

EAST RENFREWSHIRE COUNCILCABINET18 February 2016Report by Director of EnvironmentEAST 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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January 2016

**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

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### 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

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

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

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

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