

# **ECONOMIC AND COMMUNITY REGENERATION CABINET BOARD**

## **REPORT OF HEAD OF PLANNING – NICOLA PEARCE**

**11<sup>TH</sup> SEPTEMBER 2015**

### **SECTION A – MATTER FOR DECISION**

**WARDS AFFECTED: ALL**

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

#### **Purpose of Report**

To consider responses received following consultation on the draft Community Fund Policy for Renewable Energy Generating Developments and to approve the revised version of the Policy document.

#### **Background**

Neath Port Talbot Council's draft policy sets out the Council's aspirations to secure future community funds in a consistent manner and to ensure that the funds are spent to maximise the benefits 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.

The policy identifies what is expected from each type of development together with the governance arrangements associated with the management and distribution of funds.

A report was presented to this Board on the 2<sup>nd</sup> April 2015 introducing the draft policy and addressing concerns which were raised as a consequence of an All Members Seminar. The report also sought authorisation to consult upon the draft policy. A 6 week consultation was subsequently undertaken which included a public notice within the local newspaper, publicity on the home page of the Council's website and direct consultation letters to energy companies registered on the Council's Consultation database.

## **Consultation Responses**

The consultation period ran from the 22<sup>nd</sup> May 2015 to the 6<sup>th</sup> July 2015 for a total of 6 weeks. As a consequence of this process the Council received a total of 3 representations, which are summarised and addressed as follows:

RWE Innogy UK Limited: RWE is committed to supporting communities in association with the renewable energy projects they already operate. £1.3 million has already been invested into Welsh communities from 2011 to 2014. A further £66million of funds has also been committed over the lifetime of other consented developments for the lifetime of the developments throughout Wales.

The policy document is welcomed in principle subject to the following:

That existing projects which are already operational remain unaffected by the policy

The level of funds associated with wind farm projects is reconsidered. £6000 per MW is not compatible with best practice standards throughout England and Scotland, where £5000 is an appropriate level. At a time when the UK Government is driving cost reductions in renewable energy generation, this is not an appropriate time to be increasing costs in any area of projects, including community contributions.

The policy should reference the “Declaration for Community Benefits by Onshore wind farm developers and operators in Wales.” Both the Welsh Government and many of the major players in the onshore wind sector have signed up to this. This includes a number of key commitments particularly around early engagement and consultation which are not referenced in your draft policy.

*In response to the above it is recognised that the £6000 per MW proposed within the draft policy was based on a contribution secured from the Pen y Cymoedd scheme, whereas the majority of other windfarm developments have secured in the region of £5000 per MW. Given that best practice also suggests £5000 per MW it is considered appropriate to reduce our expected contributions accordingly.*

*It is also considered appropriate to refer to the declaration document referenced above within the policy.*

*Both of the above amendments have been included within the revised document which is appended to this report.*

Savills on behalf of St Modwen Developments: The response is based on experience with solar developments rather than any other form of renewable energy generation.

The first concern is that contributions should be made on a voluntary basis as referred to within Planning Policy Wales which refers to 'voluntary agreements' Welsh Government's practice note also refers to contributions for the benefit of the community as being 'not mandatory' in the UK. There are two types of obligation, one which is required to offset an impact and the other, which is the focus of the draft document are voluntary offers which are not related to the planning process. There is therefore a concern that the draft will install a policy which generates wrong and challengeable decisions.

The second reason is that solar schemes are sensitive and do not have the same profiles or implications as those associated with other forms of renewable energy generation and as such does not warrant a blanket set of payments.

Each scheme must be considered on its merit as some developments are proposed on previously developed sites, in remote locations and have no noticeable impact upon the surrounding communities. In such circumstances a community benefit is unwarranted. Flexibility should therefore be written into the policy.

*In response to the above it should be noted that this is not a planning document. Should the policy be adopted, it will be managed and administered by officers within the Property and Regeneration section in terms of securing the benefits, whilst the governance arrangements will be managed by Education and Lifelong Learning who have specialist officers who manage existing community funds throughout the County Borough.*

*When community funds have been secured in the past, the officer's report has clearly outlined that they do not form part of the planning application and their provision is not material to the determination of the planning application. The reference to planning decisions being challengeable as a consequence of the adoption of a community benefits policy is not therefore accepted.*

*Furthermore the document doesn't indicate that community benefits are mandatory. It is acknowledged that a developer is not required to provide a community benefit; however this policy spells out that there is an expectation from the Council that developers should provide a community benefit. To ensure*

*that this is more explicit within the policy, amendments have been made to the draft policy to clarify the position.*

*Turning to the final issue regarding impact and flexibility, the objective of the policy is to ensure transparency and consistency across the board. The payment schedules have therefore been introduced to ensure such consistency. Should a development be unviable due as a consequence of community benefit expectations then this would be a matter for each developer to demonstrate on a case by case basis. However to date, there is no evidence of a developer failing to make a community contribution when asked.*

Gwenda Thomas AM: The 2 km zone is too small and it is unfair that the proportion of the fund should be dependent upon the number of turbines visible from the community. The principles used for the landfill tax which has a ten mile zone should be used.

Turbines are visible as you approach communities and as such affect the landscape which will in turn affect the community. This needs to be reflected in the policy.

What mechanisms will exist for communities to access strategic funds and will priority be given to those communities most affected.

*In response to the above, the issue of the size of the buffer was assessed in great detail prior to the draft being distributed for consultation purposes where it was considered that the extension of the buffer beyond 2KM would result in a dilution of the funds and as a consequence a dilution of the potential outcomes for each community. It is also acknowledged that turbines can be seen outside communities however given the existence of two Strategic Search Areas within Neath Port Talbot there are very few areas where turbines cannot be seen. It is not therefore practicable to extend benefits to these areas.*

*The draft policy which was consulted upon does not propose the distribution of the funds dependent upon the number of turbines visible from a community. This was in an earlier version but was removed for practical and logistical reasons.*

*The distribution of strategic funds will be the decision of the Economic and Community Regeneration Board and decisions will be made having regard to evidence based priorities at that time.*

In view of all of the above it is recommended that a number of changes are made to the document; as follows:

Reference shall be made to the document entitled “Declaration for Community Benefits by Onshore wind farm developers and operators in Wales.”

The expected payments for wind energy will be reduced from £6000 per MW to £5000 per MW.

Greater emphasis will be placed on the fact that this is not a mandatory requirement.

Reference shall be made to the fact that if a scheme is unviable as a consequence of a contribution, then the onus is on each developer to demonstrate why that is the case and why they are unable to provide all or any of the expected voluntary contribution.

The above changes have been incorporated into the revised document appended to this report.

### **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 funded through top slicing 5% off each fund and as such will have no financial impacts upon the Council.

### **Consultation Outcome**

The proposed policy has been the subject of both internal and external consultations and its final form reflects the outcome of that process.

### **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.

### **Equality Impact Assessment**

An Equality Impact Screening Assessment has been undertaken to assist the Council in discharging its Public Sector Equality Duty under the Equality Act 2010 and, after completing this assessment, it has been determined that this policy does not require an Equality Impact Assessment.

### **Recommendations**

That the revised Community Fund Policy for Renewable Energy Generating Developments be approved.

## **Reasons for Proposed Decision**

To ensure that future contributions are secured and managed in a transparent and consistent manner.

## **List of Background Papers**

Planning Policy Wales Technical Advice Note 8 – Renewable Energy  
Community Fund Policy for Renewable Energy Generating Developments

Equality Impact Screening Assessment

## **Wards Affected**

All

## **Officer Contact**

Nicola Pearce  
Head of Planning  
Tel. 01639 686681  
E.Mail: n.pearce@npt.gov.uk