

FIRNS Community Benefit Final Report

September 2025

Output in FIRNS Grant Offer:

Project Activity	Outputs
Develop and establish a community benefit mechanism, guidelines and application process	Community benefit mechanism and criteria established, and host organisation secured. A pilot community benefit project identified and progressed.

The Flow Country Partnership has developed the following guidance on community benefit, in relation to nature markets. As investment was not secured during the FIRNS period there is no pilot community benefit project progress. Our approach and mechanisms have been agreed and will be regularly reviewed, especially considering developing external guidance and standards in this area.

The Flow Country Partnership Nature Market Community Benefit Guidance

Nature markets involve using private funding sources to finance the provision of ecosystem services such as carbon sequestration, biodiversity and clean water. Nature market capital project aggregation is the route through which Flow Country Partnership aims to undertake nature restoration at a landscape scale. At present the FCP's main types of nature market projects are peatland restoration projects registered for the Peatland Code.

This guidance focusses on the benefits that the FCP can offer local communities through the nature market projects we deliver.

Engaging with communities is a crucial precondition for delivering benefit for communities. This guidance complements the separate guidance on Community Engagement, currently under development.

External Reference Points

Scotland's beautiful natural environment and wildlife offer a range of economic, social and environmental benefits, and are at the heart of our communities. Scotland has a distinctive political context around nature markets and associated issues of land reform, land ownership, tenure and management, and the Scottish Government and its agencies are taking a range of steps (for example, via NatureScot-funded projects) to ensure that nature market projects deliver benefits for communities as well as benefiting Scotland's environment and wildlife.

This guidance takes account of the Scottish Government's Natural Capital Market Framework (2024) and other documents specific to Scotland such as the Scottish Land Commission's Land Rights & Responsibilities Statement (2022), the SLC's protocols and guidance, as well as UK-wide reference points such as the Nature Market Principles, and emerging resources such as the British Standards

Institute's Overarching Principles and Framework for Nature Markets (2025), the Community Inclusion Standard (2025), and other emerging UK-wide reference points.

At the end of this document there are links to relevant community benefit policies, guidelines and practical tools.

We will periodically review and update this guidance so that we continue to align with external policies and expectations (e.g. the BSI Flex Standard on Community Participation and Community Benefit) and so that we benefit from other organisations' good practices and experiences.

Some formal codes and standards (for example, the Peatland Code) may include specific requirements for delivering community benefit. Whilst following these guidelines should assist projects to meet those external requirements, staff should also consult the detailed requirements of those codes and standards.

What Are Community Benefits and Who Are Our Projects' Communities?

The Scottish Land Commission (SLC) defines community benefits as "meaningful social and economic benefits that promote the sustainable development of [local] communities". For these purposes, the SLC regards the local community as "residents and workers in a specific geographic place, whether urban or rural, encompassing towns, neighbourhoods, regions, etc". The SLC does not define locality in terms of distance from the relevant land parcels.

Local communities are distinct from communities of interest (groups united by shared recreational or cultural interests), and from other stakeholders that might have an interest in a project (for example, statutory bodies, utility companies). While it is also positive to deliver benefits for communities of interest (for example hillwalkers), and to take account of the views of wider stakeholders, this guidance focusses on delivering benefits for local communities.

FCP's Approach

The FCP aspires to follow best practice in delivering nature market projects in ways that not only deliver benefits for nature but also for local communities.

For the FCP, nature markets are not about making profits; they are about finding new sources of funding to expand and accelerate our charitable objectives, while working with and to the benefit of local communities. We need to keep learning from our experiences and those of other organisations.

There is no one-size-fits-all approach to delivering community benefit. Our landscape supports a wide range of habitat types and species and operate through a wide range of tenure and partnership arrangements. They are in a range of locations, and their communities have different needs and aspirations. ***We need to adopt a flexible approach to determining how our nature market projects can offer relevant community benefits.***

What This Means for FCP Staff Involved in Nature Market Projects

Planning. We need to take intentional steps to incorporate community benefits into our nature market project and pipeline plans. This involves:

- Identifying relevant types of community benefits that our projects/pipeline may be able to deliver;
- Assessing which options be more appropriate, taking account of our project's specific context, location, conservation objectives, and practical requirements;
- Considering what would be proportionate to the project's size, duration, and resourcing levels; and
- Factoring any costs into our project and pipeline plans.

Engaging. The starting point for effective approaches to community benefits is to identify our local communities and engage openly with them as we develop our project plan. In order to be transparent about what the project delivers and so that community members can make use of the benefits that it delivers, the project should communicate with local communities and key stakeholders about the project's progress and impact on an ongoing basis during the duration of the project. The most recent guidelines for any codes being used, e.g. Peatland Code, should be followed. [Peatland Code V2.1 Web Final Jan 25.pdf](#)

Options for Delivering Benefits for Communities

1. Procuring goods and services locally

The biggest opportunity to benefit local communities via procurement is by using local contractors to undertake the habitat restoration work (for example, peatland restoration for Peatland Code projects). FCP procurement processes allow tenderers to favour local contractors if they do this in a transparent way, for example:

- When considering cost, local contractors will often be less expensive since they may have lower costs associated with travel and accommodation.
- When procuring at a threshold that requires 3 or more written quotes, projects can choose only to seek quotes from local contractors.
- When deciding which quote to accept, tenderers can include locality as one of the selection criteria, as long as they highlight this in the ITQ, making it clear what weighting this will have.

For grant-funded work, tenderers will need to confirm that whether the grant terms and conditions include any specific requirements for managing procurement processes. At present Public Contracts Scotland does allow for this approach.

While staff can take account of locality in procurement processes, they must ensure that this is not at the expense of high-quality delivery and value for money.

FCP teams can build skills and capacity among local contractors, for example by holding demonstration events to encourage contractors to consider working on peatland restoration, or by encouraging more experienced contractors from outside the local community to mentor local contractors / staff.

2. Creating local employment

Nature market projects can create local employment opportunities, and FCP should consider ways to maximise these benefits.

There may be opportunities to employ local people to work on nature market projects such as peatland restoration, and the FCP is committed to employing staff on a [Fair Work First](#) basis. FCP should take opportunities to promote employment opportunities locally (while following standard FCP recruitment processes), while recognising that in practice recruitment of suitably qualified staff can be a challenge in remote rural areas particularly given the specialist nature of the work.

In addition to directly employing staff, by increasing the volume of visitors (eg contractors, consultants, and researchers) to the area, nature market projects such as peatland restoration can also contribute to local employment by creating demand for local services (such as hotels and restaurants).

3. Offering educational, training and volunteering opportunities

Nature market projects offer FCP opportunities to expand on the range of educational, training and volunteering opportunities that we offer.

Schools and youth groups

Staff occasionally undertake educational activities with local schools and youth groups as part of their community outreach activities. Where they do so, they should explore opportunities to educate and inspire young people about peatland restoration (and other types of conservation work relating to nature markets projects) and raise their awareness of issues around climate change, while encouraging them to consider opportunities for employment in peatland restoration and conservation more generally. Potential activities include:

- Facilitating school trips to the peatland
- Providing expert input into broader education activities such as career fairs
- Activities with local youth groups (for example, Scouts / Guides)

Higher education, Training and skills development

FCP has a very close working relationship with UHI and we should consider ways to link joint projects to the Peatland Code or other nature market projects.

While many of the people participating in these activities will travel from outside the local community, these visitors will generate demand for local services and therefore benefit the local community.

FCP is working in partnership with UHI and PA to deliver training for contractors coming into the peatland restoration industry and this should be enhanced where possible.

Community events:

Where there is the potential to work with project landowners, staff could run events for local community groups to educate and inspire them about peatland restoration or other types of habitat

work related to nature market projects. For example, this could include facilitating group visits (where it is practical to do so) and giving talks at local community fora.

Volunteering

FCP is looking into developing volunteering opportunities (both short- and long-term), and should explore whether there are opportunities to do so for peatland restoration activities or other nature market projects. Not only can volunteering be valuable in itself but it can offer routes into employment in the conservation sector.

4. Environmental benefits for local communities

Peatland restoration projects and other types of habitat change related to nature market projects can deliver environmental benefits for local communities, in addition to broader public environmental benefits that are not specific to local communities. For example, in addition to mitigating climate change by reducing Greenhouse Gas emissions, peatland restoration projects can deliver water quality, flood management and wildfire prevention benefits for local communities. When designing nature market projects, project and site managers should identify and seek to deliver environmental benefits identified during consultations with local communities.

5. Showcasing the opportunities of nature markets

Given its expertise in managing restoration projects across a range of areas and habitat types, FCP is well placed to promote the opportunities and practical techniques associated with nature market projects. This can encourage other landowners to deliver projects that will benefit their local communities. FCP teams should explore opportunities to showcase their activities to local landowners.

6. Sharing any revenue or profit

Through 2024 FCP Trustees and staff discussed the potential route for community benefit profit sharing. At the Trustees Board meeting in February 2025 the following statement was agreed, to be put on the FCP website:

‘Through the Green Finance Initiative, FCP will set aside a set % of net income for a community benefit fund, which will initially be distributed on our behalf, by NHI, in line with the FCP charitable aims. It is hoped that this will be generated through a premium carbon price. It is anticipated that this will not come on stream for several years, once the pipeline of restoration projects is well established and investment is secured. The % will be agreed once the market becomes more stable and transparent. FCP ambition is, should the natural capital finances generate sufficient funds, to aggregate funding to support local communities to tackle some of the fundamental challenges to community resilience in our area, such as housing or transport, these having been highlighted during community inclusion discussions. These discussions also generated the FCP protocol, ‘Principles for how communities will benefit from natural capital work’, available at [\(link\)](#)’.

This Principles document was developed, drafted, discussed and amended with members of the local community in early 2024, and is appended as Annex 1.

In March FCP wrote to NHI requesting a service agreement for the distribution of community benefit funds. They responded agreeing to this request.

Communicating About the Benefits

As part of their broader community engagement activities, projects should communicate about the benefits they are delivering for communities. To do this, we will need to monitor and report on the benefits that we are delivering.

When communicating about the benefits that we are delivering from our Peatland Code or other nature market projects, it can be helpful to contextualise this by pointing to the broader social and economic benefits that our projects deliver for local communities. For example, projects could highlight the number of local people the projects employ, and the range of education and community activities we deliver.

Monitoring the Impact

The Monitoring and Evaluation framework for FCP is currently under development and will include relevant KPIs to measure community benefit.

Useful Documents and Practical Documents

British Standards Institute

[BSI Flex 701 Nature Markets - Overarching Principles | BSI](#)
[\[Add Community Standard once available\]](#)

Scottish Government

[Natural Capital Market Framework](#)

Scottish Land Commission:

[Delivering Community Benefits from Land](#)
[Delivering Social and Economic Community Benefits from Land Frequently Asked Questions](#)
[Responsible Natural Capital and Carbon Management](#)
[Natural Resource Governance - Case Studies](#)

Community Land Scotland

[Beyond-Community-Benefit-a-New-Deal-for-Thriving-Communities](#)

University of Strathclyde

[Community Participation for Community Benefits From Natural Capital Projects](#)

Deciding Matters

[Best Practice Guide Community Inclusion for Community Benefit.pdf](#)

Scottish Insight

[Carbon Offsetting for Communities](#)

Annex 1: Principles for how communities will benefit from natural capital and other Flow Country Partnership work. Co-created with local communities in 2024.

1. Efforts and money should go towards supporting fundamental challenges that prevent communities from being healthy and resilient.
2. This will be done in partnership with communities and others to:
 - a) Understand what those needs are
 - b) Co-design how to meet these needs
 - c) Pool resources and funding to undertake bigger projects
3. Support local agency to drive the change they want to see but not overburden individuals
4. Sufficient funding terms to see projects through or provide enough certainty to drive a project forward, prioritising local expertise.
5. Paid jobs and other support for communities to be able to engage