

Report to:	Executive Committee
Date of Meeting:	13 May 2020
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Renewable Energy and Community Benefit Funds - COVID-19
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1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ advise of an amendment to the administration of the Community Benefit Funds: Renewable Energy Fund (REF) and Clyde Windfarm Fund to assist local communities' response and resilience to the COVID-19 crisis.

2. Recommendation(s)

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

- (1) that the decision taken by the Chief Executive under his delegated authority, in consultation with the Group Leaders, to make changes to the administration of the Renewable Energy Fund (REF) and Clyde Windfarm Fund, as set out in paragraphs 4.4 to 4.13, be homologated.

3. Background

3.1 Since 2004, the Council has collected and administered Community Benefit Funding through Planning and Economic Development Services. The service is responsible for securing the contributions from developers, advising potential applicants, assessing applications and monitoring projects to ensure that the community benefits associated with each project are delivered. Processes are continuously reviewed and refined to make it as straightforward as possible to ensure the necessary support is delivered to eligible communities.

3.2 Between the REF and the Clyde Windfarm Fund Planning & Economic Development Services administered £1,853,299 of community benefit income in 2018/19 and currently there is £1,563,888 within the REF fund and £1,546,964 within the Clyde Community Fund available to commit to projects.

3.3 The funds and their use are subject to a legal agreement between the windfarm developer and South Lanarkshire Council. The majority of the funds are geographically restricted to funding projects or benefits within 10km of the windfarm and can fund community groups, charities and social enterprises. However, funding for businesses and individuals is not permitted within the terms of the legal agreements.

3.4 The one exception to the above is the Development Fund within the Clyde Windfarm scheme which can fund businesses and activity across the whole Council area. Currently, the majority of this annual income of £280,000 in 2020/21 is used to fund the Rise Project delivered by Education Resources which provides employment support to those at risk of not making a successful transition from school into employment and the Project receives £200,000 per year from the fund. The Development Fund also contributes to the administration and management cost of the fund to a value of £30,000 per year. In this and previous years this has allowed a balance to build.

4. Community Benefit Funds: COVID-19 response

4.1. The Community Benefit Funds administered by the Council are to help support community led projects. In light of the challenges being presented by the COVID 19 crisis, it is appropriate to consider how the fund can support our communities meet those challenges. Following requests for support and consultation with community groups it is considered that there are two areas which the fund could support community organisations:

- ◆ groups and communities being able to provide support to vulnerable people in their community during the crisis, and
- ◆ the longer sustainability of community groups if they lose income due to lockdown restrictions.

4.2 In this context, it is noted that other community benefit grant funders such as Foundation Scotland have or are making adjustments to their funding arrangements to support communities during this time. As an example Scottish Southern Energy (SSE) who administer the Clyde Windfarm 2 (extension) fund has provided each Community Council in that area (Symington, Biggar, Duneaton, Quothquan and Thankerton, Leadhills and Crawford) with funds to assist with quick responses primarily aimed at purchasing essential supplies and equipment such as tablets or phones for vulnerable people / groups.

4.3 The legal agreements for the Community Benefit Funds supports funding for 11 purposes as set out in Appendix 1. Three of these provide a basis to direct funding to support the issues set out in 4.1:

- ◆ to relieve or prevent poverty, advance education and other social purpose beneficial to a community.
- ◆ for the advancement of citizenship or community development including rural or urban regeneration and the promotion of civic responsibility volunteering, the voluntary sector or the effectiveness or efficiency of charities.
- ◆ for the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

- 4.4 Following on from the above, it is proposed to establish two new funding priorities with organisations able to apply to both and as set out below:

Priority 1: Immediate Support Fund

Between £500 to £5,000 available to groups, organisations including Community Councils to deliver immediate assistance and relief due to COVID-19 through the following:

- ◆ Care packages or vouchers (food and essentials) to provide to those in poverty or isolation.
- ◆ Transport costs for those delivering essentials to people self-isolating.
- ◆ Technology or equipment to aid community groups deliver services during and post crises.
- ◆ Technology to loan to elderly community members so they can keep in contact with relatives and friends.

Priority 2: 3rd Sector Resilience Fund

Between £500 to £10,000 available to constituted community groups, community based sports and cultural clubs and charitable organisations to relieve pressure through the loss of income or ongoing costs arising from COVID-19:

- ◆ Cover for loss of income due to COVID-19 (e.g. cancelled events, fundraisers)
- ◆ Cover for additional costs incurred due to COVID-19 (e.g. cancellation fees for bands, venues, new costs to change service delivery e.g. laptops, equipment)
- ◆ Cover ongoing revenue costs for period of up to 6 months normally covered through income.

- 4.5 It is important to note that the funding priorities fall with the current eligibility criteria for the funds and what is being proposed is more detailed articulation of what the funds can support during the current crisis. In addition, currently grants of up to £10,000 can be provided without match funding and determined under existing delegated powers by the Head of Planning and Economic Services, and this would ensure there is no delay in processing applications. Therefore, the changes proposed are within the management, administration and claims process as set out in the following paragraphs.

- 4.6 Currently applications require to have three quotes and full justification of each cost requested within the application. It is proposed given the circumstances and timing this would no longer be a requirement. In addition, the funding will be in advance of payment. The Community Benefit Funds currently have the ability to pay 50% in advance but advancing the full amount would be a change to procedures. It is therefore proposed to amend the application administrative conditions requiring quotes and to allow for paying grants out in full in advance following suitable and proportionate checks on groups. These checks would include but not be limited to:

- ◆ ensuring they were viable groups prior to the crisis
- ◆ consider the management and committee structure
- ◆ consider any reserves the group hold
- ◆ alternative appropriate grant funds had been pursued
- ◆ the amount requested is the minimum required to maintain viability
- ◆ the grant would not create a profit or net gain to the organisation
- ◆ the ongoing post-delivery monitoring and completion checks would be maintained to ensure proper use of the funds

- 4.7 The existing condition that the grants provided to groups are used for the purposes set out within the application and suitable evidence of expenditure would be retained. Grants through Priority 1 would be administered similar to the current micro grants with no requirement for receipts to be provided only a bank statement evidencing the funds leaving the account. Whereas grants through Priority 2 would require to provide evidence of how the grant was used through receipts and bank statements evidencing the funds leaving the accounts. A grant condition would be added that if this information is not provided by the applicant that this may exclude the group from future funding from REF or Clyde Funds at the discretion of the Council.
- 4.8 It is considered that this 'light touch' approach to grant administration is appropriate in the current circumstances however should it become evident that there has been any misuse of the funds this would be fully investigated and action take as required.
- 4.9 It is also anticipated that new groups may form to provide local services and a pragmatic view should be taken to assessing the risk of funding each of these groups, with a bias to fund. Co-ordination will be undertaken with other Council Services and third-party organisations to ensure funding of groups compliments and does not duplicate other activities.
- 4.10 A potential barrier to these funds achieving maximum impact is that they are restricted to funding projects within 10km of the a contributing windfarm fund and therefore there may not be sufficient funding in all areas such as Cambuslang, Blantyre and Rutherglen which would have less access to these funds.
- 4.11 The existing Clyde Development fund however can fund across South Lanarkshire and although it currently has different criteria focused on training, education and supporting employment. Discussions have been held with SSE and they have agreed they would be willing to support funding of vulnerable groups across South Lanarkshire from this fund. This will provide up to £200k of funding that would ensure there was no geographic gaps within South Lanarkshire in the funding offer.
- 4.12 The administrative changes proposed above would be time limited to address the immediate priorities. The changes would be initially apply until the 31st of July 2020, with an option for a further 3 months extension depending on funds remaining available, need and uptake.
- 4.13 If all the Community Benefit Funds for the REF, Clyde Community and Clyde Development Fund where made available the budget would total £3,110,852. It is appropriate though to cap the proposed use of the fund for COVID 19 related projects at this time to £600,000 over the initial 3 months which would ensure support and funds where available for any other projects and applications during and after the crisis.
- 4.14 Consultation with relevant windfarm developers and with both Internal Audit and Legal Services has taken place and their advice is incorporated within the report.
- 4.15 The Scottish Government has launched the 3rd Sector Resilience Fund and has announced a Welfare Fund to be administered by community anchor organisations the details of which are still to be published. Foundation Scotland are administering a Response, Recovery and Resilience Fund. Information is also being shared between funders as to new approaches and funds. The detail and full scope of the funds from

other organisations will be monitored to ensure the changes in funding within the Community Benefit Funds compliment and do not duplicate or double fund organisations or other local supports. This would include the Shielding initiative and support provided through the Council's wellbeing line.

- 4.16 In terms of next steps, the changes can be implemented immediately, and applications would use the existing online grant system with a few additional questions and updated guidance on the Council's web site. Publicity and awareness raising of the funding would be undertaken through the Council's online and social media, on the Council's funding website, and direct e-mail contact to all registered groups would also be sent. Support to applicants would be provided by officers which can be undertaken remotely.

5. Employee Implications

- 5.1 Administering the funds is undertaken within Planning and Economic Development Services and the changes may increase the number of applications and work load. This can currently be resourced however the position will be monitored.

6. Financial Implications

- 6.1 There are no financial implications to the Council. No funding offers are issued without income from the respective developments being in place.

7. Climate Change, Sustainability and Environmental Implications

- 7.1 The use of the funds as outlined would meet the requirements to maintain thriving sustainable communities.

8. Other Implications

- 8.1 None

9. Equality Impact Assessment and Consultation Arrangements

- 9.1 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.

- 9.2 Consultation has taken place with, Legal, Finance and the Community Engagement team.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

27 April 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Promote economic growth and tackling disadvantage
- ◆ Making communities safer and stronger and sustainable
- ◆ Focused on people and their needs
- ◆ Support our communities by tackling disadvantage and deprivation and supporting aspiration

Previous References

- ◆ Executive Committee Report – 21st November 2018 Renewable Energy Fund Community Benefit Fund Proposed Amendments

- ◆ Enterprise Services Committee Report – Community Benefits Funds Annual Report 22nd May 2018
- ◆ Executive Committee Report – Clyde Windfarm Community Benefit Fund – Proposed Amendments to Fund Management and Administration 8th March 2017
- ◆ Executive Committee 3rd March 2004 – Community Benefit and the establishment of a Renewable Energy Fund

List of Background Papers

Contact for Further Information

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

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