

EAST RENFREWSHIRE COUNCIL

CABINET

7 April 2016

Report by Clerk to Audit and Scrutiny Committee

EAST RENFREWSHIRE RENEWABLE ENERGY FUND

**PURPOSE OF REPORT**

1. To report on the outcome of the Audit and Scrutiny Committee's deliberations on proposals to establish and operate a new East Renfrewshire Renewable Energy Fund which were subject to call-in having been considered by the Cabinet.

**EAST RENFREWSHIRE RENEWABLE ENERGY FUND**

2. On 18 February the Cabinet considered a report by the Director of Environment (see Appendix A) regarding the operation of the Whitelee Wind Farm Fund since its inception and proposing the establishment of a new East Renfrewshire Renewable Energy Fund to operate from later in 2016. Details of the applications submitted to the Whitelee Fund and Whitelee Small Fund, together with a breakdown of their origin, were appended to the report.

3. The report referred to the establishment and operation of the Whitelee Fund; its basic principles as approved by Cabinet in August 2009; the annual consideration of applications by the associated Whitelee Panel; and a subsequent Cabinet decision in 2011 to allocate £10,000 per year from the main Fund to Eaglesham and Waterfoot Community Development Trust (E&WCDT) to manage a Small Grant Fund. Whilst highlighting various operational arrangements since the Fund's inception, reference was made to its income to date of around £857,000 and the submission and determination of applications. £756,072 had been awarded in grants thus far, the majority for building refurbishment; play and leisure projects; and equipment. Reference was also made to the scale of awards made relative to project costs and in line with funding criteria; reasons for refusal; the proportion of grants awarded for the Eaglesham and Waterfoot priority area; and the total of £25,000 allocated to the Small Fund between 2011 and 2013 of which £11,864 had been awarded as grants.

4. A summary of reasons was provided on why a review of the Fund was required to ensure it continued to operate effectively and efficiently. These reasons included the emergence of other renewable energy projects elsewhere in East Renfrewshire; the needs of the priority area having been largely met; a reduction in applications from that area compared to elsewhere; and the take up level of grants from the Small Fund. It was also explained that ScottishPower Renewables (SPR) had agreed to direct its Middleton Wind Farm community benefits package to the Council to manage. Details of the arrangements being made were provided which would result in the Council managing a further £30,000 per annum (backdated and index linked from July 2013). The associated agreement required the funds to be used for the benefit of or to meet the local needs of the local community within East Renfrewshire and within 10km of the wind farm centre which covers the vast majority of East Renfrewshire.

5. More specifically the report proposed combining the income from both Whitelee and Middleton Wind Farms (and possibly that of other renewable developments in future) and operating a single Fund with a single set of criteria available across the whole of the authority's area. Other proposals included not giving priority or preference to any settlement area with all applications to be considered on merit; the withdrawal of the Whitelee Small Grant Fund due to poor uptake; not maintaining the 87.5% maximum grant rate which was considered unsustainable long-term in favour of proposing a maximum intervention rate of 75%; amending the terms under which the Council could apply to the Fund to make them more straightforward; and ring-fencing £40,000 of the integrated Fund annually to fund Council-led initiatives to alleviate fuel poverty and further improve energy efficiency in respect of which approval in principle had been sought. It was also proposed to allocate a proportion of the ring-fenced funds to work in partnership with Voluntary Action (VA) East Renfrewshire to help identify older, vulnerable members of the community who would benefit from advice and assistance to improve the energy efficiency of their homes to help alleviate fuel poverty. The report also put forward proposals on the composition of a new Panel; the introduction of the proposed arrangements; and further community consultation regarding the priorities of the Fund prior to the Panel meeting in November 2016.

6. The report concluded by highlighting the success of the Whitelee Fund, reiterating the need for the review, and clarifying that the new widened Fund would continue to offer local communities opportunities to invest in their areas and allow the Council to further address fuel poverty and promote energy efficiency.

7. On 18 February, having considered the report, the Cabinet had:-

- (a) noted the success of the Whitelee Wind Farm Fund;
- (b) approved in principle the establishment of a new East Renfrewshire Renewable Energy Fund as outlined in the report to replace the Whitelee Wind Farm Fund from later in 2016;
- (c) agreed that Councillors Green (substitute – Councillor O’Kane), Lafferty (substitute – Councillor McAlpine); and Waters (substitute - Provost Carmichael) be the Council’s representatives on the Panel of the new Fund;
- (d) noted that the chairperson of the Panel would be decided by the members of the Panel;
- (e) approved the inclusion of the Chief Executive of East Renfrewshire Voluntary Action as a voting member of the Panel;
- (f) agreed that the new Panel should meet as soon as possible to determine the current outstanding 2015 applications in accordance with the terms of the existing Whitelee Wind Farm Fund; and
- (g) agreed that, prior to the Panel meeting again in 2016, appropriate consultation be carried out in relation to the priorities of the proposed new Fund.

8. In part, the decisions specified above were subsequently called-in for scrutiny which was undertaken by the Audit and Scrutiny Committee on 3 March 2016. More specifically, in respect of the Cabinet’s decision to approve in principle the establishment of a new East Renfrewshire Renewable Energy Fund as outlined in the report to replace the Whitelee Wind Farm Fund from later in 2016 (*Paragraph 7(b) above refers*), the call-in notice specified that:-

- (i) it was disagreed that there is no priority preference to settlements with turbines;
- (ii) there should remain a priority preference to settlements with turbines;
- (iii) there should not be a cessation of small grant funding;
- (iv) the intervention rates should remain at 87.5%;
- (v) core council services should not be eligible to apply; it is a community fund;
- (vi) none of this community fund be ring-fenced to support council services; and
- (vii) there should be a further review in 5 years.

9. In accordance with the call-in procedure, in addition to the Audit and Scrutiny Committee Members, the lead signatory to the call-in, Councillor Stewart Miller, and Councillor Vincent Waters, Convener for Environment, attended the meeting for the item together with the Director of Environment and Head of Planning, Economic Development and City Deal.

#### **COMMENTS MADE AGAINST CABINET PROPOSALS**

10. Councillor Miller spoke against various aspects of the Cabinet proposals. In summary the following points and arguments were made, including by others Members where indicated:-

- Regarding priority preference for funding to settlements with turbines, the Fund was established originally because Eaglesham and the area nearby were most disadvantaged by their proximity to Whitelee Wind Farm. This was recognised by the Environment Department at the time, the turbines remain, and all of East Renfrewshire can benefit from the Fund under the existing arrangements. Councillor Wallace referred to the original purpose and spirit of the Whitelee Fund agreement in terms of those in the priority Fund access area and the importance of maintaining integrity now with those living there.
- Establishing a Single Fund is less of a concern and unlikely to change the outcome of applications in any case.
- It is arguable that the Small Grant Fund was successful because all applications were approved and such grants can be helpful and make a difference. The lack of take up could have been due to insufficient advertising and awareness.
- When compared to the figures quoted in the Appendix to the report, the total specified of £11,864 of small grants awarded (Paragraph 16 of Cabinet report refers) understates the total grants awarded by approximately £2355. A Small Grant Fund could be administered by the same Panel as the Main Fund and rolled out to other areas. Councillor Wallace referred to the importance of the Small Grant Fund, especially for organisations that could not raise 25% of the funding required for projects.
- Reducing the intervention rate from 87.5% to 75% could dissuade some applicants from applying. It could be perceived as a means of increasing the level of funding available for Council applications and projects. Councillor Reilly commented that an option to award grant of between 75% and 87.5% of costs provided flexibility, including because

some deserving groups might not be able to source the 25% funding balance from elsewhere. Councillor McCaskill suggested that a more incremental approach to reducing the intervention rate to 75% over several years might be more acceptable.

- Core council services should not be eligible for funding because the Fund should be regarded as a community one and no part of it should be ring-fenced to support services the Council should provide. Councillor Grant shared this view, adding that the costs of services it was proposed to deliver from the ring-fenced budget should be met from the Council's mainline budgets, with the Wind Farm Funds directed instead to one-off projects. Councillor Wallace commented that it might be arguable that the proposed ring-fencing accorded with the priority status afforded to areas near Whitelee Wind Farm at present. However he added that given the nature of fuel poverty, which the funds were intended to alleviate, it would always be difficult to solve this problem totally and determine when an area's needs were fully met because setting criteria to determine this would be difficult. Councillor McCaskill commented that ring-fencing the proportion of the Fund as intended annually for Council led initiatives was unfair, particularly when applicants are being asked to source 25% of their project costs.
- Councillor Grant and Councillor Gilbert, supported by Councillor McCaskill, expressed concern about the reference in Paragraph 31 of the Cabinet report to the specified areas where the energy efficiency and fuel poverty proposals would be implemented, highlighting that such support could be required most by some living in other areas of East Renfrewshire. Councillor Wallace referred to the importance of transparency and the potential for those outwith Dunterlie to perceive that the funding is being directed to that area rather than where they live.
- It would be valuable to conduct a further review in 5 years.
- The current initiative and arrangements work well already and are commendable, therefore change is not required.
- Councillor McCaskill commented that the Whitelee Fund was proportionally, by far, the largest funding source of the two Funds that were the subject of the report. Reassurance was therefore required that the main driving force would not be meeting the needs of the area nearby Middleton Wind Farm.
- Councillor Robertson, supported by Councillor Gilbert, commented that the Panel's composition should be apolitical and that it may not be sufficiently balanced in terms of cross party representation and geography to help ensure that a fair and balanced approach is taken by it.

## **COMMENTS MADE IN SUPPORT OF CABINET PROPOSALS**

11. Councillor Waters, the Director of Environment and Head of Planning, Economic Development and City Deal spoke in support of the Cabinet proposals. In summary the following points and arguments were made, including by others Members where indicated:-

- Disbursement of funds will be by a Panel which is expected to judge applications equitably and determine the outcome on the basis of which are best. Therefore the issue of the lesser contributing area dragging the larger one should not arise.

- Further regarding the Panel, a simple and workable model was proposed. A review of the Panel's membership had been warranted, the outcome regarding Member representation on it being that it was proposed that the Convener for Environment, together with a representative of each of the two Wards in which the Wind Farms were located should be appointed to it. Taking this approach and one of appointing Members of the Administration to the Panel was considered reasonable. Enlarging the membership might not result in better decisions being made. The Convener assured those attending that his approach would be to support the best projects irrespective of their geographical location, an approach he was confident the other Members would adopt too.
- It is hoped that other funds will become available in future providing further potential to enhance community benefit. One aim of the proposals was to establish a model that could be developed through time. That said, regarding further Wind Farm developments, the developer and community determine if a community benefit payment is due and, if so, take this forward.
- Under the current scheme, access to the Fund is available across East Renfrewshire, with priority given to applications within 5km of the Wind Farm. Equating to grants of £436,000, 55% of assisted projects completed or planned are directly benefitting the local community in that zone. There is also further economic benefit to that area such as to local businesses associated with visitors to the Wind Farm, evidence that the needs of Eaglesham and Waterfoot have been largely met, and more applications now come from outwith the zone. It is acknowledged that residents in the priority area may regard the Whitelee Fund as a compensatory one, but it is also important to adopt a well-balanced, more level playing field approach and take account of the significant Fund related investment in that area thus far. Councillor O'Kane expressed some sympathy with views expressed on the proximity of some communities to turbines and the quasi-compensatory nature of the existing arrangements, but argued that communities through which construction vehicles travelled on route to Middleton Wind Farm were impacted by the development and that, on balance, a single Fund and the proposed approach was a better way forward. He also considered it important to explain why this approach was being taken.
- In 2009 there were few wind farms of the scale of Whitelee, but they are more common and accepted now.
- Having a single Fund covering Whitelee and Middleton means it can be more efficiently administered, there is no legal requirement for the funding to benefit the local areas nearest to the Wind Farms, and arguably other areas are disadvantaged at present.
- Funding available through Area Forums, which are being disbanded, was dispersed mainly to groups. Revisiting the Wind Fund arrangements and eliminating the priority status will help fill the funding gap created by the demise of the Forums and allow all areas to benefit from equal access to a single, larger Fund.
- It is acknowledged that the Small Fund grants awarded were inaccurately totalled in the report, but wider access to one single, main fund as proposed would be welcomed by many. Demand for small grants exists but it is clearly at low levels, a view supported by the fact that the Council's community grant fund has also been undersubscribed recently. The Small Grant Fund may have operated better under an organisation such as Voluntary Action East Renfrewshire (VAER) or East Renfrewshire Good Causes but, speaking generally, there is evidence that such arrangements do not work particularly well.

- It may have been insufficiently clear in the report that the intention was to start work on alleviating fuel poverty and improving energy efficiency in a limited area and then implement the initiative further afield on the basis of deprivation, doing this in partnership with an organisation such as VAER. The specific areas referred to in the report and reference to VAER were illustrative examples to help the Cabinet frame a view and because it was anticipated that Members would have requested examples had they not been provided. The intended approach, which may have been misperceived, is to address the needs of those in areas where fuel poverty is highest first, working with an organisation such as VAER to determine those experiencing fuel poverty. This is not considered an unreasonable approach.
- It is unlikely that such services would be provided otherwise due to lack of funding and implementation depends on securing a partner first. If any other proposal was ever made to ring-fence a further proportion of the Funds, Cabinet approval would be necessary. Councillor Robertson stated he was sympathetic to money being allocated to address fuel poverty following which Councillor O'Kane clarified that he supported the initiative also.
- Ring-fencing funds for Council led initiatives is not intended to replace, but rather supplement, other funding to help alleviate fuel poverty and improve energy efficiency to assist the elderly and those who are deprived. It is about directing resources where they are most needed. Such services are not provided at present, would benefit communities and are supported by ScottishPower Renewables (SPR). The Council is best placed to coordinate and provide these and no other organisation has been identified that would do so if the Council did not. SPR also supports the further consultation proposed on the Fund priorities. Meantime liaison with the Council's and SPR's communication teams is on-going on related publicity.
- Grants sought exceed the funds available. Although the current intervention rate is 87.5%, the proportion of funds awarded for individual projects thus far has varied below and up to this maximum, the dilemma faced being to award more funds to fewer projects or more money to a greater number. It is not anticipated that the number of applications will reduce. Under the existing arrangements, the Panel was prevented from achieving outcomes it wished to pursue, research suggests the 87.5% upper limit is generous, it is not sustainable in future because a fewer number of groups would benefit, and all projects offered less than the full rate sought had gone ahead. The balance of funds required for a project can come from another grant source, not necessarily the applicant directly.
- The Council must discharge statutory duties, but has powers only to promote wellbeing for community benefit for which financial resources are lacking. As reflected in Paragraph 28 of the Cabinet report, it is absolutely not intended that any funding secured from the Fund by the Council will be used to fund or replace services the Council has a statutory duty to provide, as a substitute for other statutory funding, or to bolster the impact of cuts. The focus will be adding value to communities and opportunities may exist to link some projects funded to other initiatives such as early years ones. Councillor O'Kane commented that the single Fund provided an important opportunity to add to Council funded provision and that the broader approach would help ensure funds are directed where most needed.
- The list of projects approved for Whitelee Funding already includes examples of projects akin to Council roads, parks and education projects, but they would not have been progressed had Whitelee Wind Farm Funds not been made available.

- A further review in 5 years makes sense, as does a review following the end of consultation on the Fund priorities later in 2016.

## **FURTHER ISSUES COMMENTED ON**

12. During further discussions on the possibility of compromise in terms of proposing a way forward acceptable to both those for and against the Cabinet's decisions that were called-in, the possibility of suggesting that a Small Grant Fund be maintained but with broader access to it was discussed. Councillor Waters commented that this was not an unreasonable suggestion which the Cabinet might be minded to accept.

13. The Head of Planning, Economic Development and City Deal expressed the view that the administration of a Small Grant Fund by the same Panel was not practical because a more nimble and quicker arrangement would be required than proposed for the Fund, adding that an existing organisation may have appropriate resources and infrastructure to do so. Councillor McCaskill suggested that VAER could be one such organisation. It was confirmed that not every community organisation had links with VAER.

14. Regarding the funds it was intended to ring-fence, Councillor Waters stated that if the Cabinet was minded to adopt an approach on their use that was not based on geographical considerations, this would align with the proposal to allocate the remaining funding on the basis of the strongest proposals irrespective of location. He added that a wide variety of grant applications were received that offered community benefit and were supportable.

15. Regarding the arrangements in place between SPR and South Lanarkshire, East Ayrshire and East Renfrewshire Councils, it was clarified that the operation of the schemes and related administrative arrangements differed in each area. Consequently like for like comparison was problematic.

## **CONCLUSION**

16. The Committee considered the arguments made in support of and against the Cabinet proposals that were called-in. In summary, the Committee was not persuaded to support fully the proposal put forward through the call-in on affording priority preference to settlements nearby the turbines. It was concluded that other communities could benefit from the single Fund and the Wind Farm developments did impact on a range of communities not just those closest to both. However, against the background of an aim of the original Whitelee Fund which was to mitigate the impact and effects of the wind farm on those closest to it, it was concluded that sight should not be lost of this aim when implementing the new arrangements in the spirit of the original agreement and to frame a recommendation on this in these terms. Reflecting on a comment made about wind farms being more accepted now, it was commented that tolerated may be a more accurate term.

17. During discussion on whether or not the intervention rate should remain at 87.5% or be reduced to 75%, the benefits and otherwise of various approaches, including the possibility of making this change incrementally over several years, were considered. On balance it was felt that some applicants could find it problematic to raise 25% of the resources required for deserving projects and that, where this was the case, having discretion to make further funds available could be beneficial. Rather than suggesting that specific criteria be established for doing so which it was felt would be challenging, it was observed that the existing intervention rate of 87.5% already allowed the Panel to grant awards of a lesser rate of 75% if it considered that appropriate and also to award up to 87.5% when merited. On that basis, it agreed to support the proposal specified in the call-in.

18. On balance the arguments made in favour of maintaining a Small Grant Fund were accepted, access to which it was felt should be widened to cover the whole of East Renfrewshire, including to mitigate against the loss to communities of Area Forum funding. As a caveat to this, it was concluded that the existence of the scheme and how to apply to it needed to be sufficiently promoted to encourage applications.

19. Having considered the views expressed for and against core council services being eligible to apply to the fund, on balance it was felt that this provision should remain. On balance it was also felt that there was merit in £40,000 be ring-fenced as proposed and agreed by the Cabinet for the alleviation of fuel poverty and promotion of energy efficiency. However it was also concluded that the focus of the initiative had to be on helping those in most need of support irrespective of where they are based geographically. It was commented that the success or otherwise of implementation of such initiatives was not something that could easily be determined after a single year or on the basis of a piecemeal approach. However, it was felt important to have a formal review of this and to submit a formal report to the Cabinet on that review after a period of time. Following discussion, it was concluded that a formal review and the submission of a report on this to the Cabinet after a period of 2 years from implementation was appropriate and would enhance transparency on this issue. More generally support was expressed for a formal review of the whole initiative after a period of 5 years which had not been considered inappropriate by Convener in any case. Otherwise, the decisions made by the Cabinet were accepted.

#### **AUDIT AND SCRUTINY COMMITTEE'S DECISION**

20. The Audit and Scrutiny Committee, following consideration of the call-in issues raised as reiterated at (i) to (vii) below:-

- (i) it was disagreed that there is no priority preference to settlements with turbines;
- (ii) there should remain a priority preference to settlements with turbines;
- (iii) there should not be a cessation of small grant funding;
- (iv) the intervention rates should remain at 87.5%;
- (v) core council services should not be eligible to apply; it is a community fund;
- (vi) none of this community fund be ring-fenced to support council services; and
- (vii) there should be a further review in 5 years;

and on the basis of the outcome of their discussions as outlined in this report:-

- (a) agreed in relation to (i) and (ii) above on the issue of priority preference to settlements with turbines, that the aim of the original scheme was to mitigate the impact and effects of the wind farm on those closest to it and to recommend that sight should not be lost of this aim when implementing the new arrangements in the spirit of the original *agreement (Cabinet decision supported subject to qualification)*;

- (b) agreed in relation to (iii) above on small grant funding, to recommend that the small grant funding scheme should continue with access to it widened to cover the whole of East Renfrewshire, including to mitigate against the loss to communities of Area Forum funding for small projects; and furthermore that it be ensured that the existence of the scheme and how to apply to it is sufficiently promoted to encourage applications (**Cabinet decision not accepted and call-in proposal supported**);
- (c) agreed in relation to (iv) above on the intervention rate, to recommend that the intervention rate should remain at 87.5% because that does not preclude grants being awarded at 75% (**Cabinet decision not accepted and call-in proposal supported**);
- (d) agreed in relation to (v) above on the eligibility of core council services to apply for funding, in accordance with the decision made by the Cabinet, that they should be eligible to apply to the fund (**Cabinet decision accepted**);
- (e) agreed in relation to (vi) above on ring-fencing, that £40,000 be ring-fenced as proposed in line with the Cabinet decision, but to recommend that this be subject to the focus of the initiative on alleviating fuel poverty and the promotion of energy efficiency being to help those in most need of support irrespective of where they are based geographically and implementation of the initiative being formally reviewed by the Cabinet after a period of 2 years from when the initiative is up and running (**Cabinet decision accepted subject to qualification**);
- (f) agreed in relation to (vii) above on a further review, to recommend that the full scheme be reviewed after a period of 5 years (**call-in proposal supported**);
- (g) otherwise, agreed with the decisions made by the Cabinet; and
- (h) agreed that a report on the Committee's deliberations and recommendations be prepared and finalised by the Clerk, in liaison with the Chair, and submitted to the Cabinet.

## RECOMMENDATION

21. It is recommended that the Cabinet consider the report and associated recommendations made and decide, based on the reasons set out within the report, whether or not to accept the Audit and Scrutiny Committee's recommendations which are not fully in line with the Cabinet's decisions and which, if accepted, will become the decision of the Cabinet.

22. If the Cabinet does not accept the Committee's recommendations, the matter will require to be referred to the next available meeting of the Council to decide whether either the Cabinet's original decision or the Audit and Scrutiny Committee's proposals should be approved.

## Local Government (Access to Information) Act 1985

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Background papers:- Reports submitted to Cabinet and Audit and Scrutiny Committee on 18 February and 3 March 2016 respectively and associated documentation.

**KEY WORDS:** Whitelee Wind Farm Fund, East Renfrewshire Renewable Energy Fund, grants, Renewable Energy Fund, community benefit, Middleton

EAST RENFREWSHIRE COUNCIL

CABINET

18 February 2016

Report by Director of Environment

EAST RENFREWSHIRE RENEWABLE ENERGY FUND

**PURPOSE OF REPORT**

1. To advise the Cabinet of the positive outcomes of the Whitelee Wind Farm Fund since its inception and to seek approval to establish a new East Renfrewshire Renewable Energy Fund to operate from later in 2016.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- (a) Note the success of the Whitelee Wind Farm Fund;
  - (b) Approve in principle the establishment of a new East Renfrewshire Renewable Energy Fund as outlined in the report, to replace the Whitelee Wind Farm Fund from later in 2016;
  - (c) Nominate Councillor representation to and a chairperson for the Panel as appropriate (plus substitute members if considered appropriate);
  - (d) Approve the inclusion of the Chief Executive of East Renfrewshire Voluntary Action as a voting member of the Panel;
  - (e) Agree that the new panel should meet as soon as possible to determine the current outstanding 2015 applications in accordance with the terms of the existing Whitelee Wind Farm Fund; and
  - (f) Agree that prior to the Panel meeting again in 2016, appropriate community consultation be carried out in relation to the priorities of the proposed new Fund.

**BACKGROUND AND REPORT**

3. The Whitelee Wind Farm Fund was established as part of the Legal Agreement signed by the developer of the Whitelee wind farm that agreed to pay a sum annually to the local authorities within whose areas the wind farm was located. In addition to funding the '*development, implementation and administration of the (Whitelee) Access Action Plan*' the payment was to be used for '*charitable, educational, environmental or other appropriate purposes*'.

4. East Renfrewshire Council agreed in November 2007 to set up a fund for distributing and allocating the income. After deducting the costs of the Access project (for necessary infrastructure work and the ranger service), the remaining approximately 50% of the income from Scottish Power Renewables (the wind farm operator) would be allocated to the Fund. The income would be paid annually over the lifetime of the wind farm, estimated at 20 plus years.

5. The basic principles of the Fund agreed by the Cabinet on 27 August 2009 are:
- The Fund is available across East Renfrewshire however priority will be given to applications within 5km of the wind farm (essentially Eaglesham and Waterfoot)
  - The Fund is open to all groups and organisations within East Renfrewshire as long as they are constituted, have a bank account and are established for the purposes of delivering community benefit
  - East Renfrewshire Council is eligible to apply to the Fund but must demonstrate community support for the project and that the project is in addition to normal service provision
  - The types of project eligible to apply for funding is wide-ranging
  - Projects should have a minimum total cost of £20,000
  - Only capital spend will be supported
  - The Fund will provide up to a maximum of 87.5% eligible costs
6. Applications to the Fund are considered annually by the Whitelee Panel. This comprises
- Three senior officers from the Environment Department
  - Councillor Carmichael (or Councillor Lafferty as his substitute)
  - A representative from the East Renfrewshire Chamber of Commerce; and
  - A representative from Eaglesham and Waterfoot Community Council
7. Each of the representatives (including the three Senior Officers from the Environment Department) have one vote each. The panel make a recommendation to the Director of Environment for approval. In the event of a split decision the Director of Environment has the final say as to whether or not the proposal should be approved.
8. The Cabinet subsequently agreed in June 2011 to allocate £10,000 a year from the Fund to the Eaglesham and Waterfoot Community Development Trust (E+WCDT) to manage a Small Grant Fund (awards up to £2000) for the Eaglesham and Waterfoot area to accommodate local demand for small grants.

#### **WHITELEE WIND FARM FUND SUMMARY 2010 - 2014**

9. Since its launch the Fund has received income of around £857,000 (including £134,650 for 2015/16 which has not yet been allocated). 51 Applications have been determined with 38 applications approved and 13 applications refused. Five grants have subsequently been withdrawn due to lack of progress on the projects. In total £756,072 has been awarded in grants (this figure includes 'recycled' under spend and the reallocation of withdrawn grants). As stated this year's applications have still to be determined.
10. The majority of the grants have been used for building refurbishment, play/ leisure projects and the purchase of equipment. Full details of the applications and awards are shown in Appendix 1.
11. In all the years of operation, the level of grant requested has exceeded the funds available.

12. Although the Fund can award up to a maximum of 87.5% of eligible project costs, levels of award have varied from the maximum to a lesser figure reflecting both the actual percentage grant requested and the desire by the Panel to spread the available money as far as possible and assist a greater number of projects.

13. Reasons for refusal of applications include the application not meeting the terms of the Fund, grant requests being excessive and outwith the priority area and applications being premature.

14. 55% of the Whitelee Fund assisted projects completed/ planned are located in or directly benefit the priority area of Eaglesham and Waterfoot.

15. It is estimated that approximately £2.6 million has been invested into the local community with the assistance of the Whitelee Fund.

16. The Small Grant Fund received £10,000 in each of the years 2011 and 2012, and a reduced sum of £5000 in 2013. Of the £25,000 allocated only £11,864 has been awarded. Appendix 1 shows the full details.

## **NEED FOR REVIEW**

17. It is appropriate and important to review the operation of the Fund to ensure it continues to operate effectively and efficiently.

18. Other factors that suggest this is an appropriate point at which to review the Fund are the review of the five year Whitelee Access Action Plan in February 2015 and the emergence of other renewable energy projects elsewhere in East Renfrewshire.

19. Since its launch, the Whitelee Fund has empowered local community organisations to improve their communities. In particular, Eaglesham has seen over £436,000 of Whitelee funds invested into its local community facilities and events. This 'capture' of a high proportion of Whitelee Funds is partly due to the priority status afforded Eaglesham (and Waterfoot) due to its proximity to the wind farm but also as a result of local organisations being afforded prior notice of the Fund and then being pro-active in identifying eligible projects. However, as the community needs of Eaglesham are now being largely met and word about the Whitelee Fund spreads throughout East Renfrewshire, fewer applications emanate from Eaglesham and more from other East Renfrewshire communities (see Appendix 2).

20. At less than 50% of available budget, uptake of the Eaglesham and Waterfoot Small Grant Fund has been extremely disappointing despite this being set up in response to community pressure.

21. As a result of the success of the Council in managing an effective community benefits funds for Whitelee, Scottish Power Renewables has agreed to direct their Middleton wind farm community benefits package to the Council to manage. Other renewable energy developers in the future will be made aware of the Council's Fund for distributing community benefit income, and the opportunity to participate in the agreed Council run arrangement. However, developers do have the right to establish their own mechanism for the distribution of community benefits.

22. The Fund as approved offers a maximum grant of 87.5%. In comparison to most other funding sources this is generous. As the Fund has been over-subscribed each year, the Panel has to decide whether to award this top rate of grant to a limited number of applications or award a lesser percentage to more projects. To date all projects offered a reduced grant have still gone ahead which suggests that the intervention rate could be reduced without diminishing interest in or accessibility to the Fund.

## **ESTABLISHMENT OF THE EAST RENFREWSHIRE RENEWABLE ENERGY FUND**

23. The Council is in the process of concluding a legal agreement with Scottish Power Renewables regarding Middleton wind farm. The agreement will see the Council managing the £30,000 per year (backdated, and index linked from July 2013) community benefit income from the Middleton wind farm. The agreement requires that the money be used '*for the benefit of or to meet the local needs of the local community within East Renfrewshire Council and within 10km of the wind farm centre*'. This 10km geography covers the vast majority of East Renfrewshire. Payments will continue for 25 years or until decommissioning, whichever comes first.

24. The length of time taken to conclude the agreement for Middleton has been a major factor in the time taken to review the fund. However, clearly agreement had to be reached with the energy provider regarding the details before consideration could be given to the establishment of a combined fund for East Renfrewshire.

25. To reduce the complexity of managing multiple renewable energy funds across East Renfrewshire it is proposed to combine income from both Whitelee and Middleton wind farms and to operate a single fund, with a single set of criteria, available across the whole authority. In the future any additional community benefits from other renewable developments will be added to this single Fund (where agreement with Developers can be reached). Under this single Fund **no priority or preference will be given to any settlement and all applications will be considered on their merit**. This would mean that the preferential status currently afforded Eaglesham and Waterfoot through the Whitelee Fund would cease as it is no longer considered appropriate.

26. Given the poor uptake of the Small Grant Fund Scheme it is proposed that this be withdrawn.

27. The proposed 'East Renfrewshire Renewable Energy Fund' will combine community benefit income from Whitelee and Middleton and potentially from other renewable developments in the future and therefore have more funds to award each year. However the increasing interest in the Fund and the publicity that will follow the approval of a new fund - promoting its availability across East Renfrewshire, will be expected to maintain, and probably increase, the numbers of applications to the Fund. Maintaining the 87.5% maximum grant rate is likely to be unsustainable in the long term. It is therefore proposed that the intervention rate be reduced to a maximum of 75% but that each application is still judged on its merits and in the light of the number of applications received and the funds available each year.

28. It is proposed to amend slightly the terms under which the Council can apply to the Fund in order to make this more straightforward. Future applications from Council services will need to demonstrate that they are not to finance or replace a service that the Council has a statutory obligation to provide or in substitution of existing statutory funding.

29. The use of the Fund by community organisations to improve buildings and purchase equipment is well established and is expected to continue as the main draw upon the Fund in future years. It is important however that the legacy of the Fund also addresses key issues within our community that would not be expected to form the basis of any application by community organisations and where the Council is best placed to take a proactive role. In particular, the promotion of energy efficiency initiatives directly links back to the source of this funding.

30. Against this background, it is proposed that £40,000 of the integrated Fund is ring fenced annually to fund Council-led initiatives in order to alleviate fuel poverty and further improve energy efficiency in identified properties.

31. If approved by the Cabinet, it is proposed that the first area to benefit from these energy efficiency initiatives will be Wraes Avenue/ Stewart Street, Barrhead. This area is within the 2% most deprived small areas in Scotland and comprises 20 households (5 x 4 in a block), all ERC owned. The initiative would then be rolled out to all properties covered by Council Tax Bands A, B and C within the Dunterlie area. The exact detail of interventions and an ongoing programme of properties to be targeted will be taken forward by the Environment department. Where properties are Council owned, 25% of costs would be met through the Housing Revenue Account. The Cabinet is simply asked at this stage to approve the general principle.

32. Using some of this ring-fenced money, it is also proposed that in partnership with Voluntary Action East Renfrewshire, we will seek to identify older, vulnerable members of our community who would benefit from advice and direct assistance in improving the energy efficiency of their homes with a view to alleviating fuel poverty.

## **PANEL COMPOSITION**

33. As the new Renewable Energy Fund will be available across the East Renfrewshire area there is no longer the need or justification for specific representation from any specific area.

34. In order to represent the wider community it is proposed that the Chief Executive of Voluntary Action East Renfrewshire be invited onto the panel to provide a professional, independent, broad third sector input to the grant assessment process. That person has a wide range of knowledge regarding the Council and communities and is unlikely to represent any groups making a bid to the fund. It is proposed that this member of the Panel will have a vote.

35. In addition the Director of Environment will nominate a member of staff who will manage the Fund arrangements, support and participate fully in the panel and provide professional advice as required. However, that member of staff will not have any voting rights.

36. One of a Councillor's many roles is to represent residents and interest groups within their ward. It is proposed therefore that the balance of panel representation comprise elected members who would act in the capacity of representing the wider communities' interests. The Cabinet is therefore asked to consider Elected Member representation including a Chairperson for the panel and (if considered appropriate) substitute members.

## **INTRODUCTION OF REVISED ARRANGEMENTS**

37. As a result of the ongoing review of the fund, the panel meeting which was due to be held in November 2015 to consider applications did not meet. As a result, these applications remain outstanding. Applicants were given to understand that their applications would be considered under the terms of the scheme which existed at the time their application was submitted.

38. Subject to Cabinet approval in relation to the revised panel composition, it is proposed that the new panel be asked to convene as soon as possible to consider previously submitted applications, under the terms of the fund which was in existence at the time of application.

39. Moving forward and given the wider community interest in the fund, it is proposed that appropriate community consultation be undertaken regarding the priorities of the fund. This will take place before the panel would meet again later in November 2016 to consider the next round of applications (under the terms of the revised scheme).

## **FINANCE AND EFFICIENCY**

40. The East Renfrewshire Renewable Energy Fund will continue to be a valuable source of funding for investment in local community projects. The Fund will continue to be administered by the Environment department within existing resources.

## **CONSULTATION AND PARTNERSHIP WORKING**

41. This is a new Council wide fund. It is proposed that prior to the Panel meeting again later in 2016 that appropriate consultation be carried out in relation to the priorities of the proposed new Fund.

## **IMPLICATIONS OF THE PROPOSALS**

42. There are no property, legal, IT or equalities implications directly associated with the proposals contained within this report. In relation to staffing, as the Panel meets once yearly there should be no significant resource implications. Regarding sustainability, funds flowing into the revised arrangements come directly from investment in sustainable energy sources.

## **CONCLUSIONS**

43. The Whitelee Wind Farm Fund has been a major success and has enabled significant community-led investment into local facilities and activities. A review of the Fund is required to take account of the availability of additional community benefit funds from renewable developments elsewhere in East Renfrewshire plus the reducing number of applications from Eaglesham. The new East Renfrewshire-wide Renewable Energy Fund will continue to offer local communities the opportunity to invest in their areas. The revised Fund also allows the Council to further address fuel poverty and promote energy efficiency.

44. The main changes proposed are therefore

- One Renewable Energy Fund for the East Renfrewshire area
- No priority or preference given to any settlement
- The Chief Executive of Voluntary Action included as a voting member of the Panel
- Cessation of the Small Grants Fund
- Intervention rate reduced to a maximum of 75%
- Fund widened to help alleviate fuel poverty and further improve energy efficiency in deprived areas
- Appropriate community consultation regarding the priorities of the proposed new Fund prior to it meeting later in 2016

## RECOMMENDATIONS

45. The Cabinet is asked to:

- (a) Note the success of the Whitelee Wind Farm Fund;
- (b) Approve in principle the establishment of a new East Renfrewshire Renewable Energy Fund as outlined in the report to replace the Whitelee Wind Farm Fund from later in 2016;
- (c) Nominate Councillor representation to and a chairperson for the Panel as appropriate (plus substitute members if considered appropriate);
- (d) Approve the inclusion of the Chief Executive of East Renfrewshire Voluntary Action as a voting member of the Panel;
- (e) Agree that the panel meet to determine the current outstanding 2015 applications in accordance with the terms of the existing Whitelee Wind Farm Fund; and
- (f) Agree that prior to the Panel meeting again in 2016 appropriate community consultation be carried out in relation to the priorities of the proposed new Fund.

Director of Environment

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**KEY WORDS:** A report reviewing the outcomes of the Whitelee Wind farm Fund and seeking the establishment of the new East Renfrewshire Renewable Energy Fund Whitelee Wind Farm Fund, grants, Renewable Energy Fund, community benefit, Middleton

## Summary of Applications to the Whitelee Fund and the Whitelee Small Fund

### Whitelee Fund

Applicant	Project	Decision	Grant Award
Eaglesham + Waterfoot Community Council	Pedestrian Crossing at Craighlaw Ave/ Glasgow Road, Waterfoot	Approved	£35,000
Eaglesham + Waterfoot Community Council	New swings at Eaglesham Park	Approved	£17,943
Eaglesham Primary School Parent Council	MUGA at Eaglesham Primary School	Approved	£68,250
Eaglesham Fair Association	Eaglesham Fair 2011	Approved	£20,000
Neilston Development Trust	Renovation of The Bank, Neilston	Approved reduced sum	£20,000
205 <sup>th</sup> Glasgow Boys Brigade (Eaglesham)	New tents	Approve	£17,072
1 <sup>st</sup> Neilston Scout Group	Rebuilding of scout hall, Neilston	Approve reduced sum	£10,000
Age Concern Eastwood	Purchase of two new buses	Refused	£0
Castle Nursery	Eco-garden for nursery and Mearns Castle High School	Refused	£0
Eaglesham Music and Drama Group	Upgrade of theatrical facilities at Montgomery Halls, Eaglesham	Approved reduced sum	£19,775
15 <sup>th</sup> Glasgow (Eaglesham) Scout Group	Refurbishment of scout hall, Eaglesham	Approve reduced sum	£75,000 (Grant subsequently withdrawn)
Age Concern Eastwood	New wheelchair accessible mini bus	Approved	£26,000
Eaglesham Parish Church	Refurbishment of Mid Hall, Eaglesham	Approved	£40,000
Eaglesham PS/ Parents Council	Installation of outdoor learning area	Approved	£21,939.95
Eaglesham Music and Drama Group	Installation of theatrical equipment in Montgomery Hall, Eaglesham	Approved	£7350
Eaglesham and Waterfoot Community Council	Installation of play equipment in Eaglesham Park	Approved	£26,323
Phoenix Flames Cheerleaders	Purchase of uniforms and training equipment	Refused	£0
Visible Fictions Theatre Company	Educational programme involving local schools	Refused	£0
Clarkston Scouts	Installation of solar panels on scout hall	Refused	£0
Neilston Scouts	Additional grant towards rebuilding of scout hall	Approved reduced sum	£10,000
Eastwood Park Allotments	Purchase of greenhouse with solar panels	Refused	£0

## Appendix 1

Eglesham and Waterfoot Community Development Trust	Refurbishment of Eaglesham Pavilion and improvement to Eaglesham Playing Fields	Approved reduced sum	£40,000 (Grant subsequently withdrawn)
East Renfrewshire Good Causes	Contribution towards project funds	Refused	Nil
Eglesham Lodge	Building improvement works	Approved	£40,000
1 <sup>st</sup> Barrhead Scout Group	Building improvement works	Approved reduced sum	£30,000
Uplawmoor Lawn Tennis Club	Tennis courts improvements	Approved	£5,000
Eglesham Fair	Contribution towards costs	Approved reduced sum	£15,000
The Regeneration of Eaglesham Environment (TREE)	Landscape improvements	Approved reduced sum	£8,000
Eglesham and Waterfoot Community Council	Play equipment	Approved	£26,249
Dams to Darnley Angling Club	New footpath	Approved	£31,111 (Grant subsequently withdrawn)
Busby Primary School and Parents Council	Playing field improvements	Approved	£15,620.85 (Grant subsequently withdrawn)
Clyde River Foundation	Contribution towards delivering school education programme to wider Whitelee area	Refused	Nil
Lodge St John Busby No. 458	Hall refurbishment works	Refused	Nil
Eglesham Parish Church	Hall improvement works	Refused	Nil
Greenbank Parish Church, Clarkston	Replacement windows to church hall	Approved reduced sum	£12,500
Eglesham and Waterfoot Community Development Trust	Replacement of village heritage points with stone cairns	Approved	£16,190
Eastwood Nursery Allotments Association	Rebuilding of wall	Approved reduced sum	£18,900
1st Barrhead Scout Group	Phase 2 hall refurbishment	Approved	£15,000 (Grant subsequently withdrawn)
Giffnock Soccer Centre	Provision of changing facilities	Approved reduced sum	£20,000
Hamilton/ East Renfrewshire Cricket Club	Cricket equipment	Approved reduced sum	£10,000
Neilston War Memorial Association	Erection of war memorial	Approved reduced sum	£5,000

## Appendix 1

St Bridget's Church, Eaglesham	Improvements to church hall	Approved reduced sum	£25,000
Maxwell Mearns Castle Church	Mearns Castle feasibility study	Approved	£17,850
Mearns Bowling Club	Extension/ improvements to club facilities	Approved reduced sum	£21,000
Mearns Kirk	Design and cost report for graveyard retaining wall	Approved reduced sum	£18,900
Eglesham Fair	Hire of marquee for 2015 fair	Approved	£6,300
St Joseph's Church	Refurbishment and repair of church hall	Refused	£0
Big Green Feet	Food recycling project	Refused	£0
Busby Nursery Class	Refurbishment of play area	Approved reduced sum	£30,000
Eglesham Parish Church	Refurbishment of Carswell Hall	Approved reduced sum	£50,000
Neilston Development Trust	New play area, Kingston Playing Fields	Refused	£0

### Whitelee Small Fund

Eglesham and Waterfoot Community Development Trust	General repairs to Heritage Trail	Approved	£1,259.29
205 Junior Section Boys Brigade	Sports equipment	Approved	£452.81
Eglesham Toddlers Group	Day trip/ play equipment	Approved	£649.55
3rd Eaglesham Brownies	Equipment, activity costs	Approved	£727.56
1st Eaglesham Guides	Tents	Approved	£612.50
Eglesham Bowling Club	Centenary celebration materials	Approved	£1,200.00
Eglesham and Waterfoot Community Development Trust	Village entrance improvements	Approved	£1,200 (Application subsequently withdrawn)
Eglesham and Waterfoot Community Development Trust / Sheltered Housing Complex	Garden seats and benches	Approved	£1,200.00
St Josephs Primary School	Gardening shed	Approved	£1,079.95
2nd Eaglesham Brownies	Activities and materials	Approved	£217.36
Eglesham and Waterfoot Community Development Trust	Pavilion etc feasibility study	Approved	£764.03

## Appendix 1

Eaglesham Fair	4 no. gazebos	Approved	£1,125.57
Eaglesham Toddlers Group	Trip to Ayr	Approved	
205 Junior Section Boys Brigade	Trip to theatre	Approved	£452.81
Eaglesham Toddlers Group	Trip to Ayr	Approved	£300.00
Eaglesham Fair	4 no. gazebos	Approved	£1,125.57
205th Glasgow Company Eaglesham Boys Brigade	Musical instruments	Approved	£763.00
Eaglesham History Society	Printer etc	Approved	£324.57
Eaglesham Parish Church	Hire of fun day items	Approved	£1,200.00
Eaglesham and Waterfoot Community Development Trust	Pavilion etc feasibility study	Approved	£764.03

Whitelee Fund - Application Origination

	Eaglesham +Waterfoot		Other		Total
	Approved	Refused	Approved	Refused	
<b>2010</b>	7	0	2	2	11
<b>2011</b>	5	2	2	2	11
<b>2012</b>	4	0	4	1	9
<b>2013</b>	2	1	7	2	12
<b>2014</b>	2	0	3	3	8
<b>Sub-total</b>	20	3	18	10	51
<b>Area Totals</b>	23		28		
<b>Grand total</b>	51				

In 2010 and 2011, applications from Eaglesham (and Waterfoot) exceeded applications from elsewhere in East Renfrewshire by seven to four; in 2012 this became more equitable (four from Eaglesham and five from elsewhere). In the last two years, applications from elsewhere have exceeded those from Eaglesham by some margin (three to nine and two to six). This suggests that the interest, need or match funding ability of Eaglesham has reached near capacity.