

**ECONOMIC AND COMMUNITY REGENERATION CABINET
BOARD**

REPORT OF THE HEAD OF PLANNING, N. PEARCE

2ND APRIL 2015

SECTION A – MATTER FOR DECISION

WARD(S) AFFECTED: ALL

**COMMUNITY FUND POLICY FOR RENEWABLE ENERGY
GENERATING DEVELOPMENTS**

Purpose of Report

The purpose of the report is to provide feedback on the outcome of the All Members Seminar and to confirm progress of the Draft Community Fund Policy to the Economic and Community Regeneration Board. The recommendation at that Board will be to seek authorisation to Externally Consult on the Draft Policy document.

Background

In 2005 the Welsh Government published ‘Technical Advice Note 8 : Planning for Renewable Energy’ which amongst other things identified the creation of 7 Strategic Search Areas (SSAs) which would support large scale wind farm developments. Two of the SSAs (Areas E & F) are located within Neath Port Talbot and have resulted in significant interest in this area for wind farm development, both large and small.

In addition to wind energy, this authority has also received significant interest in other forms of renewable energy generation, including large scale solar farms, Biomass and Tidal Power, to name but a few.

TAN 8 refers to the potential for wind generating developments to make a contribution in the form of Community Benefits, however our experience suggests that these forms of benefit are not restricted to wind generating developments only. It is clearly evident that other developers are recognising the need to make contributions to the local and wider

communities within which they are sited, to partially mitigate for the impact they cause.

Proposal

Up until now, this Council has been successful in securing such benefits, however these have been on an ad-hoc basis and have required individual negotiation on each scheme without a policy position to support such negotiations. It has also resulted in much debate over the distribution of such funds within the surrounding communities.

It is therefore recognised that a policy is required which will establish a clear structure associated with the scale of contributions for each form of energy generating development, a clear methodology for the distribution of the secured funds, together with clear governance arrangements associated with such distribution.

A Draft Policy was produced in the Autumn of 2014 which was the subject of an All Members Seminar on the 18th November 2014. It was originally intended to report the policy document to the ECR Board on the 5th December 2014, however given the strength of feeling displayed within the seminar, it was agreed that a longer period of time would be given to the Members to enable them to consider the policy in more detail and provide their observations in writing to the Head of Planning. They were also advised that any proposed modifications to the policy would need to be evidence based.

Since the seminar was held three responses have been received from Members which are summarised as follows (the observation is in bold with the response in normal print immediately after):

- **The 2km zone is too tight and an assessment of the areas which are likely to be the subject of applications in the future should be assessed to identify whether this buffer would capture local communities. A suggestion has been made that this should be increased to 5Km, and it should benefit communities that host the turbines even if they cannot be seen from those communities.**

Such an assessment has been undertaken and it confirms the original concerns by officers that if you increase the size of the buffer zone, the number of communities who will benefit from the fund will increase and as a consequence the amounts they will be

eligible for will decrease. The knock on effect will be the dilution of tangible benefits associated with each fund. Furthermore the larger the fund area becomes, the greater complexity and consequentially the costs associated with administration of the fund. It could be argued in certain areas that the costs of such management may outweigh the value of the fund. To demonstrate this, if a 2Km buffer zone was drawn around the Mynydd Marchywel windfarm it would include three wards, however if this was extended to 3 Km, it would include eight wards which would result in less money for each ward but an increase in the administration. Whilst it is noted that Members in all communities would want to receive a share of the fund however small that share may be, the fund still needs to produce positive and tangible outcomes and as important, it needs to be administered cost effectively. This cannot be achieved if the areas of benefit are too large.

As a result it is now proposed to allow all communities which are within the 2 Km buffer zone to have equal access to the fund associated with that wind farm.

In addition to the above, further consideration has been given to the method of distribution associated with wind farm funds. It was originally proposed to distribute the fund based on the number of turbines visible from each community. This would have resulted in individual wards lying within the agreed buffer zone being eligible for varying amounts of money dependent upon how many turbines were visible from within those communities. Whilst this method linked the compensation to communities to the impact upon those communities, having given further consideration to the logistics of such a method, it is evident that it will be logistically difficult to deliver in practice, and to manage in the longer term.

- **An assessment could be made with flexibility to ensure that a proportion of available funds go to communities rather than a strategic pot.**

It is not possible to apply a consistent, transparent and accountable approach to the distribution of funds between a strategic pot and a community pot if flexibility is applied to the distribution of funds between the two pots. This must be prescribed from the outset.

- **Concerned regarding the ratio of Elected Members compared to the third sector and local representatives on the steering panels. It is even suggested that Elected Members should be observers rather than have voting rights. Concerns have also been expressed in relation to the number of representatives on each panel.**

Further consideration has been given to this issue and it is more appropriate to ensure that equal weight is given to Elected Members whether at County Borough level or Community/Town Council level when compared to non-elected members ie the Third Sector and local residents. As a result it is proposed to secure a 50:50 split between Elected Members and Local representatives.

In terms of the number of panel members for each fund this has also been given further consideration and it is difficult to establish a set number of representatives. This is on the basis that each area will have different degrees of elected representation. For example some areas have single Member wards and others have up to three Members. If this representation needs to be equally matched by third parties including the voluntary sector and local residents, all steering panels will be different in terms of their size. As a consequence it is proposed to allow the size of the panel to be determined following the successful negotiation of a fund by the fund manager, in consultation with the relevant County Borough Members. This will allow for variation in steering panel size commensurate to the communities that they serve.

- **Who would pay for the cost of elections associated with the establishment of the Steering Panels. Would it be from the fund or from the Community Councils? If Panel Members include County Borough and Community Council members, these are already elected and should not be subject to a separate election process. The terms should also be increased to four years to marry in with the election periods.**

This cost will be covered from the administration fee. The period of election cannot tie into local elections as the funds will come on-line at varying times which will not necessarily tie in to a local election. Experience in managing other funds operational within the County Borough suggest that a three year period is the most

appropriate to enable panel Members sufficient time to view projects from inception to implementation.

- **The two year constraint on spending the fund on individual projects is too tight as larger projects require longer project implementation periods. A 4 year period would be more sensible.**

The two year period is not a restriction on the spending of money for projects which are approved and have funds committed to them. It is acknowledged that larger scale projects will take a considerable amount of time to secure match funding and to get up and running. These are likely to be the subject of a phased programme of payments but the commitment to the funding will be made at the approval stage. These projects will need to be delivered in accordance with their bespoke delivery plan. The two year period has been introduced in relation to funds which remain in a fund for more than two years and have not been committed to a project. Whilst it is important to retain this constraint in place to avoid monies building up and remaining unspent, it is also acknowledged that a two year period may be overly restrictive. It is therefore suggested that this is increased to three years and refers specifically to unspent money which is also uncommitted.

- **Panel meetings should be every six months rather than every quarter, thus enabling bids to be properly assessed. The bid process should be open for at least one month to allow as many bids as possible.**

Experience suggests that on larger funds, quarterly meetings are more appropriate. It is however suggested that we have a two tier system whereby funds which secure an annual payment of between £1000 and £25,000 would meet on a six monthly basis, while funds with annual contributions of more than £25,000 will meet on a quarterly basis.

- **Two administrators for these funds may be insufficient and the cost of the administration fee should be increased from 5% to 8%. Will the fund administrators be the final decision maker or will that decision be made by the steering panel.**

It is acknowledged that the work associated with managing multiple funds will be significant. However it is also important to ensure that maximum use of the funds is made to deliver quality outcomes at a community level. If the number of support staff required to administer and manage these funds is increased it will result in less money being available for the communities themselves. It is acknowledged that the appropriate support is required to ensure that maximum benefits are realised from the funds, however this needs to be a careful balance. Therefore in the short term it is proposed to retain the number of administrators to two, but acknowledge that this can increase should the number of funds increase to an extent that additional support is required.

In terms of the decision maker, all decisions will be made by the appropriate steering panel where they exist. (There will be circumstances in relation to smaller funds where a one off payment has been made which do not require a steering panel to be established – these will be explained later in this report) the administrator will advise and ensure that decisions are being made in accordance with the agreed guiding principles and will implement acceptable decisions. These will then be authorised by the appropriate Head of Service.

- **Schools should be able to bid for funds associated with projects that fall outside normal LEA funding, to enhance extra-curricular activities.**

Schools are currently able to bid for funding for extra-curricular projects which are community led. This will remain unchanged.

- **The distribution of funds needs to improve the quality of life of the people living in the communities affected. The distribution needs to be linked into the Welsh Government themes of Economy, Health and well-being, Enterprising, and Green. They should also be linked into the Welsh Government programmes; “Making Sustainable Decisions” and the European Regeneration Programme.**

Accepted and agreed.

- **A Haulage fund of 5% should only be for the first year of the fund.**

This is the existing proposal within the policy document.

- **Will the strategic fund be used for projects such as the Credit Union and Citizens Advice Service which benefit all of NPT?**

The funding priorities associated with the Strategic Fund will be determined by the Economic and Communities Regeneration Board

- **The Chair and Vice Chair of the Panel should be elected every year, with the panels being in place following local authority elections.**

One year is insufficient to secure ownership of the responsibilities associated with chairing a panel especially given the training requirements associated with this position. Experience suggest that three years in line with the election of the whole panel is an acceptable period of time.

- **A sub group should be set up to monitor spend and undertake visits to projects.**

There are insufficient resources to secure the establishment of subgroups. However experience suggests that site visits are undertaken to projects as they progress together with opening events etc. Given that the projects will be delivered at a community level it is likely that panel members will be active within their communities and will be aware of the projects without having to attend formal site visits.

- **A small pot of money should be set aside for each fund which should be easily accessible to organisations in the local community. This would avoid unspent monies from accruing.**

It will be logistically difficult to organise multiple scale funds from the same source across the County Borough. It is acknowledged that smaller funds will be created as a consequence of small scale developments and these will have different operating principles from the larger funds. (This is explained later n this report).

Despite the receipt of only three written responses, the All Members seminar resulted in significant debate which can be summarised into four key areas which are as follows:

- **Concern was expressed in relation to the perceived restricted scale of the buffer zone of 2Km. This should be increased so that more communities are eligible for funding even if the amounts of money for each community reduce.**

This issue has been addressed above.

- **The allocation of funds are currently too Council dominated, they need to be controlled on a local basis with more third sector involvement. However if the third sector are more heavily involved they should not be allowed to make decisions on their own bids.**

This issue has been addressed above.

- **The proportion of fund distributed between the community and strategic pots should be reconsidered, however no alternative was suggested.**

This proportion is considered to be appropriate in the short term given the evidence that exists in relation to the unspent money that is currently sitting within existing operational funds. This can however be reviewed at a later date should the need arise.

- **The period of time associated with the reallocation of funds from a community pot to a strategic pot is too tight.**

This issue has been addressed above.

In addition to the above, other matters have been identified since the draft policy was originally written. These relate to very small funds which would accrue either a one off community contribution or an annual payment of less than £1000. Concerns are expressed that the costs associated with managing and distributing this level of fund outweigh the benefits associated with the fund. As a result there are two potential ways forward; we either introduce a threshold to only negotiate on funds which would be £1000 or more or alternatively we secure such funds and they are then deposited within a central strategic pot.

A recent single wind turbine application which resulted in the provision of £25,000 as a one off payment in the first year, with further payments of £5000 every four years for the lifetime of the development. The cost of

establishing and managing Steering panels for one off payments or payments phased as above are prohibitive. It is therefore proposed to consult with the local Member(s) in such instances and identify priorities of spend.

Turning to the potential situation where annual payments are received but they are for restricted sums of money ranging from £1000 to £25,000 per year. In such circumstances, it is possible to set up a steering panel however they will meet twice a year rather than on a quarterly basis.

All of the above changes have been incorporated into a draft copy of the Policy which is attached as Appendix A.

Equalities

A screening Assessment has been undertaken to assist the Council in discharging its Public Sector Equality Duty under the Equality Act 2010. After completing the assessment it has been determined that this function does not require an Equality Impact Assessment.

Consultation Responses

This report is seeking authorisation to consult externally and as such consultation responses have not yet been received.

Financial Implications

The policy will result in the generation of funds for local communities which will have a positive financial impact upon the County Borough. It is anticipated that the cost of administration will be self funded and as such will have no financial impacts upon the Council.

Consultation Outcome

An external consultation process is proposed.

Sustainability Appraisal

The securing of community funds for projects highlighted within the policy document will ensure the delivery of sustainable projects within the County Borough in accordance with national and local policies.

Recommendation

That the proposed Community Funds Policy relating to Renewable Energy Generating Developments is Approved for consultation purposes.

Reasons for Proposed Decision

To enable a consultation exercise to be undertaken the responses from which will be reported back to the Economic and Community Regeneration Board and if necessary incorporated into the Policy document.

List of Background Papers

Planning Policy Wales Technical Advice Note 8 – Renewable Energy

Draft Community Funds Policy relating to Renewable Energy Generating Developments

Wards Affected

All

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COMPLIANCE STATEMENT

COMMUNITY FUND POLICY FOR RENEWABLE ENERGY GENERATING DEVELOPMENTS

(a) Implementation of Decision

The decision is proposed for implementation after the 3 day call-in period

(b) Sustainability Appraisal

Community Plan Impacts

Economic Prosperity	-	Positive
Education & Lifelong Learning	-	Positive
Better Health & Wellbeing	-	Positive
Environment & Transport	-	Positive
Crime & Disorder	-	Positive

Other Impacts

Welsh Language	-	Positive
Sustainable Development	-	Positive
Equalities	-	Positive
Social Inclusion	-	Positive

(c) Consultation

This item is subject to Consultation.

**COMMUNITY FUNDS POLICY
RELATING TO RENEWABLE
ENERGY GENERATING
DEVELOPMENTS**

DRAFT

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1.0 Background

The UK Government is committed to delivering the requirements of the EU Renewable Energy Directive which includes a UK target of 15% of energy from renewable energy by 2020. The Welsh Government is committed to playing its part by delivering an energy programme which contributes to reducing carbon emissions in order to tackle climate change whilst enhancing the economic, social and environmental wellbeing of the people and communities of Wales in order to achieve a better quality of life for our own and future generations. This is outlined in the Welsh Government's Energy Policy Statement *Energy Wales: "A Low Carbon Revolution"* which identifies Wales' sustainable renewable energy potential to 2020/2025.

This commitment is reinforced within Planning Policy Wales (February 2014) (PPW) together with a number of Technical Advice Notes (TANs), the most notable of which is TAN 8 Planning for Renewable Energy (2005). TAN 8 incorporates the land use planning considerations of renewable energy, in the context of National and European legislation. The Welsh Government has a target of 4TWh of electricity per year covering a number of energy developments including Wind power, Solar power, Biomass and others in addition to small scale micro generation using technology such as ground source and air source heat pumps.

In addition to securing sufficient and appropriate energy generation to meet the targets, PPW acknowledges the need to mitigate against the impact of such developments. This is not only in an environmental sense but there is an acknowledgement that energy generating developments should contribute towards the communities which are affected by the development. Both issues are covered as follows:

"The Welsh Government supports the principle of securing sustainable community benefits for host communities through voluntary arrangements. Such arrangements must not impact on the decision making process and should not be treated as a material consideration unless it meets the tests set out in Circular 13/9729." Paragraph 12.10.5 PPW

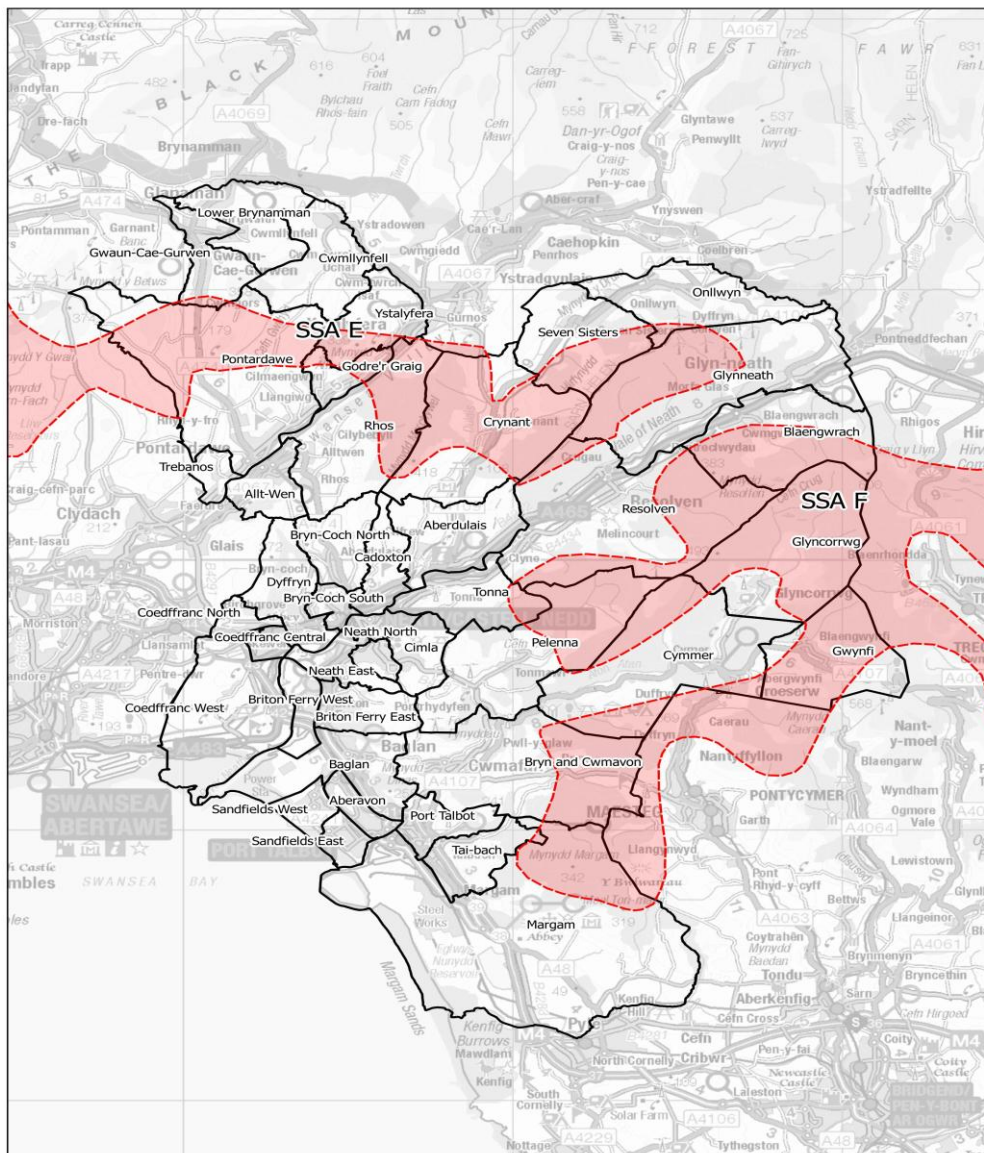
This is reinforced within 'TAN 8 - Planning for Renewable Energy' which states : "2.16 Experience has shown that there are opportunities to achieve community benefits through major wind farm development. Some benefits can be justified as mitigation of development impacts through the planning process. In addition, developers may offer benefits not directly related to the planning process." An annex attached to the TAN indicates a number of examples of where community benefits have successfully operated.

2.0 Need for policy

2.1 Relevant Energy Developments within Neath Port Talbot

As a consequence of the identification of two Strategic Search Areas (Areas E & F) within Neath Port Talbot as defined within TAN 8, a large number of wind farm developments have been proposed within this County Borough. Due to the grid connection potential and associated capacity within NPT, we have also received considerable interest in relation to other renewable energy developments, including solar farms, Biomass, tidal power and hydro power. The geographical extent of Areas E and F are shown on the following map.

Map 1 Areas E & F as defined within TAN 8



The impacts associated with such developments are considered in great detail via the planning process. However it is acknowledged that in addition to having an impact upon the environment, such developments can also have an impact upon the communities which host and/or are situated close to the developments. Shorter term impacts are also experienced by those communities located on the construction route of larger scale projects. Despite mitigation against environmental impacts being secured through the planning process via the imposition of a combination of conditions and legal agreements, this is not often perceived to be a benefit to the communities affected by the development. This has been acknowledged by this Council for some time and as a consequence we have a proven track record of securing funds for the communities who are most affected by energy generating developments. The following table indicates funds secured as of the 31st March 2014 in relation to wind farm developments.

Table 1 - Consented wind farm developments with associated community funds

Planning App	Development	Operational	Benefits secured	Paid to date
P2002/1322	Ffynon Oer Wind farm	Yes	£32,000 per annum	£228,000
P2008/1484	Maesgwyn Wind farm	Yes	£175,000 per annum	£350,000
P2010/1148	Llynfi Afan Wind Farm	No *1	£72,000 per annum	/
P2009/1053	Penycymoedd Wind farm	No *2	£1.8 £million per annum	/
P2007/1413	Mynydd y Gwrhyd	No	£24,000 per annum	/
P2013/0300	Newlands Farm	Yes	£3000 per annum	/

(*1 At the time of writing, the applicants were discharging conditions with a view to commence development.

*2 At the time of writing all pre-commencement conditions had been discharged and work had commenced on site)

On the 3rd April 2014 the Welsh Government launched a register of community Funds associated with major wind farm developments. This register identifies the number and location of funds secured, the developments to which they relate, the amount secured and the amount of money spent to date. It is a voluntary register and as such only a restricted number of energy developers have registered so far. Furthermore, the area to which each fund relates is associated with the registered address of the development rather than the geographical spread of the development. As a consequence, large developments such as Pen y Cymoedd which is registered to Rhondda Cynon Taff (RCT) does not acknowledge the potentially significant contributions such a development will make to the communities within Neath Port Talbot, which will host approximately 2/3 of the

consented turbines. Nevertheless the launch of such a register acknowledges the increased emphasis given to the need for developers to contribute towards the community in the form of a community fund by the Welsh Government. This greater emphasis on community funds follows in the footsteps of the planning system in Scotland which has been securing such contributions for many years.

Whilst TAN 8 specifically refers to community benefits associated with major wind farm developments, PPW does not restrict the type of development which should contribute a community benefit package. This is considered to be fundamental given that the impact upon communities from renewable energy is not only as a consequence of wind farm development. As a result, community funds have been secured from other types of energy generating developments from both renewable and non renewable sources within this authority. Table 2 outlines the funds secured to date.

Table 2 – Other Energy Generating Developments and associated secured community funds

Planning App	Development	Operational	Benefits secured	Paid to date
P2009/0805	Maesgwyn Biomass Power station (3 – 5MW per year)	No	£600 per MW Per annum for first 10 years, £300 per MW per year for the remainder of the operational life of development	£0.00
P2006/1455	Prenergy Biomass Power station	No	£500,000 per annum for the first 10 years. £250,000 per annum for the following 15 years	£ 0.00
P2010/1263	Maesgwyn Solar Farm	No	£6,000 per annum for 25 years	£0.00
P2011/0054	Baglan Energy Park Solar Farm	yes	£30,000 per annum for five years	First payment imminent
P2008/1227	Abernedd Gas Fired Power Station	No	£4 million upon commencement of work on site	£0.00
P2013/1087 Still Under consideration	Tyler Fedwen Solar Farm	No	£10,400 per annum for 25 years	£0.00
P2013/0635 Still Under consideration	Hendre Fawr Solar Farm	No	£10,000 per MW (one off payment)	£0.00

Whilst this Council has been fairly successful in securing community funds associated with energy generating developments, these funds have been secured on an ad-hoc basis having regard to what has been secured elsewhere. Furthermore, despite a huge number of applications being submitted to this authority for energy developments, there does not seem to be a reduction in such applications coming forward, despite the fact that both SSA's are nearing capacity in terms of reaching the Government identified targets (these targets apply to major wind farm developments). In addition to this, a significant interest is being expressed by developers to submit smaller scale wind farms ie 5 or less turbines in addition to major solar farms.

It is therefore considered to be essential to adopt a policy to ensure that future funds are negotiated and secured in a consistent manner and the geographical areas of spend identified are reasonable and appropriate to the development. It is also important to ensure that the funds are spent to ensure maximum benefit and outcomes for the community. Existing funds which are already in operation and funds which were agreed through negotiation with the council prior to adoption of this policy but are not yet operational will be unaffected by this policy.

In order to secure consistency and transparency and in order for developers to be aware from the outset of what is expected from them in terms of contributions, this report identifies what is expected from each type of development.

3.0 Scale of Contributions

It is acknowledged that different types of development have different impacts upon the local communities. Moreover, it is also acknowledged that the financial returns to developers from different forms of development differs, ie wind farms are more profitable than solar farms and the impacts are also significantly different. As a result the following scale of fees reflects these differences. The scale of contribution relates to the approved generating capacity as specified on the associated planning permission.

3.1 Wind Farms

The scale of contribution has increased over time but most contributions which are secured for wind farms are in the region of £6000 per megawatt per annum for the life time of the project (on average this is in the region of 25 years). The payments should be made on an annual basis with the first payment being made on the first anniversary after energy is first generated from the associated wind farm, and every year thereafter.

3.2 Solar Farms

Again the scale of fee which has been secured in the past has been based upon the energy output associated with development. Based on previous negotiations it is not unreasonable to secure £30,000 per megawatt for the

whole development as a single payment. This single payment can be paid over a period of five years from the first generation of power. An example of such a contribution is as follows:

Solar Farm with a capacity of 10 MW

- Community Benefit Contribution to be secured £300,000

To be paid over five years as follows:

- Year 1 – Upon commencement of energy generation = £60,000
- Years 2 to 5– First anniversary after commencement of work on site and each year thereafter up until year 5 of the project = £60,000 for each of the four years.

Total contribution = £300,000 over the full five years.

3.3 Biomass Power Stations and other large scale energy generating projects including Anaerobic Digestion and Tidal Power

As above, the scale of fees are based on the energy generated ie a contribution per megawatt as a one off payment upon first generation of electricity. The fees are based upon developments which have been secured both in NPT and elsewhere. A contribution of £9000 Per megawatt over the life time of the project will be expected (normally over a period of 25 years). However if this contribution is calculated to be less than £250,000, then it will be expected to be submitted in payments over a period of 5 years rather than spread over the length of the life time of the project. This is on the grounds that the annual payments must be large enough to ensure that they are able to make positive outcomes within the community. Small annual payments are unlikely to secure such benefits.

3.4 Hydro power

These developments have historically provided only small levels of power and as such will be treated in the same way as solar farms. It is therefore expected that such developments will contribute £30,000 per megawatt. However these payments due to the expected reduced outputs when compared to solar farms are likely to result in lower community contributions. It is therefore expected that a community fund which is calculated to be less than £20,000 will be payable over the first two years of the project with the first payment received on the day of first generation of electricity and the second payment being made on the first anniversary following first generation of electricity.

4.0 Cost of Administering the funds

An increasing number of funds are being generated within Neath Port Talbot associated with the large number of renewable developments in operation within the County Borough. These funds take a significant amount of time and resources to administer. Whilst it is acknowledged that a proportion of such funds are currently being administered on an individual basis by the community councils operating within the area, this is not a sustainable solution going forward.

As more funds come on stream, there is an increasing need to ensure consistent operating principles, governance and allocation of funds. Furthermore, not all parts of the County Borough have Community or Town Councils in operation, and as such there is a need to establish a central administration system to ensure that the operation of the funds across the County Borough is transparent, accountable and consistent. This has been acknowledged in Scotland where there is a more advanced system of collecting and distributing community funds in operation.

Organisations such as Foundation Scotland have been set up to administer a number of individual funds which have been established. They also provide support and advice to the communities in terms of maximising the benefits and outcomes of community funds. Whilst such a system is not in operation within Wales, the principles can be transferred so that a County Borough Council system can be established. Such a system, due to economies of scale should also reduce the burden upon existing Community Councils who are currently managing such funds. In order to properly resource such a system it is recommended that 5% of each fund should be used to pay for the administration of that fund and for the provision of associated advice to the communities benefiting from that fund.

5.0 Geographical area of spend associated with individual community funds

As specified above, different forms of renewable energy will have different impacts upon the surrounding area and as such the communities within those areas. For these reasons the geographical area of spend for each development will differ. These, together with the associated reasons are set out below:

5.1 Wind farms

Given the visual prominence of wind farms as a consequence of their elevated siting and the height of the individual turbines, there is a likelihood that wind farms will impact upon areas beyond the wards within which they are hosted. There are a number of examples across the country where the impact of a wind farm is greater upon areas beyond the ward within which the wind farm is located. This can be for reasons associated with topography or proximity to ward boundaries. As a result, the distribution of such funds needs

to take account of the impact of the development in a scientific way rather than dedicating it solely to the ward community which hosts the wind farm. Acknowledgement must also be made to the disruption caused to communities during the construction of the project. This is associated with the location of haul routes, although it must also be accepted that this disruption will be time restricted.

5.11 Payments to compensate for disruption associated with the construction and decommissioning of the wind farm

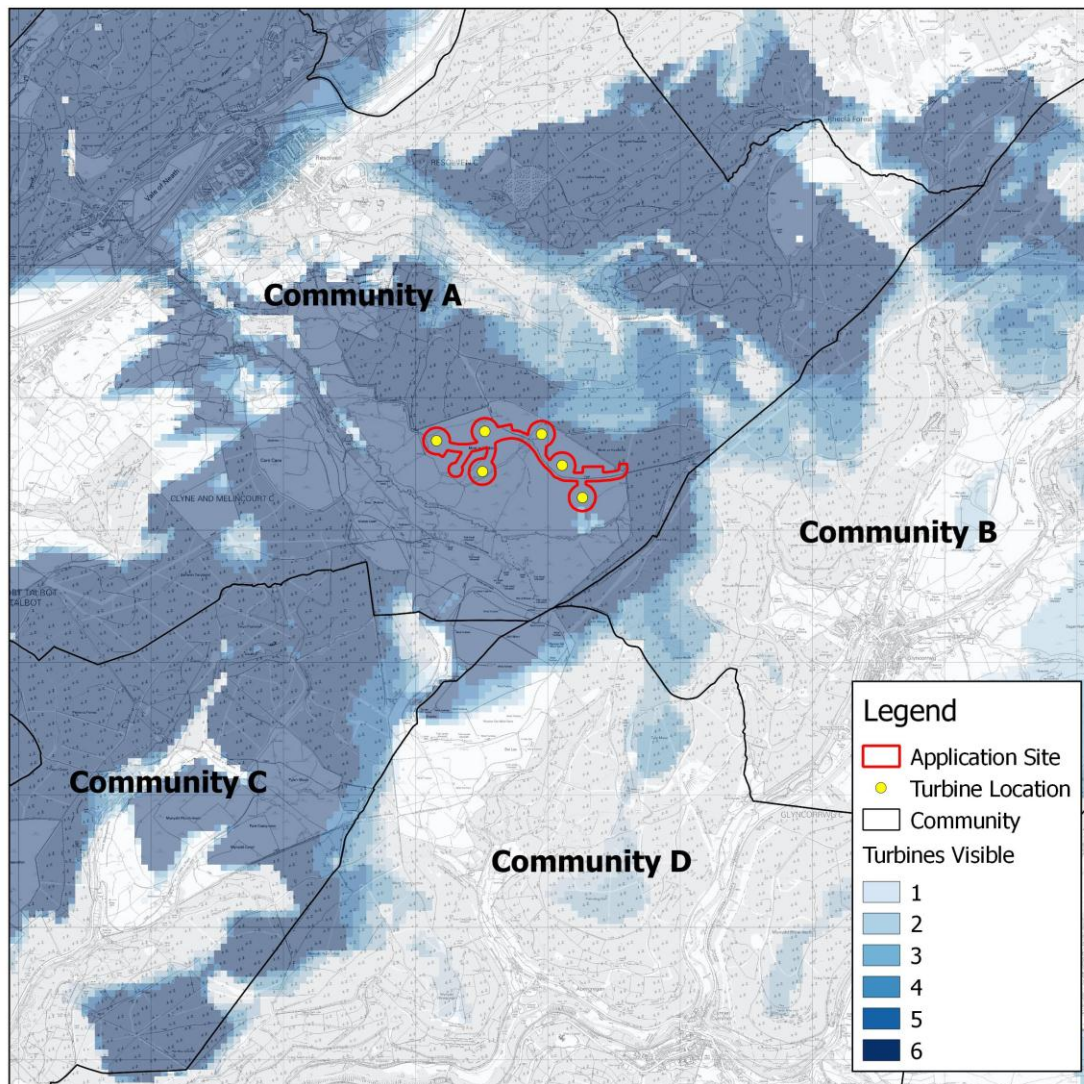
Whilst the main impact associated with most wind farm developments is as a consequence of the visual impact upon nearby communities, it must be acknowledged that the scale of the turbine components can result in disruption to communities sited along the length of the haul roads. When abnormal loads are being transported to and from wind farm sites it can lead to congestion and an associated increase in noise and disruption to the communities through which those haul routes extend. This is more so on the minor roads rather than the 'A' classified roads. This is however a short term inconvenience and as such those communities cannot expect to enjoy the same access to a community fund as communities affected over the life time of the project. As a result it is considered that 5% of the fund or £100,000 whichever is the lowest should be distributed to the communities sited along the length of the haul route. (This relates only to the communities within the boundaries of Neath Port Talbot and does not relate to communities sited along 'A' classified roads) Given the potentially small sums of money involved and the prohibitive costs of administering a separate panel for such sums, the contribution shall be paid as a lump sum to the relevant Community Councils within one year of the first anniversary of the first generation of electricity. In the absence of a Community Council, the relevant Ward Members will determine the distribution of funds within their community in accordance with a list of eligible projects first agreed in writing with the Council.

5.12 Wind farms generating 40MW or less

As stated above, the impact associated with wind farms can be far reaching. The justification for establishing a community fund is to off-set the impact of the wind farm upon the communities affected. Whilst historically access to community funds has been restricted to the ward or wards which host the turbines, ie the ward or wards within which the turbine's tower is sited, it must be acknowledged that the impacts of a wind farm go beyond the boundaries of the wind farm itself.

In order to assess the impact a development has upon the visual amenity of the surrounding area as part of the planning application process, a developer will submit a plan identifying the Zone of Theoretical Visibility (ZTV). This is a contour plan and through the use of different colours identifies the number of turbines that are visible from any given area within an identified radius of the development, which can be up to 35Km. An example of a ZTV is illustrated as Figure 1.

Figure 1 – Example of a Zone of Theoretical Visibility (ZTV)



There are many areas within the County Borough where wind turbines can be seen, either from wind farms within the boundaries of Neath Port Talbot or from outside. However it must be acknowledged that the further away a community is sited from a wind farm the less that community is impacted upon by the turbines as they are then seen as part of a wider landscape. As a result it is reasonable to define that only communities sited within 2 Km of a wind farm should benefit from a community fund associated with that wind farm. All communities within the 2Km buffer zone will benefit equally from the fund regardless of how many turbines can be seen from each community within that buffer zone.

For the purposes of this document, a community or part thereof is defined as a group of ten or more houses either in isolation or which are closely linked to a larger settlement.

There may be circumstances where there are no communities located within 2 Km of a proposed wind farm, or alternatively, due to the topography of the surrounding area, a wind farm will not be visible to any communities within the 2 Km zone. In such circumstances, it is difficult to demonstrate direct impact upon the surrounding communities and as such the money generated from the development will be deposited into a strategic fund, which will be used to achieve the strategic objectives of the County Borough.

The spending of money held within the Strategic Fund will be determined on a quarterly basis by the Economic and Community Regeneration Board having considered a report and recommendation from the Head of Property and Regeneration.

5.13 Large Scale Wind farms (those exceeding 40MW)

It must also be acknowledged that some larger scale wind farms will generate considerable community funds. As a result it will be expected that wind farms which generate more than £250,000 per year towards a community fund (wind farms which will generate in excess of 40 MW of power per year) will contribute towards the strategic fund and a community fund. The split will be 35% towards the strategic fund with the remaining 55% being paid into the community fund. (This is after the deduction of the haul route and administration payments as referred to above). The remainder of the fund (55%) will be distributed using the same methodology as that described above for wind farms of 40MW or less.

5.2 Solar farms

The impact associated with solar farms, will be considered at the planning application stage, where the size and design will be negotiated to minimise visual impact whilst having regard to National and Local Planning Policy and Guidance. Whilst it is acknowledged that solar farms are not as visually prominent as wind farms, they can still be difficult to screen and as such will more often than not, be seen from the immediate surrounding area. As a result it is proposed that the ward within which the solar farm is located should benefit from 95% of the community fund, with the remaining 5% covering the above referred to administration fee.

Where solar farms straddle multiple wards, the community fund associated with the development will be distributed between each of the wards in proportion to the area of the site which is accommodated within each of those wards.

5.31 Biomass and other large scale energy generating projects including Anaerobic Digestion and Tidal Power generating less than £250,000 per year

The impact of Biomass in terms of visual impact upon a geographical area is difficult to calculate, given that Biomass plants are not dissimilar to industrial

type developments. Given the scale of funds which could be generated towards a community fund from Biomass generated power stations it is reasonable to allow for the spending of that money over a wider area than just the ward within which the plant is sited. This will ensure that the benefits can be more widely appreciated. The Single Integrated Plan splits the County Borough into 8 spatial areas. This division is also reflected within the emerging Local Development Plan. The use of spatial areas for the allocation of a community fund associated with a Biomass project is a reasonable form of distribution. Therefore 95% of the fund associated with a Biomass project will be spent within the spatial area within which the Biomass plant is located. The remaining 5% will cover the costs associated with the administration of the fund. A plan indicating the spatial areas is illustrated within Appendix A of this policy.

5.32 Biomass and other large scale energy generating projects including Anaerobic Digestion and Tidal Power generating community funds of more than £250,000 per year.

It must also be acknowledged that some larger scale Biomass and other electricity generating developments including tidal power will generate considerable community funds which could also contribute towards the achievement of strategic objectives of the County Borough. As a result it will be expected that such developments which generate more than £250,000 per year towards a community fund, will allow for a proportion of the fund to be dedicated towards a strategic fund (as described under section 5.12) and a community fund. The split will be 35% towards the strategic fund with the remaining 60% being paid into the community fund. (The remaining 5% will contribute towards administration of the fund)

The spending of money held within the Strategic Fund will be determined on a quarterly basis by the Economic and Community Regeneration Board having considered a report and recommendation from the Head of Estates and Regeneration.

The remainder of the fund (60%) will be distributed using the same methodology as that described above for Biomass and other large scale energy developments which generate a fund of £250,000 or less.

5.4 Hydro power

The impact associated with Hydro Power schemes will be very localised as most of the equipment which generates the power will be within and immediately adjacent to a water course. As a result 95% of the funds generated towards a community fund will be allocated to the ward within which the Hydro power scheme is accommodated.

A table outlining the scale of fees for each form of development together with the geographical area within which the fund can be spent is outlined within Appendix B of this policy.

5.5 Cross boundary developments

It should be noted that some energy generating developments are sited on the boundary between Neath Port Talbot and neighbouring Authorities. In such cases, community funds can only be secured for the proportion of the energy generating development which is located within the boundaries of Neath Port Talbot. Neighbouring Authorities will be required to secure their own funds.

6.0 Governance arrangements

6.1 Small Funds

In certain small scale developments where the electricity output is restricted, the funds generated from those developments will themselves be restricted. There is a careful balance to be struck between maximising the financial benefit to communities against the cost of administering the scheme. As a result a tiered approach to the management of funds will be adopted.

For funds which amount to £1000 or less as a one off payment, the cost of the legal agreements and the administration outweigh the financial return. It is therefore proposed to have a threshold that only developments which generate funds of £1000 or more will be required to contribute towards a fund.

Turning to funds which generate a one off payment of between £1000 and £25,000, it is not considered cost effective to establish a steering panel for the distribution of such funds. Instead the relevant ward Member(s) in consultation with the administrator will identify the preferred distribution of the funds within the identified area of spend. In cases where only one ward is affected and this is a single Member ward, a second elected Member will act as an observer to ensure transparency in relation to the distribution of the fund.

All other funds will be managed by a steering panel although the scale of the fund will dictate how many times per year the steering group will meet. This is discussed in greater detail under section 6.3.

6.1 Role of Administrator

As referred to earlier within this policy document, given the increasing number of funds across the County Borough (associated with developments in addition to energy developments) and the lack of full coverage of community/town councils throughout the county borough, the administration of the funds will be centralised to maximise economies of scale and to enable support to be given to the various funds.

The Council in its administrative role will be responsible for processing applications, taking minutes, circulating agendas and papers and tabling applications. The administrator will also be responsible for all financial

functions of the fund, including the deposit of the annual contribution from the associated development in a specific bank account opened for the exclusive use of the community fund, maintaining auditable records of payments in and out of the account, providing monies to successful applicants and annual reporting to the relevant developers who contributed towards the fund. The administrator will also be responsible for providing basic training in grant assessment for members of the individual steering panels. Advice will also be provided in relation to the accessibility of other funding to be used as match funding for projects within the fund area, thus maximising the potential benefits to the area. Lastly the administrator will prepare outcome reports for each project which has benefitted from payments from the fund to demonstrate the impact of the support within the associated community.

It is important to note that whilst the administration of the fund, as outlined above, will be the responsibility of the council as administrator, this will not undermine the governance arrangements associated with individual funds, which will be controlled via a steering panel.

The administrator role is currently undertaken by staff within the Education and Lifelong Learning Directorate, with delegated powers granted to that Head of Service to issue monies associated with successful grant applications. This role will continue and will benefit from the 5% administration fees to be top sliced off all funds.

6.2 Role of Steering Panel

Each fund will have a steering panel which will assess submitted fund applications within their specified area and make recommendations to the Head of Service who has delegated authority to allocate and distribute those funds having regard to the recommendations of the panel. The responsibilities of each member of a steering panel will include:

- Promotion of the community fund within their communities;
- Enable access to the fund to all those eligible within the fund area;
- To assess and then score all applications in line with the agreed criteria and make recommendations to the Head of Service who has delegated responsibility to allocate the funds;
- To be responsible for monitoring and evaluating end of project reports;
- To help in developing the Fund in a professional, consistent and honest manner, giving due regard to confidentiality; and
- To participate in PR activities to actively promote the fund in the local community.

6.3 Membership of Steering Panel

6.31. Membership will need to be flexible given the following;
Some funds will have differing areas of geographical coverage, some areas affected will only have one or two wards, which may be single Member wards, while others will have a greater number of wards which could have up to three

Members and, not all areas have Town/Community Councils. As a result panels should have between 6 and 10 Representatives who will be elected to the panel, with the Chair having a casting vote. They will be supported by 2 non-voting representatives who will provide support and advice to the panel (one officer from the Environment Directorate and one from the Education, Leisure and Lifelong Learning Directorate). The panel will also accommodate one representative from any of the applicants from the energy generating organisations (developer) who made financial contributions to the Fund. The latter will only incorporate an observational role on the panel.

The elected representatives on the steering panel will include:

- 50% Elected Members from Neath Port Talbot County Borough Council and if relevant, Community/Town Councils .
- 50% To be equally split (where possible) between representatives resident within the fund area and representatives from within the third sector *

The steering Panel will be elected every three years, as will the Chair of the steering panel. Appropriate training will be given to all members. The panel will meet once a year to assess the performance of the fund the previous year, and to assess potentially identified priorities for the forthcoming year having regard to community needs within the fund area.

Panel meetings will take place on a six monthly basis in relation to annual funds of between £1000 and £25000 and on a quarterly basis for larger funds. These steering panels will consider all applications for funding. Quorum levels associated with such meetings require the attendance of 70% of the Steering Panel. Members of the Steering Panel will not be able to sit on a panel which is considering an application to which they have a personal or pecuniary interest. Notwithstanding the fact that the panel is only responsible for making a recommendation to the Head of service who has delegated authority to allocate and distribute the funds having regard to the recommendations of the panel.

Should a member of a steering panel resign from that panel, an election of a replacement representative will take place within three months of notice being given. This election will be organised by the administrator.

Any money held within a particular fund which remains unspent and is uncommitted after a period of three years, will be transferred to the strategic fund as referred to earlier within this document.

7.0 Types of project eligible for funding

The fund will benefit the areas identified depending on the development project which has created that fund. This is specified within section 5 of this report but examples include solar farms for the ward hosting the development, whereas biomass is distributed on a spatial area.

The money held within each fund will be used to fund projects and initiatives that will create vibrant and sustainable communities, but which also address locally identified needs. These may fall under the following themes:

- Recreation
- Education
- Health
- Environment
- Energy efficiency/sustainability
- Culture
- Economic regeneration

Applications under the above themes will also need to comply with the guiding principles associated with each fund. These need to be consistently applied and as such they are outlined in detail within Appendix C of this policy, which also outlines the requirements associated with each application for funding.

7.1. Eligible Applicants

7.11. An organisation or individual seeking to apply towards the fund will need to meet one or more of the following criteria:

- Constituted voluntary and community groups
- Registered charities
- Not for profit organisations/social enterprises
- Local branches of local organisations can bid using the parent body constitution but must have their own local bank account
- Town and Community Councils where they apply for community projects that are additional to normal statutory responsibilities and for projects that are not normally supported by the existing precept arrangements and which in the view of the steering panel will benefit the community as a whole.

Map of Spatial Areas in Neath – Port Talbot



Table illustrating scale and distribution of funds

Project Type	Amount of contribution	Geographical area of spend
Wind farms (40Mw or less)	£6,000 per Mw per annum for 25 years	<ul style="list-style-type: none"> • 5% administration fee • 5% towards communities associated with the Haul Road • Remaining 90% proportionate to the number of turbines identified within the ZTV within a 2 KM radius of the application site.
Wind farms (41 Mw or more)	£6,000 per Mw per annum for 25 years	<ul style="list-style-type: none"> • 5% administration fee • 5% towards communities associated with the Haul Road • 35% towards a strategic fund • Remaining 55% proportionate to the number of turbines identified within the ZTV within a 2 Km radius of the application site.
Solar Farms	£30,000 per MW as a single payment or spread as phased payments over the first five years of the development.	<ul style="list-style-type: none"> • 5% administration fee • 95% within the ward hosting the development
Biomass and other large scale developments including tidal power less than £250,000 per year	£9,000 per MW as a one off payment	<ul style="list-style-type: none"> • 5% administration fee • 95% within the spatial area hosting the development
Biomass and other large scale developments including tidal power more than £250,000 per year	£9,000 per MW as a one off payment	<ul style="list-style-type: none"> • 5% administration fee • 35% towards a strategic fund • 60% within the spatial area hosting the development
Hydropower	£30,000 per MW per year for the first five years of the development.	<ul style="list-style-type: none"> • 5% administration fee • 95% within the ward hosting the development.

Guiding Principles associated with the fund

The following are guiding principles associated with the management and distribution of all funds. These principles will be used to prioritise community projects and are as follows:

- Community projects will directly address identified issues, needs and opportunities in a particular community or group of communities.
- Community projects will demonstrate added value to the local communities through clear objectives and outcomes.
- Community projects will be well thought out and have robust financial and delivery proposals.
- Community projects will demonstrate synergy and complementary activities with other projects and initiatives in the area.
- Community projects will demonstrate support from the local community and partner organisations.
- Community projects will integrate social, economic and environmental components of the community.
- Community projects will meet the needs of existing and future generations.
- Community projects will respect the needs of other communities in the wider region, contributing to the sustainability of these communities.
- Community projects will recognise and respond to the diversity and uniqueness of the community.

Applications for funding

Applications for funding can be submitted no later than one month before the quarterly meeting at which the application will be considered. Submissions can be made online and via hard copies. Upon request an application pack will be sent to any interested and eligible party. The pack will include:

- An Application Form
- Application Guidelines
- Eligible Areas
- Grant amounts available
- Deadline dates
- Details of further information and support details required.

Examples of eligible projects

- Community facilities, playgrounds, multi sports games areas, improvement to sporting facilities, festivals of sport, multi generational health and wellbeing events; cycling trails and footpath creation and enhancement.
- Out of hours schools clubs, non statutory youth projects, one off materials, staging an exhibition, environmental education projects, community education facilities;
- Food co-ops, healthy activities, fitness trails, outdoor gyms;
- Environmental enhancements, community landscaping projects, nature trails, local interpretation, recycling initiatives, community gardens; allotments;
- Water harvesters, pellet boilers, insulation, double glazing, energy efficiency campaigns;
- Creation of credit unions, contributions towards the start up costs of a community transport scheme, establishment of not for profit start up units for new businesses;
- Enhancement of existing projects or community run services to improve and expand availability of the service to the associated community.

The above list is not exhaustive and is an example of the type of projects which could benefit from a fund.

Examples of ineligible projects

- Statutory activity
- Any project that has already started cannot be considered, however a separate stage of a project can apply to a fund
- Any project where contracts have been signed or orders placed before approval
- The promotion of religious faith activities (although applications from religious organisations are allowed if the proposed project benefits the wider community)
- Applications for activity which is already being delivered through another source of funding
- Projects that impact upon or adversely affect the sustainability of existing provision perhaps elsewhere in the area of benefit
- Projects that could access the funding from more appropriate available funding Eg, small capital sports equipment from Sport Wales
- Applications from private sector organisations
- Applications on behalf of other organisations or in the name of a professional fundraiser. Exception may be made for Town and Community Council applications on behalf of a community group.
- Funding for normal operating costs or costs incurred in daily operation / routine repairs and maintenance costs / equipment, including replacement and renewal of any existing equipment.
- Funding for core staff
- Feasibility studies

- Trips and visits outside the project area.
- The funding of recoverable VAT costs.
- Insurance.
- Projects that conflict or adversely affect the aim, objectives or Policy of the Council or Company who have contributed financially to the fund.
- Fundraising campaigns.
- Party political activities or fundraising.
- Duplication of other projects being delivered locally.
- Individual beneficiaries.
- Food
- Refreshments
- Fireworks