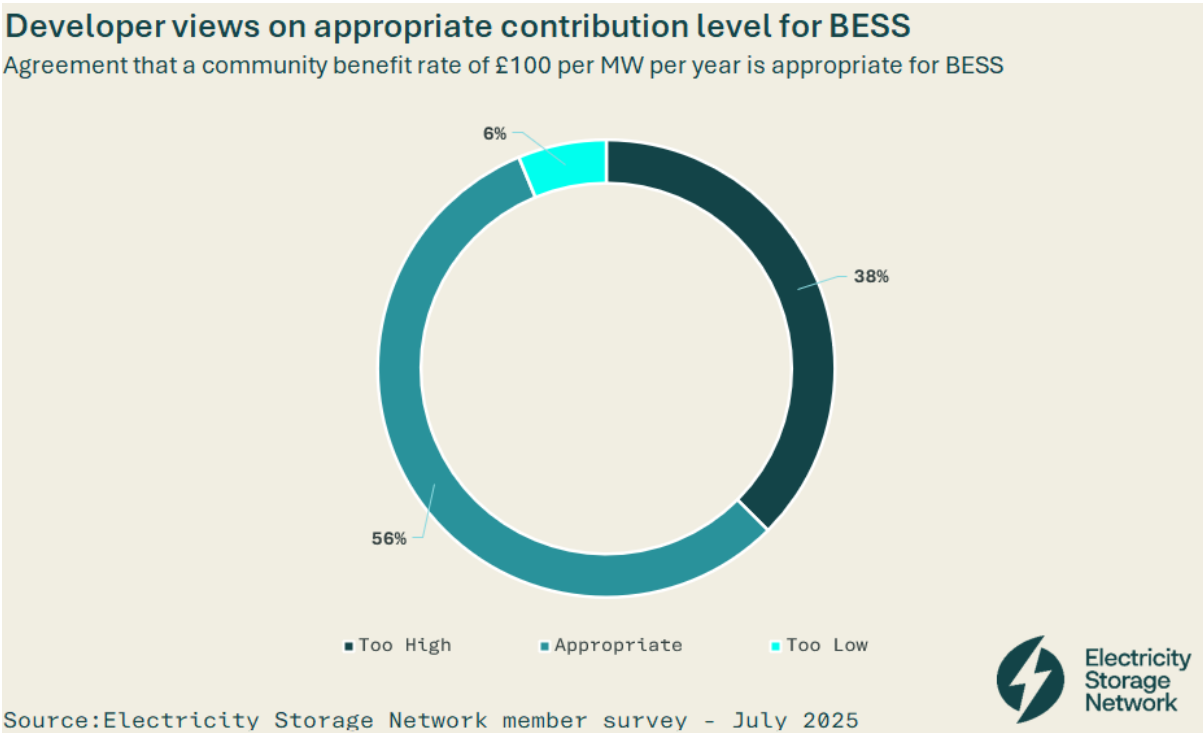

Figure 3 - ESN member views on a community benefit rate of £100 per MW per year for BESS projects

Recommendation: No minimum financial contribution to be set for battery energy storage systems and long duration energy storage projects. If a decision is made to introduce minimum financial contributions for energy storage technologies, the levels should reflect different revenue models.

Question 4: Do you agree that there needs to be provision for amending the scope of the policy in future to ensure that it can be adapted to fit future technological changes, and remains in line with the criteria set out above? Please provide your reasoning.

Yes, we strongly support the proposal to retain flexibility within the policy to amend or expand the categories of in-scope infrastructure over time. The low carbon energy sector is evolving rapidly and it is critical that this policy remains adaptable, as emerging technologies may merit inclusion in the future as deployment scales up. Regen and ESN are very willing to support ongoing engagement with industry.

Question 5: Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure? Please provide your reasoning.

ESN members provided mixed views with the majority opposing the proposal to treat each infrastructure asset within a co-located site individually from a community fund/benefit perspective. A majority (56%) disagreed with the proposed approach, as shown in Figure 4, while 38% supported this approach. Our recommendation is that further engagement and co design with industry is required, we could see that this approach would provide much-needed clarity for developers and consistency for communities. However, the community benefit funds from co-located assets should be aggregated into a single, coordinated fund for the local area.

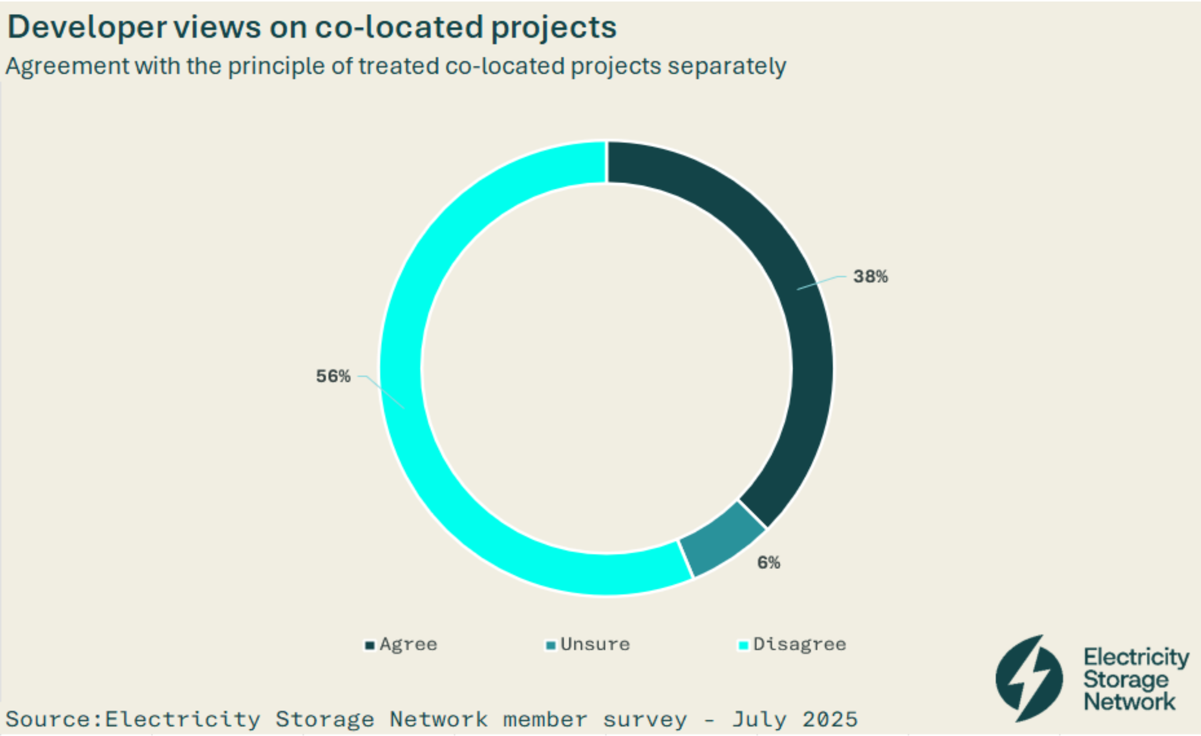

Figure 4 - ESN member views on the proposed approach to treat each infrastructure asset within a co-located site individually from a community fund/benefit perspective

Question 6: Do you agree with the proposed mandatory community benefits threshold of 5MW for power generating and storage assets? Please provide your reasoning.

Yes, we agree with the proposed 5 MW threshold for mandatory community benefits for power generating and storage assets. A clear, nationally defined threshold provides certainty for developers and communities. A 5 MW threshold was supported by the majority of ESN members in our survey.

Question 7: Should the threshold vary by technology in order to accommodate nascent technology (such as floating offshore wind)? Please provide your reasoning.

While the financial thresholds i.e. the amount paid per MW should vary by technology due to the differences in generating costs, we believe that the 5 MW community benefit threshold should be the same across established technologies.

Introducing technology-specific thresholds for when community benefits will apply, risks undermining the clarity, consistency, and fairness of the policy framework. A uniform threshold ensures that the process is clear for all communities.

However, we suggest that there should be exemptions for first-of-a-kind and demonstration projects.

Question 8: How should shared ownership arrangements interact with any mandated community benefit fund contributions?

Shared ownership and community benefit funds should remain separate. While both shared ownership and community benefit funds result in community financial benefit, they serve different purposes.

Question 9. Are there any project types that should be exempt from a potential mandatory community benefits scheme?

No answer provided.

Question 10: For those developers already offering community benefits on a voluntary basis, how are these funded?

ESN members provided examples of different voluntary approaches to community benefits, including:

- A baseline community benefits funds value for BESS of £100 / MW per year, with a minimum value of £5,000.
- A £20k one-off payment for a 50 MW BESS project, with funds paid directly to parish council (or similar) or through community foundations.
- A £50k one-off payment for a 100 MW BESS project.
- A fixed sum of £20k per year for 50 MW – 200 MW BESS projects co-located with rotating stabilisers, payable from commencement of construction.

Some developers referenced efficiency gains both for themselves and for communities by paying an independent fund administrator (e.g. Grantscape) to manage community benefits, who can create a decision-making panel from the local community.

Question 11: Recognising the need for flexibility, are there any impacts or considerations of funding community-led projects that should be taken into account?

No answer provided.

Question 12: Do you foresee any challenges for developers to fund mandatory community benefits? Does this differ between technologies?

See answer to Question 3.

Question 13: How can significantly larger community funds be best managed (requirements to use regional funds, introduction of a cap on funding, limit on cap duration)?

Members expressed support for the idea that there are multiple projects proposed in an area, a larger regional community fund may be appropriate. Many communities are successfully managing community fund circa £100k per year through community foundations or managing them themselves with clear criteria co-designed with the host communities at the development stage of the project.

https://9ccg.co.uk/ is an example of pooled community benefit funds in Scotland.

Question 14: Do you have a preference for either of the proposed methods for calculating the level of contribution payable in respect of energy generating stations (i.e. by reference to either installed capacity or generation output)? Are there any further considerations relating to either option which require exploration?

Yes, calculating community benefit contributions based on installed capacity, rather than generation output. However, this must involve different £/MW rates for different technologies.

There are several key reasons for favouring this approach:

1. Clarity and certainty for communities

Using installed capacity as the basis for calculating community benefits offers a simple and transparent approach. Communities can more easily understand what level of benefit to expect at the outset of a project, supporting early engagement and informed discussions. In contrast, generation-based calculations may be more difficult to explain and predict, given the variability in output across seasons and years.

2. Ease of administration

Capacity-based contributions are simpler to administer, both for developers and for those managing community benefit funds. Installed capacity is a fixed figure, clearly recorded through the planning and consenting process, and not subject to fluctuations, unlike generation data, which would require ongoing monitoring and reporting over time.

3. Proven approach

The capacity-based model has already been successfully implemented in the onshore wind sector in the UK. This precedent gives us confidence that the same approach can be scaled or adapted for other technologies, with appropriate adjustments.

Recommendation: Where minimum contributions are set, community benefit contributions should be based on installed capacity to provide certainty for developers and communities.

Question 15: Do you agree with the principles of seeking to enable combining funds and utilising regional funds?

Yes, we support the principle of enabling community benefit funds to be combined with regional funding initiatives. As the energy storage sector grows, greater collaboration, especially in regions with multiple developments, will likely become more important. Introducing the option of a more flexible, strategically coordinated model could enable the pooling of resources for larger-scale investments that deliver broader regional benefits.

However, it is important to guard against unintended consequences. There is a risk that more experienced or better-resourced organisations could dominate access to pooled funds, leaving rural or less experienced communities at a disadvantage. Any regional model must therefore include safeguards to ensure equitable access and targeted support for those who may need additional capacity to engage and apply.

Question 16: Do you agree with the outline proposals for a) when payments apply, b) index-linking, c) changes to project lifespan/capacity/ownership, and d) suspension of payments?

Yes, we support the outlined proposals.

Question 17: Do you agree with the proposals to place the developer obligations for community benefits on the relevant licence-holder (e.g. a licence for generation of electricity under the Electricity Act 1989)? Are there any further considerations that should be taken into account regarding ownership and change of project ownership?

Yes, we agree with the proposals to place the developer obligations for community benefits on the relevant licence holder. It is important that community benefits remain in place regardless of who owns the site. We agree that it would be helpful for provisions for changes in ownership to be explicitly detailed within the agreement on community benefits between the developer and community groups. We would suggest that a new owner is encouraged to engage with the community to ensure that the community are aware of any changes, particularly if this impacts the community's points of contact with the site owner.

Question 18: Are there any other aspects on funding that should be considered?

Members had different views regarding paying community benefits as an annual contribution rather than a one-off upfront payment. While most respondents to our survey (63%) supported annual payments (**Figure 5**), those who preferred an upfront contribution suggested that a fixed upfront fee could improve transparency and options for communities. It was highlighted that the MW capacity of energy storage projects can vary significantly during the development process, which can lead to confusion for the local community. A number of members would like the option to pay community benefit contributions up-front, where communities prefer this solution.

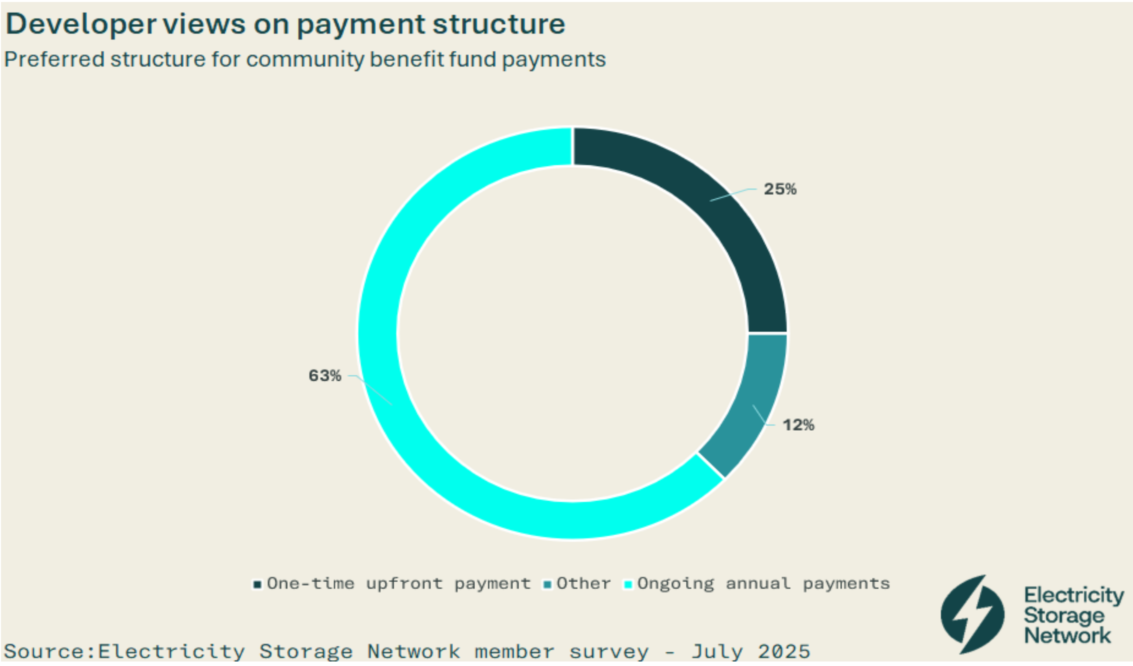

Figure 5 - ESN member views on the preferred structure for making community benefit fund payments

Recommendation: The option for communities to receive funds as a single upfront payment rather than an annual fee should be considered, if communities prefer this arrangement.

Question 19: Do you agree or disagree that we should not produce prescriptive guidance on what the fund can be used for? Are there any other factors that should be considered?

We **agree** that the government should not produce prescriptive guidance on the use of community benefit funds. Flexibility is essential to ensure that these funds can be tailored to reflect the specific priorities, needs, and ambitions of local communities, which will naturally differ across places and contexts.

However, flexibility should not mean a lack of structure or support. Many communities, particularly those with limited resources or experience, will require clear, practical guidance and tools to make the most of the opportunities available.

We therefore call for the introduction of supportive, non-prescriptive best-practice guidance across technology (recognising that current UK government guidance focuses only on onshore wind), and as an independent organisation, we would be happy to help support the production of such guidance. This guidance could provide:

- Case studies of how community benefit funds have been used successfully across the UK
- Illustrative examples of potential uses (e.g. local skills programmes, energy efficiency upgrades, fuel poverty support etc.)
- Best practice principles for both engagement and community benefits
- Support for communities in terms of understanding the process for engaging with developers, including expectations around transparency and timelines.

This should come alongside the provision of the publicly available register of community benefits, which should include details of:

- The size and type of benefit fund
- How decisions were made
- The projects funded
- Any outcomes or impacts reported.

Such a register would support both developers and communities by highlighting best practice, preventing duplication, and building public trust in the process.

Recommendation: Introduction of technology-specific guidance for communities, highlighting best practice and supporting communities to understand the process. This should sit alongside the publicly available register of community benefits.

Question 20: Do you agree with the suggested roles and responsibilities defined for the developer, fund administrator, administrative body, community representatives and community, and with the proposed governance structure? Would you suggest any amendments?

Yes, we support the suggested roles and responsibilities as set out in the consultation. However, we have two additional comments:

- While we support the central administrative body maintaining a community benefits register, this should also be overseen by DESNZ to promote accountability
- Community representatives should be fairly compensated for their time and contribution. This will help reduce barriers to participation and ensure that a wider cross-section of the community can be involved, including those who may not otherwise be able to afford to give their time voluntarily.

Question 21: Do you agree that some flexibility in the governance structure is needed? If yes, do you think that the suggested 'truncated' governance approach would adequately capture and reflect the needs of smaller funds or communities with less capacity?

Yes, we agree that some flexibility in the governance structure is needed, in particular to reflect circumstances where the community fund may be very small. We support the proposed approach that most schemes will follow the 'standard' governance model with a 'truncated' model available for select cases.

We strongly support the key principles outlined, particularly the importance of it being community led to ensure community representation in all decision-making processes. It is important that the principles of good governance still apply under a truncated model, especially around clarity, accountability, and community engagement.

Question 22: Do you agree with the proposed approach to the decision-making process?

Yes, we agree with the proposed approach to the decision-making process that enables necessary flexibility and has a focus on gathering community views.

We particularly support the intention to provide centrally developed guidance with a range of decision-making models for fund administrators to choose from and tailor in collaboration with the community. This balance between structure and flexibility is crucial, as communities vary significantly in their needs, capacities, and existing governance arrangements.

Community involvement must be central to all decision-making processes. Decision-making should not be developer- or administrator-led alone. To ensure participation is equitable and inclusive, we recommend that community members involved in fund decision-making be compensated for their time. This helps ensure that those from a range of socioeconomic backgrounds can take part.

Question 23: Do you agree with the deadline of one year before payment is due for having governance structures in place?

Yes, the one-year deadline is appropriate for having governance structures fully operational, but the timeline needs clarification on when setup must begin. Having all governance structures ready to operate one year before the first payment provides adequate buffer time and ensures smooth fund delivery from day one.

Clarification needed: The policy should specify that governance setup activities must commence earlier as:

- Identifying and selecting community representatives requires extensive stakeholder mapping and community consultation
- Representatives need time to engage with their communities and understand local priorities
- Building trust and effective working relationships takes time
- Early engagement builds on existing relationships.

Question 24: What would be an appropriate cap on spending from the fund for administrative functions? What costs can you anticipate the fund structure would entail? What costs have you incurred in setting up voluntary schemes? Do you think we should set out a sliding scale for larger projects?

We agree that it is important to ensure that the majority of the fund is directed to community benefit delivery, and we strongly encourage developers and fund administrators to keep administrative costs proportionate and transparent. However, we recognise that some administrative spend is necessary to ensure that funds are well-managed, accessible, and capable of delivering long-term, locally meaningful impact. We support the proposal to introduce a cap on administrative spending and agree that sliding scale cap, where a lower percentage is applied to larger funds, could be a viable approach. Members have referenced 6-10% of the fund value for the administration of existing community benefit funds linked to their projects.

Question 25: Do you agree with the suggested approach to enforcement of this potential scheme? To what extent do you think the enforcement mechanism outlined above is appropriate and proportionate for this potential scheme? What other details could be considered?

Yes, we support the introduction of a tiered enforcement system, which rightly prioritises early engagement, transparency, and dispute resolution, using penalties only as a last resort.

For enforcement to be fair and accessible, it is vital that communities are supported throughout the process. This includes clear guidance on:

- What their rights are
- How to raise concerns or initiate a dispute
- What evidence or steps are required at each stage of the process.

To further support transparency, the proposed public register of community benefits could also be used to monitor and record disputes, and enforcement outcomes, helping to drive consistency and accountability across the sector.

Question 26: Do you agree with the proposed chain for dispute resolution between communities and administrators? Is the proposed escalating chain for resolving disputes appropriate and proportionate? Do you think we should include any more specific instances or reasons for enforcement action to ensure the robustness of the scheme?

No answer provided.

Question 27: Should consideration be given to imposing any of the proposed enforcement actions on other persons or groups under the scheme? Please provide your reasoning.

No answer provided.

Question 28: What do respondents think would be a practical use for any additional revenue generated from civil penalties?

No answer provided.

Question 29: Do you think a case-by-case approach to defining the community is appropriate? Are there any other bodies or groups not listed above that should be part of the engagement process for determining eligibility?

Yes, we support a case-by-case approach to defining the community. A rigid, one-size-fits-all model would be unlikely to reflect the diversity of geographies, demographics, and impacts across different types of low-carbon infrastructure projects. We support the commitment to provide comprehensive guidance and best practice examples to assist fund administrators in this process. We also support the expectation that the fund administrator will continue to review and refine the definition of community over the lifetime of the fund.

Question 30: Do you agree that capacity building will be required in communities? What do you believe this should look like and who do you believe is best equipped to carry this out? Please provide reasons for your answers.

Yes, capacity building is essential for ensuring that communities can realistically meet, engage with and deliver community benefit funds and shared ownership arrangements. At present, unless there is already an experienced community energy organisation, development trust, or similar, many communities do not have the in-house sector knowledge, financial, governance, legal or technical expertise to manage these arrangements most effectively. Many are not aware of community benefits or how they operate. This is especially true for lower income and marginalised communities who are often underrepresented in the energy and climate spaces.

As such, **a capacity support programme is required which:**

- Identifies relevant local stakeholders near renewable developments and works with them to understand current capacity, including not just community councils or energy groups, but wider local organisations
- Provides detailed guidance, methodologies and best practise examples which are easy to understand
- Enables funding of local staff or organisations (i.e. a Fund Administrator) to conduct early capacity building, awareness raising and engagement activities, upskilling the wider community on renewables and community benefits.

Any capacity support programme should provide the option for flexible, multi-year funding. Lessons from the recent capacity building fund in Scotland, which is to be administered by CARES over a 12-month window, are that a single year is immensely challenging to identify people or organisations, design a delivery approach and deliver this. As such, any capacity funding should support flexible timelines, tied to the delivery of certain capacity milestones (e.g. number of organisations engaged, expressions of interest from the community, process initiated with developers, governance model established).

For communities with less capacity, particularly those in areas of deprivation, there may be a need for more proactive outreach to initiate interest. Regen has developed stakeholder mapping and capacity identification approaches based on just transition principles, which are not yet published, but we would be happy to share insights to support Fund Administrators.

Some capacity support schemes are available, although currently these are delivered ad hoc or are restrictive in the availability and timeline of funding. As such, we would argue that there is a need for a central pool of capacity support administered by DESNZ, which provides the core guidance and methodologies, and funding for communities to hire staff or intermediaries to upskill and engage with community benefit or shared ownership processes.

Question 31: Do you agree that capacity building and engagement should be funded by the community benefit fund administration budget? What do you believe should be done in cases where the administrative cost of capacity building and engagement initiatives are too costly for smaller-scale projects?

Yes, we agree that this should be part of the administrative cost, provided that a fund administrator/associated budget is in place ahead of the fund being finalised and established, as part of the early engagement process.

Question 32: Do you agree community engagement should be led by the fund administrator? Do you believe our proposals have any unfair impacts on those with protected characteristics? If yes, which groups do you expect would be specifically impacted? Please provide supporting evidence.

We believe that community engagement may be led by either the developer or the fund administrator, provided it is undertaken to a high standard and guided by clear principles of transparency, inclusivity, and accountability. Both parties can play a valuable role in engaging communities, depending on the project structure and local context.

Whichever party leads, it is essential that the engagement process follows established best practice. We recommend following the principles set out in our Regen best practice guide to community engagement, which sets out key principles for early, meaningful, and inclusive engagements that reflect the priorities and needs of local communities. Adopting these principles can help ensure that community benefit funds deliver genuine, lasting value.