

Report

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Report to:	Community and Enterprise Resources Committee
Date of Meeting:	8 August 2017
Report by:	Executive Director (Community and Enterprise Resources)

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

1.1. The purpose of the report is to:-

- ◆ advise the Committee of the Community Benefit Funds administered by Planning and Economic Development Services on behalf of the Council during 2016/2017.
- ◆ provide an update on the improvement actions implemented following an independent review of the funds in 2014 and an Internal Audit during 2015.

2. Recommendation(s)

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

- (1) that the Community Benefit Funds administered by the Council and the grants awarded under the Renewable Energy Fund (REF), Clyde Wind Farm Fund and Quarry Funds in 2016/2017 be noted; and
- (2) that the introduction of an online application process and associated improvements to the administration and management of Community Benefit Funds be noted.

3. Background

3.1. The Council administers Community Benefit Funds which cover over 90% of South Lanarkshire. These area specific funds reflect the location of the contributing developments, mainly comprising onshore windfarms but also including 4 operational quarries. Operators of larger windfarm developments provide recurring annual fund contributions, formalised through legal agreements, whilst smaller developments e.g. single wind turbines sites, may consider providing a 'capitalised' one off community benefit payment.

3.2. The management of these funds is undertaken by Planning and Economic Development with the remit to maximise the potential outcomes for the communities within the eligible areas. To this end, the funds can, where appropriate, be used strategically with some applications to the REF being supported using a combination of funding from more than one REF fund covering the same geographic location. This ensures effective use of the monies and maximises benefits to eligible communities. The REF, Clyde and Quarry Funds can be used to match fund other funding streams such as the Lottery, Viridor and other locally managed funds. Community Benefit Funds have grown to include a total of 23 contributing developments.

3.3. In 2004, Blacklaw was the first of 22 wind farms which now comprise the Renewable Energy Fund (REF). The Clyde Wind Farm Community Benefit and Development Fund began in 2011 and is the largest single fund.

- 3.4. The agreements around the provision of community benefit oblige the Council to administer these funds using the REF mechanism. This task is undertaken by Planning and Economic Development Services who are responsible for all aspects, from securing the contributions from the developers, advising potential applicants, assessing applications and monitoring projects to ensure that the community benefits associated with each project are delivered. The Service continually seeks ways to maximise the community benefit for all eligible communities across South Lanarkshire.
 - 3.5. Between the various funds, Planning and Economic Development Services administered approximately £1,675,370 of community benefit income in 2016/2017. With the exception of the one off capitalised payments, the funds usually receive income for the duration of each wind farm's operational life and, typically, recurring annual payments will rise in line with the Retail Prices Index. The operation of the Council's Community Benefit Policy, with particular emphasis on the renewable energy sector, has proven to be a success with communities accessing funding for a diverse range of locally based projects.
 - 3.6. Alongside these established wind farm developments and their associated community benefit funds, there are a number of other potential wind farm developments throughout South Lanarkshire which are being considered in the statutory planning process. It is, therefore, possible that, subject to appropriate agreements being put in place, the level of community benefit available to communities will increase over the next 10 years. If promoted and managed well, this increase in community benefit will have a major positive impact on the eligible communities.
 - 3.7. Although Planning and Economic Development Services lead 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 applicant groups are provided with the appropriate support and advice to deliver projects of a high quality and the projects brought forward best fit the needs of the communities and are delivered in the most efficient and effective way possible.
- 4. REF Projects Approved During 2016/2017**
- 4.1. There are now 22 windfarm developments contributing to the REF operating across South Lanarkshire at the following locations:- Andershaw, Bank End Rig, Blacklaw, Blantyre Muir, Burnbrae, Calder Water, Climpy, Dungavel, Dykehead, Haspielaw, Lampits, Millburn, Muirhall, Muirhall Extension, North Brackenridge, Nutberry, Pates Hill, Tanhill, Upper Haywood, West Browncastle, Whitelee and Woodlands.
 - 4.2. During the course of 2016/2017, contributions of £801,320 (including interest) were received from the operating companies, incorporating both annual payments and "one off" payments. A total of 32 projects have been supported with total grants of £341,887 towards total project costs of £983,394, giving an average grant award of £10,683 towards an average project cost of £30,731 – a 35% intervention rate. A complete list of projects supported in the last year is attached at Appendix A.

5. Clyde Windfarm Fund Projects Approved During 2016/2017

- 5.1. During 2016, the Clyde Wind Farm Community and Development Fund received contributions of £864,814 from SSE and supported 33 new projects with a combined grant award of £709,002. The overall value of these projects was £1,518,380, giving an average grant award of £21,485 towards an average project cost of £46,011, a 47% intervention rate.
- 5.2. A diverse range of community groups have benefited from access to these funds. A complete list of projects supported in the last year is attached at Appendix B.
- 5.3. At the Executive Committee of the Council on 8 March 2017, a number of amendments were approved to the Clyde Wind Farm Community Benefit Fund. These improvements, brought forward through discussions with SSE Renewables and community feedback, have now been implemented and in summary have resulted in; the creation of an inner area of benefit including the villages of Crawford, Abington, Elvanfoot and Robertson that can receive an additional 25% grant over that available in the wider Clyde Wind Farm Fund area; 100% small grants increasing from a maximum of £5,000 to £10,000 awards or £12,500 in the inner area; decision making in regard to the award of grants being devolved to the Clyde Wind Farm Community Group and the provision of up to 2 years revenue funding to support a capital project that has benefited from a grant award. A number of applications have been received since the implementation of the changes, with the Clyde Wind Farm Community Group appraising these and applicant groups benefiting from the new arrangements.

6. Quarry Fund

- 6.1. In 2008, the Council also established a Quarry Fund for the collection and distribution of 'Developer Contribution' payments from quarry developments. The Quarry Fund model was developed from the experience gained in the development and management of the Renewable Energy Fund.
- 6.2. Agreements have been reached with a total of 8 developments to date to provide contributions to the Quarry Fund. In 2016/2017, contributions from the participating quarries totalled £74,293.
- 6.3. A number of applications have benefited from access to these funds. A list of projects completed in the last year is attached in Appendix C.

7. Renewable Energy Fund Improvement Plan

- 7.1. An internal audit of the REF was undertaken in 2015 and, overall, it concluded that the programme was satisfactorily run. It also provided an action list detailing areas of activity that could be improved. This complements the improvement plan being implemented following an earlier external evaluation of the fund undertaken in 2013 by EKOS Consultancy.
- 7.2. In response to the external evaluation and internal audit comments, an action plan to implement a series of improvements was developed by Planning and Economic Development Services and has been implemented as follows:-
 - ◆ creation of a new online system for managing applications
 - ◆ simplified application form
 - ◆ formalised and recorded project enquiries
 - ◆ clearer delineation between the applicant, the designated officer dealing with the applicant and the officers who assess and score the application.

- ◆ the ability to track and review all stages of the application progress
- ◆ new fund guidelines and brochure
- ◆ post award customer satisfaction surveys linked to grant payment mechanisms
- ◆ introduction of key performance indicators linked to objectives of South Lanarkshire Council and Community Planning Partners

The on-line application system has been live over the past 12 months. Initial feedback received from applicants who have gone through the whole process has been positive with constructive feedback offered. Further minor modifications to the process will be added over the next 12 months with the Clyde Windfarm Community Fund joining the online system.

8. Employee Implications

- 8.1. Additional funds are managed within existing resources and there are no employee implications.

9. Financial Implications

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

10. Other Implications

- 10.1. The only risks falling on the Council in the administration of Community Benefits are reputational. Management of the funds are subject to the Council's normal financial scrutiny and reporting arrangements. If the Council did not undertake this work it 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 eligible community organisations.

- 10.2. There are no implications for sustainability in terms of the information contained within this report. The underlying basis of Community Benefit Funds is to support local community groups and organisations become more sustainable.

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.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

11 July 2017

Link(s) to Council Values/Objectives

- ◆ Achieve efficient and effective use of resources
- ◆ Strengthen partnership working, community leadership and engagement
- ◆ Develop a sustainable council and communities

Previous References

- ◆ Enterprise Services Committee Report – Community Benefits Funds Annual Report 17 May 2016
- ◆ Executive Committee Report – Clyde Windfarm Community Benefit Fund – Proposed Amendments to Fund Management and Administration 8 March 2017

List of Background Papers

- ◆ South Lanarkshire Renewable Energy Fund Evaluation – EKOS South Lanarkshire Council Renewable Energy Fund Internal Audit
- ◆ List of all projects supported by the REF Community Benefit Funds
- ◆ List of all project supported by the Clyde Windfarm Community Fund

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Stuart Hodge, Project Development Officer, Planning and Economic Development Services

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Appendix A Renewable Energy Fund Projects 2016/2017

Andershaw

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Rural Development Trust	Development Trust	Rigside	Feasibility study into rural transport	£15,000	33%	£5,000
Glencaple and Lowther Development Group	Development Trust	Crawfordjohn	Pilot project examining cinema events	£4,060	100%	£4,060
Abington Primary School	School	Abington	External educational project	£5,000	100%	£5,000
Crawfordjohn Hall Association	Community Group	Crawfordjohn	Hall refurbishment	£59,000	34%	£20,000
Douglas Water and Rigside Residents Association	Community Group	Rigside	Environmental Improvement project	£3,421	100%	£3,421
Rigside Playpark Group	Community Group	Rigside	Skatepark	£52,000	30%	£15,597.20

Dungavel

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Glassford Primary School	School	Glassford	Sports coaching and activities	£2,750	100%	£2,750

Glassford Play Group	Community Group	Glassford	New play park	£55,470.36	35%	£19,239.19
Sandford and Upper Avondale Community Council	Community Council	Sandford	New play park	£74,991.31	38%	£28,227.09

Blacklaw

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Lanark Rugby Club	Sports	Lanark	Improve Catering Facilities	£5,000	100%	£5,000
Carluke Development Trust	Development Trust	Carluke	Production of new Business Plan	£4,950	100%	£4,950
Kirkfieldbank Community Group	Community Group	Kirkfieldbank	New play park	£153,023	33%	£50,023

Blantyre Muir

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Stonelaw Church	Church	Rutherglen	Church lighting project	£4,978	100%	£4,978
Hamilton Gymnastic	Sports	Hamilton	Feasibility Study for new premises	£5,000	100%	£5,000
Uddingston Cricket Club	Sports	Uddingston	All weather cricket wicket and equipment	£3,600	100%	£3,600

Burnbrae

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Hope Hub	Community Group	Carluke	Feasibility Study to assess demand and need for service provision	£4,200	100%	£4,200

Calder Water

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Strathaven Scouts	Community Group	Strathaven	Commemorative Book	£4,110	100%	£4,110
Adams Community Trust	Community Group	Strathaven	Church Lighting project	£16,433	30%	£5,000
Strathaven Festival	Community Group	Strathaven	PR project	£4,923	100%	£4,923
Strathaven Bowling Club	Sports	Strathaven	Rebuild of original wall over 100 years old	£8,110	62%	£5,000

Muirhall

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
WAT IF	Community Group	Woolfords, Auchengray and Tarbrax	Purchase of 1 st responders kit.	£1,437.65	100%	£1,437.65
South Lanarkshire Leisure and Culture	Local Authority	Forth	Sports Hall refurbishment	£19,136.26	45%	£8,610.91

Muirhall Extension

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Tarbrax Community Association	Community Group	Tarbrax	New play park	£93,371	33%	£30,909

Nutberry

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Woodpark Primary School	School	Lesmahagow	External learning area	£13,019	38%	£5,000
Coalburn Miners Welfare	Community Group	Coalburn	Kitchen renewal	£4,413	100%	£4,413
Blackwood and Kirkmuirhill Playparks Group	Community Group	Blackwood and Kirkmuirhill	New play park	£190,137	10%	£20,000
Lesmahagow Scouts	Community Group	Lesmahagow	Camping equipment	£4,656	100%	£4,656

Upper Haywood

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Braehead Village Trust	Community Group	Braehead	New play park	£44,332	45%	£19,949

Whitelee

Organisation	Type of Group	Project Location	Project Details	Project Cost	Intervention Rate	Grant award
Friends of Langlands Moss	Environmental Group	East Kilbride	Boardwalk Improvements	£31,000	16%	£5,000
East Renfrewshire Council	Local Authority	Whitelee Windfarm	Management and Maintenance Costs	£85,000	40%	£34,000
Hamilton Gymnastics	Sports	Blantyre	Sports Hall improvements	£2,833	100%	£2,833
Trinity Parish Church	Church	Hamilton	Hall improvements	£8,040	62%	£5,000

Appendix B

Clyde Windfarm Projects 2016

Applicant organisation	Type of Group	Project Location	Project that funding was sought for	Project Cost	Intervention Rate	Grant award
Crawford Bowling Club	Sports	Crawford	Equipment to develop the sport	£2,770	100%	£2,770
Leadhills and Wanlothead Railway	Community	Leadhills	Facility marketing project	£2,617	100%	£2,617
Law and district Amateur Athletic Club	Community	Biggar	Athletics equipment and coach training	£3,645.00	100%	£3,645.00
Carwood Womans Rural Institute	Community	Biggar	Garden outing to learn about horticultural skills	£450.00	100%	£450.00
Blackface Sheep Breeders Association (Lanarkshire Branch)	Community	South Lanarkshire rural area	PR project to create design for and deliver organisational livery for show stand	£4,290.00	100%	£4,290.00
Biggar Little Festival	Community	Biggar	Supply of storage container for organisational equipment	£2,278.95	100%	£2,278.95
Roberton Gardening Club	Community	Roberton	anniversary trip	£1,983.00	100%	£1,983.00
Leadhills Golf Club	Sports	Leadhills	Supply of maintenance machinery to enhance quality of the golf course	£5,570.00	90%	£5,000.00
Biggar Rotary Club	Community	Symington, Abington and Biggar	Supply and installation of three public access defibrillators	£7,200.00	69%	£5,000.00
Rural Development Trust	Charity	South Lanarkshire rural area	Support for rural transport consultancy study	£15,000.00	33.33%	£5,000.00

Crawfordjohn Heritage Venture Trust	Charity	Crawfordjohn	Study into gable wall moisture penetration and improvement project	£4,710.00	100%	£4,710.00
Biggar Camera Club	Community	Biggar	Supply of digital projector /display equipment	£2,544.00	100%	£2,544.00
Crawford Community Council	Community	Crawford	Improvements to Crawford Village war memorial including introduction of new seating	£3,813.00	100%	£3,813.00
Crawfordjohn Play Development Group	Community	Crawfordjohn	Upgrade of play park and development of garden area	£190,182.00	50%	£95,091.00
Crawfordjohn Public Hall Association	Charity	Crawfordjohn	Support for internal hall upgrade works	£53,121.00	56%	£30,000.00
Biggar Museum Trust (Lamington Committee)	Charity	Lamington	Project to upgrade Trinity Chapel to create community events space	£127,600.00	27%	£35,000.00
Biggar Embroiderers Guild	Community	Biggar	Funding for traditional sewing skills project within Biggar Primary	£758.00	100%	£758.00
Thankerton Bowling Club	Community	Thankerton	Support for Boundary wall upgrade works	£4,950.00	100%	£4,950.00
Crawford Community Council	Community	Crawford	Installation of public access defibrillator on Crawford Village Hall	£2,190.00	100%	£2,190.00
St Brides Community Centre	Charity	Douglas	Purchase of retail properties to support running of St Brides Centre	£159,525.00	6.38%	£17,780.00
Upper Clyde Farmers Club	Community	South Lanarkshire rural area	Delivery of a study into OPA	£188,970.00	50%	£94,485.00
Symington Tinto Amateur Football Club	Sports	Symington	Supply of football training equipment and coach training	£4,977.47	100%	£4,977.47

Abington Bowling Club	Sports	Abington	Supply of lawn grooming equipment	£4,900.00	100%	£4,900.00
Lowther Hills Ski Club	Sports	Leadhills	Construction of a clubhouse building to support organisational activities	£88,956.00	45%	£39,890.00
Biggar Golf Club	Sports	Biggar	Clubhouse kitchen improvements	£5,500.00	100%	£5,000.00
South Lanarkshire Routes to Inclusion	Local Authority	South Lanarkshire rural area	Delivery of an employability and training initiative	£600,000.00	50%	£300,000.00
Quothquan and Thankerton CC	Community	Quothquan and Thankerton	Mircro Grant scheme	£5,000.00	100%	£5,000.00
Duneaton CC	Community	Duneaton	Mircro Grant scheme	£4,880.00	100%	£4,880.00
Crawford and Elvanfoot CC	Community	Crawford and Elvanfoot	Mircro Grant scheme	£5,000.00	100%	£5,000.00
Biggar CC	Community	Biggar	Mircro Grant scheme	£5,000.00	100%	£5,000.00
Symington CC	Community	Symington	Mircro Grant scheme	£5,000.00	100%	£5,000.00
Leadhills CC	Community	Leadhills	Mircro Grant scheme	£5,000.00	100%	£5,000.00

Appendix C
Quarry Fund Projects 2016

Applicant organisation	Type of Group	Project Location	Project that funding was sought for	Project Cost	Intervention Rate	Grant award
Crawfordjohn Hall Association	Community Group	Crawfordjohn	Hall refurbishment	£59,000	12%	£10,000
Biggar Museum Trust (Lamington Committee)	Trust	Lamington	Refurbishment project	£126,500	4%	£5,000