

# Report

Report to:	<b>Community and Enterprise Resources Committee</b>
Date of Meeting:	<b>15 September 2020</b>
Report by:	<b>Executive Director (Community and Enterprise)</b>

Subject:	<b>Community Benefit Funds – Renewable Energy Fund Grant Applications</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ consider a grant application to the Renewable Energy Fund from:-
  - ◆ Carnwath Community Council
  - ◆ Abington Community Development Group

## 2. Recommendation(s)

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

- (1) that a grant be awarded to Carnwath Community Council of up to £259,868.00 from the Renewable Energy Fund to construct and develop a community hub as a community asset; and
- (2) that a grant be awarded to Abington Community Development Group of up to £149,250.00 from the Renewable Energy Fund to construct and develop a community hub as a community asset.

## 3. Background

3.1. Since 2004, the Council has collected and administered Community Benefit funding through the Planning and Economic Development Service. 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 to ensure the best practices in grant provision and monitoring are undertaken to ensure the necessary support is delivered to eligible communities.

3.2 Grant awards above £20,000 require approval from Committee, awards below this level are approved by the Head of Planning and Economic Development under delegated authority..

## 4. Grant recommendations

4.1. Application Number 346

Carnwath Community Council– project value £687,868.00

Proposed Grant award £259,868.00 Intervention rate of 37.7%

The proposed REF grant of £259,868 will be taken from three windfarms that contribute into the REF these will be £139,868 from Blacklaw, £90,000 from Muirhall Stallashaw and £30,000 from Muirhall 2.

- 4.2. Carnwath Community Council is an established Community Council with its purpose being:-
- ◆ The advancement of citizenship and community development by providing a local community hub which can partner with other local community and business organisations, bringing local residents together and enabling greater community cohesion within the village.
  - ◆ The provision of recreational, social and business hub, to provide a local facility to assist both local learning and employment. It will, through the support of the community and businesses create a hub for new starts and training to support sustainable development in the village.
- 4.3. The Community Council has a membership of 7 and 40 regular volunteers. The Community Council has consulted widely in regards to the project to ascertain, co-ordinate and reflect the views of the community it represents.
- 4.4. The grant will allow Carnwath Community Council to purchase and develop a site that has been derelict for over 20 years on Main Street Carnwath to become a community asset which will be developed as a public resource for the local community with learning, training, social and business opportunities for Carnwath and the surrounding area. The community will manage and develop opportunities for the area through the Carnwath Development trust. The grant will specifically contribute to the purchase of the site, development and building a small community hub building of approximately 130sqm with a purchase and development cost of £687,868.00.
- 4.5. In 2019, Carnwath Community Council was awarded a total of £260,000 from The Scottish Government's Town Centre Capital Grants Fund (TCCGF) by the Council for the development of the site. This application will match with the REF contributions to establish the funding package. To create a total funding package for the project, an additional £75,000 of match funding has been allocated from the TCCGF. This is referred to in a separate report on this agenda which updates members on progress of that Fund.
- 4.6. Carnwath Community Council is in the process of creating the Carnwath Property Ltd SCIO which the land and property asset will be transferred into protecting the long term charitable aims and individual legal responsibilities. On completion of the development, the Carnwath Property Ltd SCIO will lease the running of the community facility to Carnwath Development Trust on a long term lease.
- 4.7. The application scored 31 and 33 out of 53 by the two appraisers during the assessment process which averages as 32 and which permits an intervention rate of up to 60% of eligible costs.
- 4.8. All Renewable Energy Fund awards are subject to suitable match funding being secured. The REF grant sought is 37.7% of the project value with the match funding as set out below.

<b>Funder</b>	<b>Stage</b>	<b>Value</b>
Town Centre Capital Grants Fund	Confirmed	£260,000
Town Centre Capital Grants Fund	Confirmed	£ 75,000
Levensat Land Fill grant	To be confirmed September 2020	£ 80,000
Community Group contribution	To be February 2021	£ 13,000
SLC Renewable Energy Fund Grant (37.7%)		£259,868
<b>Total project value</b>		<b>£687,868</b>

- 4.9. The project is scheduled to commence in October 2020 and be complete by August 2022. Officers will work with the applicant to monitor progress and any impact on the timescales.
- 4.10. Application Number 529  
 Abington Community Development Group– project value £1,586,687  
 Proposed Grant award £149,250 Intervention rate of 9.4%  
 The proposed grant of £149,250 will be drawn from Middlemuir windfarm which is part of the Renewable Energy Fund.
- 4.11. Abington Community Development Group, Scottish Charitable incorporated Organisation (SCIO) (SC049976) has been formed to benefit the community Around Abington Village with the following purposes:-
- ◆ to advance education in the operating area by providing educational and vocational opportunities, to promote community development in the area and provide opportunities for volunteering and community action
  - ◆ to improve the environment through environmental and community growing activity the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the community for whom the facilities and activities are primarily intended
- 4.12. Abington Community Development Group has a membership of 12. The organisation is based upon a membership of residents and workers from within 6 local villages namely, Abington, Wiston, Crawfordjohn, Coulter, Roberton and Lamington.
- 4.13. The grant will allow Abington Community Development Group to create Abington Campus for Enterprise at the former Abington Primary School site. This will become a community asset which will serve the surrounding area and will provide enterprising individuals, micro businesses, SME's and social enterprises with access to a range of business support facilities including high speed broadband and access to specialist business advice.
- 4.14. The total revenue costs for the initial two years has been estimated at £149,250. The REF funding will support two years' revenue costs for insurance, utilities and initial operating costs of £49,250 over 2 years (year 1 £24,381 and year 2 £24,869). The SSE SLC Clyde Windfarm fund application complements this and requests £100,000 for 2 FTE staff posts for 2 years within the overall Clyde application of £710,584 to enable the facility to become established and become sustainable.

- 4.15. The project has been developed in partnership with Abington Community Development Trust and the Council. The project design and specification have been developed under management of officers from Economic Development using funding from the Regeneration Capital Grants for design and management fees. All capital works have been tendered with five tenders received and the application and grant based on the lowest tenderer being successful and offered the construction contract.
- 4.16. As part of the development proposal, the Housing and Technical Resources Committee of 1 April 2020 approved the 30 year lease of the building to the Abington Community Development Group at a peppercorn lease of £1 per year and provided a right to purchase after 15 years at a value of 35% the market value at the time.
- 4.17. The revenue costs for the initial 2 years are projected to be £149,250 resulting in the total project value of capital and 2 year revenue costs of £1,586,687. The REF grant can contribute to revenue costs for capital funded projects and the grant will specifically contribute £100,000 to the capital costs and to two year initial revenue costs of £49,250.
- 4.18. The application scored 35 and 35 out of 53 by the two appraisers during the assessment process which averages as 35 and which permits an intervention rate of up to 60% of eligible costs.
- 4.19. All Renewable Energy Fund awards are subject to suitable match funding being secured. In April 2019, the Scottish Government's Regeneration Capital Grant Fund awarded £600,000 to the project. £153,147 of this has been used to develop the project design with £446,853 remainder committed to the project build. In July, an application was submitted to the SSE SLC Clyde panel for £710,584 and also, in July additional funding of £280,000 was requested from the Scottish Governments RCGF both decisions are due by mid-September. The REF grant sought is 9.4% of the project value with the match funding as set out below.

<b>Funder</b>	<b>Stage</b>	<b>Value</b>
Regeneration Capital Grant Fund	Confirmed	£ 446,853
Regeneration Capital Grant Fund additional	To be Confirmed September 2020	£ 280,000
SSE SLC Clyde Windfarm fund	To be confirmed September 2020	£ 710,584
SLC Renewable Energy Fund Grant (9.4%)		£ 149,250
Total project value		£1,586,687

## **5. Employee Implications**

- 5.1. There are no employee implications arising from this report.

## **6. Financial Implications**

- 6.1. The awards are being split between four windfarm funds which come within the Renewable Energy Fund to ensure sufficient reserves remain for future applications in 20/21. The funds have sufficient resources to meet the proposed grant award commitment detailed in this report.

## **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. The project from Carnwath Community Council will regenerate a derelict site within Carnwath main street and will offer community growing space and deliver community facilities close to the community all assisting the local community and environmental sustainability.

The project from Abington Community Group will convert and empty the school building retaining the asset within community use and the development will incorporate energy efficiency measures such as energy efficient heating and solar panels. The campus aim is to provide business facilities for rural working and thereby help to reduce travel distances.

## **8. Other Implications**

- 8.1. The risks associated with the project are focused on the potential for cost overruns, delays to the projects or match funding not being secured and the long term use of the asset. Work will continue with the applicant to help ensure match funding is secured and that projects are delivered broadly on time and within budget.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. This report does not introduce a new policy, function or strategy and, therefore, no impact assessment is required.
- 9.2. All the necessary consultation arrangements have taken place.

**Michael McGlynn**  
**Executive Director (Community and Enterprise Resources)**

25 August 2020

## **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, effective, efficient and transparent
- ◆ Focuses on people and their needs
- ◆ Encouraging participation in physical and cultural activities
- ◆ Working with communities to promote high quality thriving sustainable communities
- ◆ Improve the road network, influence improvements in public transport and encourage active travel

## **Previous References**

- ◆ Enterprise Resources Committee 8 August 2007
- ◆ Enterprise Resources Committee 23 November 2011

## **List of Background Papers**

Completed REF Grant Application Form for application number 346  
Completed REF Appraisal Scoring Sheet for application number 346

Completed REF Grant Application Form for application number 529  
Completed REF Appraisal Scoring Sheet for application number 529

## **Contact for Further Information**

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

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