

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	19 March 2013
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Community Benefits Funds – Annual Report
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Committee on the Community Benefit Funds administered by Regeneration Services on behalf of the Council

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the ongoing success of the Community Benefit Funds administered by the Council and the grants awarded under the Renewable Energy Fund, Clyde Windfarm Fund and Quarry Funds in 2012/2013 be noted

3. Background

- 3.1. At the Executive Committee of 3 March, 2004, approval was given to set up a Renewable Energy Fund in respect of Blacklaw Windfarm and to administrative arrangements associated with the allocation of funds. This marked the start of a substantial renewable energy industry within South Lanarkshire and, consequently, significant growth over the last 8 years in the level of community benefit monies contributed by the companies operating these developments.
- 3.2. The REF was extended to include Whitelees Windfarm in June, 2007, and now includes a total 11 contributing developments, the largest of which is the Clyde Windfarm Community Benefit Fund.
- 3.3. The Renewable Energy Funds are administered by Regeneration Services who are responsible for all aspects, from securing the contributions from the developers to advising potential applicants, assessing applications and monitoring projects to ensure that the community benefits associated with each project are delivered. Through this ongoing involvement and experience, processes continue to be refined and the team is continually seeking ways to maximise the community benefit for all eligible communities in South Lanarkshire.
- 3.4. Between the various funds Regeneration Services is administering approximately £1.5m of community benefit annually. Each of the annualised funds is in place for 25 operational years and therefore the committed level of community benefit for South Lanarkshire is significant.

- 3.5. Alongside these completed developments there are a significant number of ongoing interests and potential developments throughout South Lanarkshire and it is possible that, subject to consents and negotiations, the level of community benefit could double over the next 5 – 10 years. If promoted and managed well this increase in community benefit will have a significant positive impact on the communities effected.
- 3.6. The operation of the Council's Community Benefit Strategy, with particular emphasis on the renewable energy sector, is proving to be a considerable success, with the communities effected accessing funding for diverse community based projects.
- 3.7. Although Regeneration Services is the lead service in the delivery of community benefit, there is a significant level of consultation and cooperation across a wide range of Council services. This ensures that the appropriate level of community benefit is received and that the projects brought forward by community groups best fit the needs of the wider communities and can be delivered in the most efficient and effective way possible. This includes direct assistance from Council services to community groups where they may lack the knowledge, experience or resources to deliver aspects of a project.

4. REF Projects Approved During 2012

- 4.1. During the course of 2012 total contributions of £334,473 have been received from the operating companies into the Black Law, Whitelee, Pates Hill and Stallashaw Moss Renewable Energy Funds, (REF,) with a total of 28 projects supported. A diverse range of community groups have benefited from access to the funds. Funds from Pates Hill Renewable Energy Funds remain uncommitted at this stage due to the low level available. A complete list of projects supported in the last year is attached at appendices 1 - 3.

5. Clyde Wind Farm Fund

- 5.1. The Clyde Windfarm fund went live in autumn 2011 and since then to the end of 2012 contributions of £1,308,387 have been received with a total of 41 Community Fund and Development Fund projects supported. Much PR activity has been undertaken to promote the Fund which has resulted in significant interest and a substantial number of applications. A complete list of projects supported by the fund is attached at appendix 4

6. Quarry Fund

- 6.1. In 2008 the Council also established a Quarry Fund for the collection and distribution of Developer Contribution payments from such developments. The QF model was developed from the experience gained in the development and management of the REF. The Quarries Fund is also administered by Regeneration Services and receives payments amounting to five pence per tonne of extracted material that leaves a participating quarry.
- 6.2. Agreements have been reached with a total of 8 developments to date. Monies received to date total £57,000 from three participating quarries as the eligible developments begin to come on stream. It is expected that this will increase as economic conditions improve and demand for quarried material grows. A complete list of projects supported by the fund is attached at appendix 5.

7. Future Renewable Energy Developments

- 7.1. The Council has a well established mechanism for the collection and distribution of Community benefit related to windfarm developments. These arrangements and the level of contribution have evolved over time. Council policy provides clarity to developers on expected levels of Community Benefit so that this can be factored into their development appraisal for any site, manage communities' expectations and reflect the practice and contributions used throughout Scotland. The Council's policy is incorporated into the South Lanarkshire Renewable Energy Supplementary Planning Guidance note.
- 7.2. Regeneration Services is charged with managing this policy and consequently engage in negotiations with developers in pursuit of Community Benefit contributions from developments of one turbine or more, exceeding 100kw in capacity. On the granting of Planning Permission community benefit contributions will normally be formalised using S75 Agreements. In the majority of cases payments will be received on an annual basis throughout the operational lifetime of the development although in appropriate cases a one off capitalised payment may be agreed. Payments commence when electricity is first exported from the site.
- 7.3. With the adoption of the policy in 2011, there has been significant development, especially on smaller sites. Reports detailing new contributing developments are brought before Committee as and when agreements are reached and Community Benefit contributions commence.
- 7.4. The scale of renewable energy developments in South Lanarkshire and associated community benefit agreements has the potential to significantly increase the total level of funding administered via the REF and to broaden the areas eligible to apply.

8. Employee Implications

- 8.1. The range of community benefit funds are managed within Regeneration Services with existing staff resources.

9. Financial Implications

- 9.1. There are no financial implications other than those raised within the body of the report.

10. Other Implications

- 10.1. There are no risks falling on the Council in the administration of Community Benefits Funds and the work can be undertaken within existing resources. Management of the funds will be subject to the Council's normal financial scrutiny and reporting arrangements. By not undertaking this work, the Council would not be acting consistently in support of its adopted policy and there would be a risk that funds would not be distributed timeously and equitably to appropriate, eligible community organisations.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.
- 11.2. All necessary, and appropriate consultations are undertaken within the Council, with partner organisations and community groups.

Colin McDowall
Executive Director (Community and Enterprise Resources)

20 February 2013

Link(s) to Council Values/Objectives

- Effective and efficient use of resources
- Partnership working, community leadership and engagement
- Sustainable development

Previous References

- Enterprise Resources Committee Report – Clyde Windfarm Fund 17 March 2010
- Executive Committee Report - Renewable Energy Developments and Community Benefit – 1 December 2010
- Enterprise Committee Report – Stallashaw Moss Renewable Energy Fund 15 June 2011
- Enterprise Resources Committee Report – Pates Hill Renewable Energy Fund 14 September 2011
- Enterprise Resources Committee Report - Quarry Fund - Thirstone and Annieston Quarries 23 November 2011
- Enterprise Services Committee Report - Renewable Energy Fund - New Contributions 22 January 2013

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1

Black Law Renewable Energy Fund

Black Law Renewable Energy Fund received a payment of £148,289.47 from Scottish Power in July 2012. A further £1,864.82 was received in interest during 2012.

During 2012, the Black Law Renewable Energy Fund supported 10 projects with a combined grant award of £218,715. The total project costs are £1,091,669.80 giving an average intervention rate of 20%

The Developing Local Community Fund, (projects with value less than £10,000) received a payment of £32,486.84 from Scottish Power in July 2012.

The Developing Local Community Fund supported 8 projects with a combined grant award of £39,018.52. The total project costs are £46,741.52 giving an average intervention rate of 84%.

A list of all projects supported during 2012 by the Black Law Renewable Energy Fund is detailed in Tables A and B below, along with details of grant paid / awarded. Table A lists those projects which are supported through the Main Fund. Table B lists those capital projects which are supported through the Developing Local Community Fund, managed through the EU funded LEADER Programme.

Table A : Black Law Renewable Energy Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Carlukie Milton Rovers	£18,644	£46,818	Replacement of worn out pitch with new 4G surface and associated floodlighting.
Tarbrax Common Association	£31,290	£203,005	Significant ground works at Tarbrax Common to create a usable public space for the community.
St Nicholas Church, Lanark	£24,000	£72,852	Refurbishment of existing Church Hall
Ashgill & Netherburn Community Council	£11,985	£39,950	Develop, secure and enhance Rosebank Play Park
Forth and District Initiative	£37,927	£73,774	Creation of three Gateway features at key entrance points to the village.

Clyde and Avon Valleys Landscape Partnership	£200,000 (over 5 years - £40,000 per annum)	£2,151,474	Conservation and enhancement of special qualities of Clyde Valley landscape.
Braehead Hall	£27,872	£80,500	Hall refurbishment works including energy efficient improvements.
Carnwath in Bloom	£16,425	£119,726	Refurbishment and Upgrade of existing play park facility in Carnwath.
Staikhill Garden, Lanark	£6,053	£13,452	Creation of small sensory garden for Scottish Autism.
Kirkfieldbank Parent Teacher Association	£4,519	£11,298	Construction of facility to enable outdoor play and education.

Table B : Black Law REF-Developing Local Communities Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Carlisle Golf Club - 6 Hole 3 Par Mini Golf Course	£5,000.00	£9,280.25	Establishment of Mini Golf Course. Project involves drainage works and delivery of Youth Coaching Programme
Castlehill Bowling Club - Kitchen upgrade	£4,900.87	£5,158.81	Kitchen Upgrade - to help Club capacity as a community / social facility
Lanark Tennis Club Feasibility and Pre-Development Fees - New Clubhouse	£5,000	£6,108.00	Architect costs to produce design and costings, to planning permission stage for a new Club House
1 st Carlisle Girls' Brigade - Equipment for Duke of Edinburgh Award Scheme	£4,956.82	£5,217.70	Purchase of outdoor equipment and laptops to enable participation in the Duke of Edinburgh Award Scheme

Community Arts Hub Scoping - Lanark Community Development Trust	£4,731	£4,980.00	Community arts development project. Scoping exercise for market and supply demand analysis for a community arts and development hub
Forth Primary Afterschool Gardening Club - Raised Beds & Training	£5,000	£6,070.62	Installation and planting of raised beds, coupled with training programme. Partnership with Forth Garden Club's Eco-site
Pilot Game maker Training Project - Lanark Universal Connections Users Group	£4,750	£5,000	Pilot Training Programme to gauge interest in delivering Games Programming Course to young people
Paradventures - Facilitating adventures for disabled people	£4,679.83	£4,926.14	Set up and volunteer training programme of new organisation that provides outdoor adventure activities to disabled people

Appendix 2

Whitelee Renewable Energy Fund

Whitelee Renewable Energy Fund received a payment of £120,924.82 from Scottish Power in October 2012. A further £1,305.97 was received in interest during 2012.

During 2012, the Whitelee Renewable Energy Fund supported 2 projects with a combined grant award of £52,656. The total project costs are £136,082 giving an average intervention rate of 38%

The Developing Local Community Fund received a payment of £21,766.46 from Scottish Power in 2012.

The Developing Local Community Fund supported 7 projects with a combined grant award of £28,724.88. The total project costs are £32,234.19 giving an average intervention rate of 89%.

A list of all projects supported to date by the Whitelee Renewable Energy Fund is detailed in Tables C and D below, along with details of grant paid / awarded. Table C lists those projects which are supported through the main fund. Table D lists those capital projects which are supported through the Developing Local Community Fund, managed through the EU funded LEADER Programme.

Table C : Whitelee Renewable Energy Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Hunter House	£18,684	£41,522	Phase 3 of project to convert former SLC museum into community facility.
East Renfrewshire Council	£33,972	£94,650	Ongoing management and maintenance of Whitelee Windfarm Access Network

Table D : Whitelee Renewable Energy Fund (Small)

Project	Grant Awarded	Total Eligible Cost	Project Description
Avendale Old and Drumclog Memorial Church Restoration & Relocation War Memorial Plaque	£3,332.63	£3,508.03	Removal, restoration and resiting of WWII memorial plaque from West Kirk to United Church.
Lanarkshire Farmers Market - Allison Green	£2,749.45	£2,894.16	Training of members in social media marketing, and resiting of Strathaven market from Sainsbury's car park to Allison Green
Business Plan - East Kilbride Shopmobility	£5,000	£6,000	Business plan - development of a 5 year strategy business and marketing plan.
The Strathaven John Hastie Museum Trust - Strathaven Heritage Demonstration Exhibition	£5,000	£5,300	Public awareness exercise to promote community interest in the museum. 2 week exhibition at Strathaven Town Mill.
2012 Scottish National Sheepdog Trials	£3,500	£4,908.00	To organise and stage the Scottish National Sheep Dog trial at Kypehill Farm between the 16-18 August.
Strathaven Agricultural Exposition Cattle Gates	£4,582.80	£4,824.00	Purchase of galvanised steel gates. Although owned by Strathaven Agricultural Exposition will be used by Stonehouse and Chapelton Show and by Strathaven Young Farmers
Strathaven Poultry Cages – Strathaven	£4,560.00	£4,800.00	Purchase of poultry cages for exhibition purposes. Project is

Agricultural Exposition			aimed at encouraging increased participation by young people.
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Appendix 3

Stallashaw Moss Renewable Energy Fund

Stallashaw Moss Renewable Energy Fund received a payment of £56,258.72 from Muirhall Windfarm Ltd in March 2012. A further £189.54 was received in interest during 2012.

During 2012, the Stallashaw Moss Renewable Energy Fund supported 3 projects with a combined grant award of £69,136. The total project costs are £403,231 giving an average intervention rate of 17%

The Developing Local Community Fund received a payment of £16,877.62 from Muirhall Windfarm Ltd in 2012.

The Developing Local Community Fund supported 1 projects with a combined grant award of £5,000. The total project costs are £6,680 giving an average intervention rate of 75%.

A list of all projects supported to date by the Stallashaw Moss Renewable Energy Fund is detailed in Tables E and F below, along with details of grant paid / awarded. Table E lists those projects which are supported through the main fund. Table F lists those capital projects which are supported through the Developing Local Community Fund, managed through the EU funded LEADER Programme.

Table E : Stallashaw Moss Renewable Energy Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Tarbrax Common Association	£31,290	£203,005	Significant ground works at Tarbrax Common to create a usable public space for the community.
Carnwath in Bloom	£20,971	£80,500	Refurbishment and Upgrade of existing play park facility in Carnwath.
Braehead Hall	£16,875	£119,726	Hall refurbishment works including energy efficient improvements.

Table F : Stallashaw Moss Renewable Energy Fund (Small)

Project	Grant Awarded	Total Eligible Cost	Project Description
WAT IF	£5,000	£6,680.00	Engagement of a consultant to liaise with newly formed group and produce a local community plan with aim of pulling resources of local inhabitants and community organisations to encourage the development of project activity.

Appendix 4

Clyde Wind Farm Fund

Clyde Wind Farm Community and Development Fund received payments totalling £510,600 from SSE Renewables in 2011 to cover community benefit obligations for the first year of operation. A further payment of £797,787 was received in December 2012

The Funding is apportioned 70% to the Community Fund and 30% to the Development Fund.

During the time of operation to the end of 2012, the Community Fund supported 31 projects with a combined grant award of £477,587.44. The overall value of these projects was £1,080,739.44. The Fund continues to receive request for financial support and another busy year is expected in 2013.

During the same period the Development Fund supported 10 projects with a combined grant award of £133,759. There are a further 6 projects in the final stages of development are likely to be supported during 2012.

A list of all projects supported from opening to end of 2012 by the Clyde Wind farm Community and Development Funds is detailed in Tables A and B below, along with details of grant paid / awarded. Table A lists those projects which are supported through the Community Fund. Table B lists those projects which are supported through the Development Fund.

Table A : Clyde Wind Farm Community Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Biggar Youth Project	£4,960	£4,960	Grant to refurbish kitchen area of Youth Project building
Tinto Biggar Scout Group	£9,110	£15,610	Grant to purchase canoes, safety equipment and trailer
Tinto After School Club	£5,000	£5,000	Grant to deliver fun day, physical activities and tuition
Leadhills Family Action Group	£10,023	£107,735	Grant towards new play park equipment
Limelight Music	£41,116	£55,222	Music and singing project in all primary schools within the 15km eligible area

Clyde River Foundation	£64,887	£74,487	River Clyde fish project working with the primary schools within the 15km eligible area
Biggar RFC	£110,000	£510,600	Grant to deliver new drainage to pitches and clubhouse enhancements
Feufield Trust	£4,999	£4,999	Project to improve vehicle access to property
Biggar Little Festival	£1,200	£1,200	Grant towards filming and animation Project at Biggar High School
Biggar Little Festival	£4,915	£4,915	Grant towards anniversary festival brochure for Biggar Little Festival event
Biggar Primary School	£4,470	£6,490	Grant towards Twinning Project
Douglas Water Golf Club	£4,475	£5,475	Grant towards Youth Golf Project
Rural Development Trust	£72,000	£96,000	Purchase of two minibuses to serve the 15km wind farm area
South Lanarkshire Leisure Trust	£4,017	£4,017	Refurbishment of Biggar Tennis Courts
Carmichael Primary Parent Council	£4,999	£4,999	IT Project including I pads, Digital Camera and Laptops
Crawford Primary Parent Council	£5,000	£5,122	I pads and reading area equipment
Abington Show	£4,830	£4,830	Supply of new sheep pens and storage container
Abington Bowling Club	£3,600	£3,600	Upgrade of clubhouse kitchen and meeting area
Leadhills Golf Club	£53,951	£83,951	Grant towards Playgolf Project and infrastructure improvements

Elvanfoot Residents Assoc	£4,320	£10,295	Grant towards feasibility study for the refurb of bridge
South Lanarkshire Leisure	£4,995	£4,995	Support of central sports equipment resource and training package for community groups
Biggar Theatre Workshop	£4,800	£4,800	Support of young performers development project
Class Art Group	£4,713	£4,713	Support of training project
Coulter WRI	£960	£960	Support programme of events and educational activities.
Biggar Web Cam Group	£4,995.94	£4,995.94	Purchase of equipment to deliver live screening of public events
Biggar Snooker and Social Club	£3,413	£3,413	Refurb of snooker tables and floor coverings
Biggar Museum Trust	£4,000	£4,000	Support of feasibility study
Crawfordjohn Museum Project	£18,300	£31,617	Capital Works to building
South Lanarkshire Extended Learning Community	£3,600	£3,600	
Crawford and Elvanfoot WRI	£4,942.50	£4,942.50	Programme of activities for 2013
Biggar Little Festival	£4,996	£4,996	Community PA system

Table B: Clyde Wind Farm Development Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
New Lanark Trust	£25,000	£64,687	Development of new hydro turbine
Haynes Vehicle Services	£8,700	£148,099	Creation of MOT station in the Village of Thankerton
SLC	£25,000	£287,924	Lesmahagow Village Centre Business Improvement Project
Strathaven Ales	£7,781	£35,991	kegs and keg handling equipment to support expansion of business
R L Engineering	£17,250	£46,000	Purchase of power packs to develop hydraulics maintenance business
Advanse Tooling	£4,700	£18,800	Support purchase of new machinery and computer design equipment
Playbarn Ltd	£11,746	£23,492	equipment for new pre/after school care business
St John's Church, Hamilton	£18,000	£26,000	Physical improvements to support social enterprise company
Shortbread Company	£14,082	£28,164	plant and equipment for by new food production company
Seniors Together in South Lanarkshire	£1,500	£13,000	Assist in delivery of employability training element of event

Appendix 5

Quarry Fund

The Quarry Fund received a payments totalling £16,096.25 from contributing developments in 2012

During 2012, the Quarry Fund supported 2 projects with a combined grant awards of £9524. The Fund, although small in value has proved invaluable at supporting needy projects in the rural area

A list of all projects supported from opening to end of 2012 by the Clyde Wind farm Community and Development Funds is detailed in Tables A below, along with details of grant paid / awarded.

Table A : Quarry Fund

Project	Grant Awarded	Total Eligible Cost	Project Description
Biggar Youth Project	£4,980	£4,980	Common Room upgrade works
Blackmount Community Council	£4,544	£4,544	Right of Way upgrade Project