

Executive – 5 March 2009

## LANGAGE SECTION 106 AGREEMENT – GRANT FUND

### Report of Head of Community Regeneration

**Statutory Powers:** Local Government Act 1972, Town and Country Planning Act 1980, Local Government Act 2000, Part 1.

**Financial Implications:** The Council is holding a Section 106 Agreement sum of £45,000, with a further £55,000 expected from the developer over the course of the next 7 years, to be allocated to support local activities in the vicinity of Lantage Energy Centre to mitigate the impact of the power station and its operations.

**Purpose:** To seek Executive approval for the grant award process.

The Lantage Grant Fund is not directly linked to the Council's priorities, but strengthens the Council's commitment to supporting communities in achieving its overall aim 'to improve the well-being of the people of the South Hams'.

## RECOMMENDATION

**That the Executive RESOLVES to:**

**Approve the Lantage Grant Fund assessment and awards process, including delegated authority for the Strategic Director (Community) to approve grants up to £5,000, in consultation with the Leader of the District Council and the appropriate ward member(s) for South Hams or Plymouth.**

## Background

1. The submission of the planning application for the construction of Lantage Energy Centre development dates back to June 1998. As part of the consent, the developer was required to establish a local liaison group to provide a forum in which consultations could take place to consider the effects and problems of the development both during construction and operation (minute number 90/08 refers).
2. As part of the Section 106 Agreement associated with this development, a sum of £100,000 is included to: 'support the funding of local activities in the electoral wards of the Council immediately surrounding the Phase 1A land and the wards of Plymouth City Council that abut Sparkwell Parish and which may be affected by the Development; and the establishment, operation and work of a local liaison group set up to administer the fund.' The scale of the proposal generated significant concerns that the development would create a range of problems for the local people, which at the outline planning application stage, would be difficult to fully quantify. In response the Council negotiated both support from the developer to establish a local liaison group and the setting up of a fund to address issues which subsequently emerged once the power station became operational.

3. Circular 05/2005 (18 July 2005) Annex B on Planning Obligations makes it clear in which circumstances planning obligations can be negotiated and on what they can be spent. In this instance it is suggested that a grant scheme be established to allocate the £100,000 to projects that can demonstrate how they will mitigate the impact of the Langage Energy Centre development and operation. The Langage Liaison Group (LLG) has been consulted regarding the establishment and administration of a grant scheme.

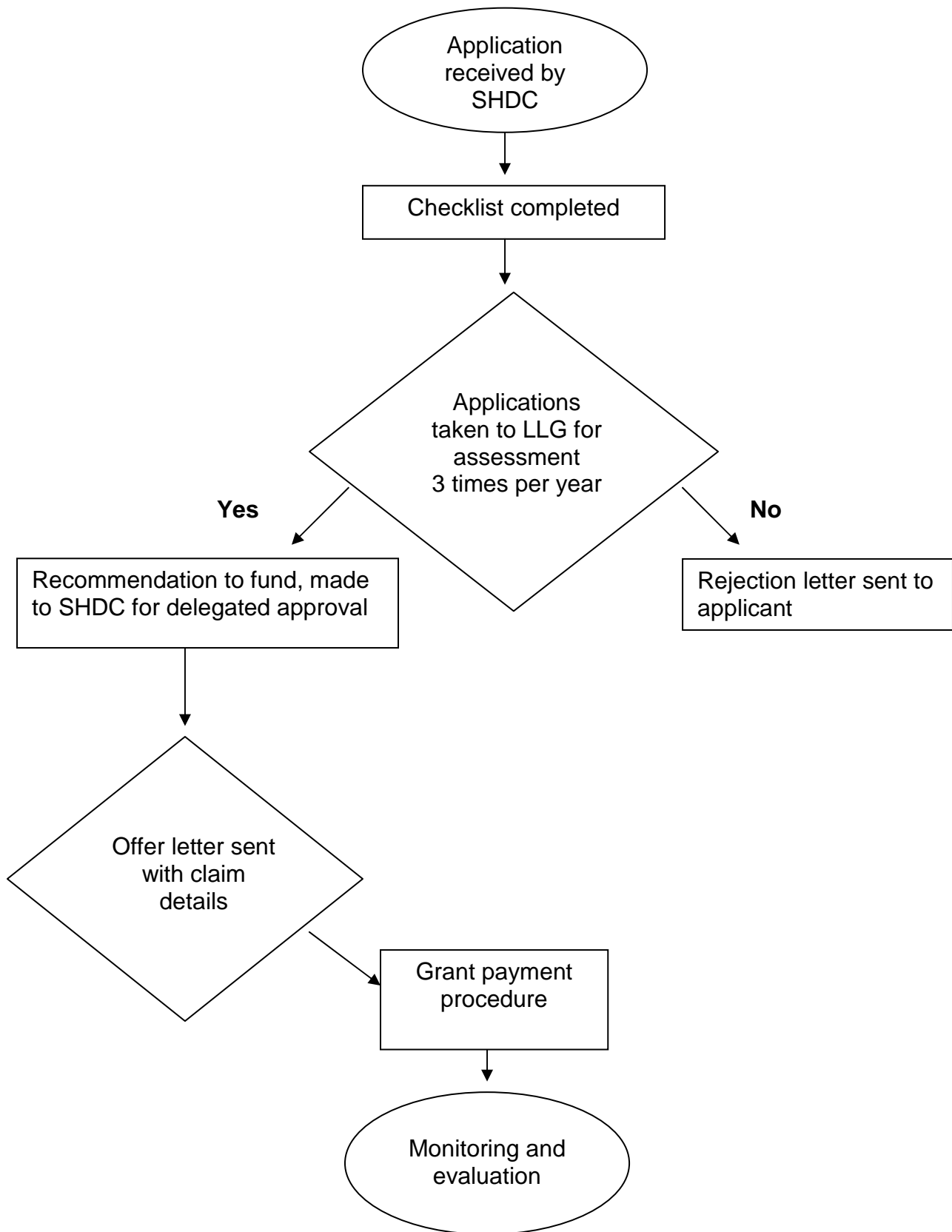
### **Langage Grant Fund**

4. There are a number of methods for allocating funds to initiatives that would mitigate the impact of development. A time limited, open and transparent, competitive bidding process to a grant scheme seems most appropriate in this instance. Time limited, as the S106 contribution must be spent within 25 years, and a competitive, bidding process due to the limited funding available.
5. Examples of processes from similar grant fund and Section 106 schemes can be drawn upon, including the Ivybridge Tesco's Section 106 agreement processes and the Council's own Community Grant Fund.
6. In response to consultation, the LLG has made a number of suggestions that have been incorporated into the proposed grant criteria:
  - A limit of £2,000 per grant will generally be the rule;
  - Only one application can be made per applicant in any 12 month period;
  - Personal representation will not be made by the applicant at LLG meetings;
  - A grant should benefit the community not the individual.

### **Grant Administration and Assessment**

7. There will be a number of essential project management tasks which SHDC are well placed to undertake and for which, processes are already in place including:
  - Grant promotion and advice to applicants;
  - Checklist completion on receipt of completed applications forms;
  - Support to LLG during assessment process;
  - Inform applicants of the outcome of their applications;
  - Monitoring project delivery and spend;
  - Monitoring overall grant budget.
8. The LLG has indicated it would be willing to assess applications three times a year. An application assessment form has been produced which would guide the LLG in making its recommendations. It is suggested that, subject to Executive approval, these recommendations are then brought back to the Council for approval under delegated officer authority. A flow chart of the administration process is outlined below.

# Langage Grant Fund Administration Process



## Risk Assessment

9. The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
Promote and provide access to the Section 106 money associated with the Langage Energy Centre development.	As the accountable body SHDC must take all necessary steps to ensure the monies are spent appropriately and within its own Financial Regulations and the national requirements relating to S106 Agreements.	Communities would be able to access funding for small scale projects which mitigate impact of the development.

## Conclusion

10. This funding stream will provide an opportunity for communities to access small grants to deliver a range of grass-roots projects that help mitigate the impact of the Energy Centre development. It will also provide a capacity building role for the Langage Liaison Group, promoting skills and developing networks for the benefit of the wider community in the future.

Kay Kilgallon  
Community Development Officer

Executive  
5 March 2009

Lee Bray  
Head of Community Regeneration

## Background Documents:

Langage Section 106 Agreement  
Circular 05/2005 (18 July 2005) Annex B on Planning Obligations  
Draft Langage Grant Fund Application Form  
Draft Langage Grant Fund Guidance Notes  
Draft Langage Grant Fund Initial Checklist  
Draft Langage Grant Fund Assessment Form  
Draft Langage Grant Fund Claim Form  
Draft Langage Grant Fund Project Monitoring Form