

**22nd September 2016****Agenda Item: 5****REPORT OF THE CORPORATE DIRECTOR FOR PLACE****GOVERNMENT CONSULTATION ON THE SHALE WEALTH FUND****Purpose of the Report**

1. To inform Members of a Government consultation on the Shale Wealth Fund and to invite comments to form part of the County Council's response to the Government Treasury.

**Information and Advice**

2. On the 8<sup>th</sup> August 2016 the Government launched a consultation seeking views on the delivery method and priorities of the Shale Wealth Fund. This includes the potential option for payments to be made directly to households affected by shale gas developments. The Government are keen to receive comments from individuals, and from organisations such as charities, businesses as well as local authorities and community groups. A copy of the consultation document forms Appendix 1 to this report.
3. The Shale Wealth Fund could deliver up to £1 billion of funding, a proportion of which could be paid to each community over 25 years. The fund would come from tax revenues arising from shale gas production. The proposal aims to put in place a framework for households, communities and regions that host shale gas development to benefit directly. The Shale Wealth Fund would be new funding and would be additional to the existing Industry community benefits scheme which industry partners have committed to providing. This comprises operators providing £100,000 at each well site where hydraulic fracturing takes place during the exploratory phase and if the site progresses into commercial production the operator will make 1% of total revenue available to provide benefits to the community.
4. Although the existence of the Shale Wealth Fund could be considered to be a planning consideration and may influence people's views, and therefore response, to a proposal for shale gas development, it does not replace the planning system as the objective process by which the planning merits of a proposal are assessed. Planning conditions and planning obligations will continue to be the means by which undesirable impacts of a development are controlled and mitigated.

**Consultations on the Shale Wealth Fund document**

5. A copy of the Shale Wealth Fund consultation has been sent to all County Council Members inviting comments to be sent to the Development Management Team ([development.management@nottscc.gov.uk](mailto:development.management@nottscc.gov.uk)) to coordinate a County Council response to the Treasury. The consultation period on the document ends on 25<sup>th</sup> October which is before the next Environment and Sustainability Committee and it is therefore proposed that the County Council's formal response relating to the technical questions will be agreed by the Chair of this Committee. The individual responses received from County Council Members will be forwarded to the Treasury along with the formal response. As this proposal has wider implications for the Council, other than just planning, such as economic and political, the views of other departments have been sought including the economic development team and the community and voluntary sector team. Relevant comments will be incorporated into the Council's response as appropriate. Comments need to be submitted to the Group Manager Planning by Thursday 6<sup>th</sup> October to allow for adequate time to compile the County Council's response.
6. The consultation document makes reference to welcoming the views of individuals and community groups etc. However, the Treasury has confirmed that they have not undertaken any targeted consultations with communities and are keen for the County Council to do this on their behalf. To this end, the following has been undertaken by officers:
- A copy of the consultation document has been placed on the County Council's website;
  - The Planning Group has forwarded a copy of the consultation document to all Parish Councils within Nottinghamshire;
  - The Economic Development Team has circulated the consultation document via the Nottinghamshire Business Engagement Group and to those managing the EU LEADER Programmes (initiatives to support rural development projects) in the north and south of the county;
  - The Community and Voluntary Sector Team has sent the consultation document to 99 different voluntary organisations presently grant aided across the county.
7. All those contacted have been requested to respond directly to the Treasury as it is not considered appropriate for the Council to collate or analyse their responses.

### **Summary of the key issues in the consultation document**

8. The consultation seeks to explore the following key issues:
- What the Government's priorities should be for the Shale Wealth Fund;
  - The allocation of funding from the Shale Wealth Fund to different stakeholder groups;
  - The extent to which the industry community benefits scheme and the Shale Wealth Fund should be aligned;
  - Potential delivery models for the Shale Wealth Fund – to ensure that households and communities benefit; and to
  - Decide how funds are spent, and how any process should be administered.

### **Other Options Considered**

9. No other options were considered.

### **Reason for Recommendation**

10. To give Members the opportunity to respond to the Government's proposals for the Shale Wealth Fund should they wish to do so.

### **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below.

## **RECOMMENDATIONS**

It is recommended that:

- a) Members note the contents of this report, including the Government's consultation document on the Shale Wealth Fund as set out in Appendix 1, and send comments on the document to [development.management@nottsc.gov.uk](mailto:development.management@nottsc.gov.uk) by 6<sup>th</sup> October 2016.
- b) The Chair of Committee will approve the Council's formal response relating to technical questions and that individual Councillor views will be provided to the Treasury with the response.

**Tim Gregory**  
**Corporate Director, Place**

**For any enquiries about this report please contact: Jane Marsden-Dale, Senior Planning Officer.**

### **Constitutional Comments (SLB 12/07/2016)**

Environment and Sustainability Committee is the appropriate body to consider the content of this report.

### **Financial Comments (SES 13/09/16)**

There are no specific financial implications arising directly from this report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

**Electoral Division(s) and Member(s) Affected**

All