



Ministry of Housing,  
Communities &  
Local Government

# Shale exploration – Support for mineral planning authorities

Invitation to bid



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# Contents

<b>Shale exploration – Support for mineral planning authorities</b>	<b>4</b>
<b>Introduction</b>	<b>4</b>
<b>Funding to support mineral planning authorities</b>	<b>5</b>
Availability and eligibility	5
When to apply and eligibility criteria	8
<b>How to apply</b>	<b>12</b>
<b>Annex A - Funding to support mineral planning authorities - Information required as part of bid</b>	<b>13</b>

# Shale exploration – Support for mineral planning authorities

1. The Government is clear that there is a national need to explore and develop our shale gas and oil resources in a safe, sustainable and timely way. Exploring and developing the UK's shale gas resources could bring substantial benefits including creating jobs, boosting productivity from our own resources and reducing the UK's reliance on gas imports.
2. The Government remains fully committed to making the planning system faster and fairer for all those affected by new development and to ensure that local communities are fully involved in planning decisions that affect them. These are long-standing principles. No one benefits from the uncertainty caused by delay. Decisions on shale planning applications remain disappointingly slow and we are announcing a range of measures to facilitate timely decisions.
3. As part of this the Government is extending the support fund that has been available since 2015/16 by launching a new £1.6 million shale support fund to build capacity and capability in mineral planning authorities dealing with shale applications. This will be made available for a further two financial years (2018/19 and 2019/20). Total funding of £800,000 is available for 2018/19, with a further commitment to provide £800,000 of additional funding in 2019/20.

## Introduction

4. The Government is committed to a low carbon and affordable future for our energy. Gas still meets one third of our energy demand and we will need it for many years to come. Since 2000, UK gas production has decreased and we are becoming increasingly dependent on imports. We currently import just under half of the gas we use and by 2030 it is predicted that we will import around 70% of the gas we consume<sup>1</sup>.
5. The Government is therefore committed to shale gas as part of our work to ensure our energy security, whilst maintaining the very highest safety and environmental standards. Based on our assessment of current policy and carbon budgets, we believe that natural gas will continue to contribute a significant part of our energy requirements over the next thirty years and beyond. It is therefore important that we look at where we are obtaining it. A thriving UK shale industry could create a large number of jobs in the UK, indirectly support other industries, and help our economy grow. There is a need to establish, through exploratory drilling, whether or not there are sufficient recoverable quantities of shale present to make full scale production worthwhile. Effective and safe exploration of the UK's shale gas resources is key to realising the potential of this industry. But it must also be developed in a way that safeguards public safety and protects the environment.

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<sup>1</sup> UKCS oil and gas production projections (Oil and Gas Authority, October 2016)

6. Securing timely and predictable decisions on shale gas planning applications is vital for providing confidence for all in the regulatory system. We also recognise that such schemes can raise novel and technical issues and challenges for mineral planning authorities in processing and determining planning applications for shale. We have committed in our manifesto to providing expertise to support mineral planning authorities. The Government is therefore providing a £800,000 capacity and capability grant fund for the financial year 2018/19 with a commitment to release £800,000 of further funding for 2019/20. This will support mineral planning authorities in processing and determining shale planning applications in an efficient, timely and effective manner. This prospectus invites bids from mineral planning authorities for funding, at defined trigger points in the planning process, to provide the additional capability and capacity support that is needed.

## Funding to support mineral planning authorities

7. An award of funding would be made on the basis of financial assistance to provide capability and capacity support when handling shale gas planning applications in accordance with the criteria set out below. It would not have any influence on the decision that is taken by the authority when determining an application on its planning merits, nor imply any view from Government on that application.
8. There is an expectation that mineral planning authorities seeking funding also draw on support provided through the Planning Advisory Service. The Advisory Service offer, on request, planning training aimed to benefit local authority councillors and planning officials. The training is aimed at those authorities who might receive future planning applications for shale proposals. They also published, in July 2017, a case study report<sup>2</sup>, capturing the experience and learning of four mineral planning authorities who have dealt with shale related planning applications so far.
9. Mineral planning authorities wishing to take advantage of the support offered by the Planning Advisory Service should visit [www.pas.gov.uk](http://www.pas.gov.uk) or contact [pas@local.gov.uk](mailto:pas@local.gov.uk) to learn more.

## Availability and eligibility

10. The fund is designed to provide additional capacity and/or capability support where it is most needed by mineral planning authorities for development proposals involving the boring for, or extraction of, oil or gas from shale. These proposals will:
  - i. have reached any of the trigger points set out in the table on page 8 in this prospectus on or before 21 February 2020; and
  - ii. fulfil the eligibility criteria set out in paragraph 22 of this prospectus.

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<sup>2</sup> <https://www.local.gov.uk/pas/pas-case-studies/experiences-dealing-shale-applications>

11. The proposal could cover more than one of the exploratory, appraisal, or production phases for shale. All mineral planning authorities in England are eligible to bid, provided that the proposal or planning application for potential shale development proposals is within their area and the site is within an area covered by a Petroleum Exploration and Development Licence. If a proposal spans more than one mineral planning authority area, the mineral planning authority with the largest site area within its boundary will generally be considered the lead authority for bidding purposes under this fund.
12. Mineral planning authorities will be eligible to bid for funding up to a maximum amount at key stages during the planning application process, specifically:
  - pre-application - additional funding, up to a maximum bid of £50,000, for example, to encourage effective pre-application engagement and awareness raising; and to respond effectively to any screening or scoping requests under the Environmental Impact Assessment process and to generate a more focused planning application;
  - post-receipt of an application - additional funding, up to a maximum bid of £170,000, for example, to assist in efficient processing of an application, and access specialist and administrative support, towards achieving a timely and robust decision;
  - post-decision, in circumstances where planning permission is granted and the decision to grant has been made within statutory timeframes, additional funding up to a maximum bid of £30,000, to support the discharge and monitoring of conditions attached to that permission.
13. These maximum bid amounts for these three 'trigger points' have been assessed based on the £800,000 funding pot being made available for each financial year.
14. In a change from previous years, mineral planning authorities will also be able to bid for funding to cover the entire planning process within a single bid. The full amount of each stage totals up to a maximum £250,000 to cover each trigger point from pre-application through to post-decision. A mineral planning authority can only bid for this full process funding where a signed Planning Performance Agreement is in place. If approved funding would be released in increments once written notification has been received from the mineral planning authority confirming when each trigger point has been reached with relevant evidence. The Planning Performance Agreement must set out clear and measurable milestones to the submission and determination of relevant applications. Where applications are not forthcoming, milestones are missed or applications withdrawn, funding for subsequent triggers will not be released and a revised bid will need to be made.
15. Guidance on Planning Performance Agreements can be found at <https://www.gov.uk/guidance/before-submitting-an-application#planning-performance-agreements>. The Planning Advisory Service has also published templates for use by mineral planning authorities <https://www.local.gov.uk/pas/pas-topics/planning-applications/shale-gas-or-oil-planning-performance-agreement-ppa-template>.
16. Funds will be allocated to bids which the Ministry considers meet the eligibility criteria on a first come-first served basis, based upon the date of receipt of an eligible application. Mineral planning authorities should be aware that it is possible that the funding may be fully allocated before the end of each financial year, and that an

otherwise eligible bid may not be successful as a result. Where a mineral planning authority receives more than one shale planning application for the same site, or different sites within its administrative area, it will still be eligible to bid for funding for each application.

17. Awards of funding will be paid via section 31 of the Local Government Act 2003<sup>3</sup> subject to HM Treasury approval. Funding will be paid in 2018/19 and 2019/20. The Ministry's assessment of bids will be made on the merits of the bid, based upon the criteria in this prospectus, in light of the evidence submitted in the bid, and any other relevant considerations. The Ministry reserves the opportunity to seek further clarification from the applicant before making its final assessment of a bid that has been made. Following the assessment of a bid, the Ministry reserves the right not to pay recipients the full amount requested in the bid or to not award a grant at all. Funding levels for 2019/20 are yet to be agreed.
18. The Ministry reserves the right to withdraw the funding offer of a successful bid under the 'full-process' trigger if stated milestones including contingencies are not met, unless this is otherwise agreed in writing. For 'Full Process' bids that bridge the two financial years, in the event that the level of funding is reduced, the Ministry reserve the right to reappportion levels of funding to each successful bid. No funding shall be awarded to 'Full Process' trigger points (including contingency dates) that fall after 21 February 2020.

## When to apply and eligibility criteria

19. The table on page 8 sets out the 'trigger points' in the planning application process that need to be reached, with the evidence that should normally be provided to confirm this, before a mineral planning authority could make a bid for funding.
20. The table also sets out some examples of the areas where additional support through grant funding may assist a mineral planning authority. The focus is support for additional capability and/or capacity to consider the application in an effective, timely and efficient manner.
21. However, this is not an exhaustive list. The Government wishes to ensure flexibility to enable a mineral planning authority to bid to fund the best and most appropriate means of additional capacity and/or capability support needed to properly carry out their consideration and processing of a planning application for shale exploration.
22. Funding will not be made available to assist mineral planning authorities in dealing with such matters as legal challenges to their handling of a planning application or to the decision taken on that application. These are administrative processes that do not support the processing of the application itself. Neither will funding be available to a mineral planning authority to contest an appeal (including those for non-determination of a planning application) or in the event of exercising powers by virtue of s70A or s70B of the Town and Country Planning Act 1990 (as amended).

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<sup>3</sup> Or equivalent grant-making powers in respect of mineral planning authorities that are not covered by this Act.

## Trigger points in the application process and examples of capability and capacity support

Specified 'trigger points' during the planning process	Maximum bid amount (up to)	Examples of type of support for which funding could be bid for
<p><b>Full Process</b></p> <p>A bid to cover the full planning process can be made once a signed Planning Performance Agreement is in place</p> <p>Evidence of this agreement between parties should be submitted along with clearly defined milestones for the submission and determination of relevant trigger point applications (including reasonable contingency)</p>	£250,000	<p><u>Capability</u></p> <ul style="list-style-type: none"> <li>- additional support to consider screening opinions sought under the Environmental Impact Assessment Regulations</li> <li>- scoping matters required under the Environmental Impact Assessment Regulations</li> <li>- specialist technical support in considering environmental impacts (seismicity, noise, air quality etc)</li> </ul>
<p><b>Pre-application</b></p> <p>The pre-application trigger will be met where there has been either:</p> <ul style="list-style-type: none"> <li>• a request to a mineral planning authority for a Environmental Impact Assessment screening or scoping opinion, or</li> <li>• initial engagement with Council Officers/Members/communities leading up to a formal application</li> </ul> <p>Evidence such as: Letter from a prospective applicant requesting a screening or scoping opinion for Environmental Impact Assessment purposes</p> <p>Written evidence of the mineral planning authority taking part in pre-application engagement</p>	£50,000	<ul style="list-style-type: none"> <li>- professional support to assist the efficient processing of the planning application</li> <li>- legal advice</li> <li>- security requirements / exceptional venue costs</li> </ul> <p><u>Capacity</u></p> <ul style="list-style-type: none"> <li>- community engagement work</li> <li>- awareness training for Council representatives and/or communities</li> <li>- support for managing high volumes of correspondence</li> </ul>
<p><b>Post-receipt of a planning application</b></p> <p>Evidence: letter of validation of the planning application</p>	£170,000	<ul style="list-style-type: none"> <li>- development of communication strategy/media handling</li> <li>- IT enhancement/extensions to aid efficient processing of the</li> </ul>



<p><b>Post-decision</b></p> <p>Where planning permission is granted and the decision to grant has been made within statutory timeframes</p> <p>Evidence: Copy of the planning permission</p> <p>Copy of correspondence between mineral planning authority and applicant confirming any extensions of time or planning performance agreement</p>	<p>£30,000</p>	<p>planning application</p> <ul style="list-style-type: none"> <li>- effective discharge and monitoring of conditions</li> </ul>
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## Eligibility criteria

23. To be eligible for funding, the mineral planning authority will need to meet the following criteria:

- Confirmation that the bid relates to a proposal, planning application or planning permission for development involving the boring for, or extraction of, oil or gas from shale and is for a site within an area covered by a Petroleum Exploration and Development Licence.
- Evidence that a planning 'trigger point' has been reached, as shown in the table on page 8.
- The bid must be submitted by the mineral planning authority, in whose area development is proposed/permitted, who is the intended recipient of the funding.
- The bid must set out the total sum bid for, up to the maximum bid amount for the relevant trigger point reached set out in the table on page 8. Bids for additional capability and capacity that would be eligible for funding under the terms of this prospectus should be made:
  - i. where a trigger point had been reached between 24 February 2018 and 21 February 2020, where a mineral planning authority have incurred, are in the process of incurring, or are yet to incur, additional costs; or
  - ii. where a Full Process application has been made, where costs are yet to be incurred from the date of submission of the bid.
- Provision of robust and clear evidence to justify the total sum bid for, with clear costings for each element or workstream comprising the total bid amount.
- Where previous bid(s) at the same trigger point on other planning applications have been granted funding, this new bid should not duplicate the additional capacity and capability resource covered under those earlier bids (such as IT system enhancement), except where justifiable to do so.
- If a mineral planning authority has signed up to a Planning Performance Agreement with the applicant, which should provide funding to the authority for the processing of the application, the additional sums requested as part of the bid must be clearly accounted for and should not duplicate the additional capacity and capability resource covered through that Agreement.
- Bids must demonstrate why the additional capacity and/or capability support is needed, over and above existing mineral planning authority resources; and that that support will clearly contribute towards timely and efficient delivery of planning outcomes.
- Bids need to show how the funding demonstrates value for money, including justification of how the authority intends to add further value for money (for example, through the dissemination of acquired knowledge to other authorities or through the secondment of experienced staff).

- The funding should not simply substitute the resource (and spend) which the mineral planning authority would normally incur in carrying out its planning functions. This funding is for spend incurred in 2018/20 only.

# How to apply

Bids should be made electronically by sending a completed bid to [MPABids@communities.gsi.gov.uk](mailto:MPABids@communities.gsi.gov.uk). A list of the information required as part of the bid is provided at Annex A.

Bids must be received:

- i. in circumstances where a trigger point had been reached between 24 February 2018 and 17 May 2018, within 28 days from 17 May 2018, or
- ii. in circumstances where a trigger point is reached after 17 May 2018, within 28 days from that trigger point. Bids in these circumstances must be received on or before 21 February 2020.

Any other questions about the fund or the bidding process can be sent to us at [MPABids@communities.gsi.gov.uk](mailto:MPABids@communities.gsi.gov.uk).

# Annex A – Funding to support mineral planning authorities – Information required as part of bid

## **Applicant details:**

- Name of mineral planning authority.
- Contact name.
- Contact email address.
- Contact telephone number.
- Address of mineral planning authority.

## **Bid details:**

- Confirmation, with detail, of eligibility to make bid for funding.
- Confirmation that a trigger point has been reached, with the evidence for this (see the table on page 8).
- Proposal or planning application details (proposal, applicant, site address, etc.), or decision notice, as appropriate.
- Total amount of funding requested for spend in stated financial year(s).
- Details of the capability and/or capacity support that would be provided through the funding, with appropriate costings.
- Confirmation that funding is for additional capability and/or capacity support needed on top of existing resource and is not a substitute for existing mineral planning authority resource.
- Confirmation that funding will not be contributing to wider resources that should be funded locally.
- Confirmation that funding provides value for money both in immediate and longer terms.
- Details of any Planning Advisory Service support that has been, or is intended to be, given to the mineral planning authority.

### For 'Full Process' Bid:

- A signed copy of Planning Performance Agreement between mineral planning authority and the applicant set with clear milestones (including contingency) for submission and determination of planning applications. A full break down of funding resourcing streams secured by the Planning Performance Agreement.
- Confirmation, with detail, of eligibility to make bid for funding.
- Total amount of funding requested for spend in the stated financial year(s).
- Details of the capability and/or capacity support that would be provided through the funding, with appropriate costings.
- Confirmation that funding is for additional capability and/or capacity support needed on top of existing resource and is not a substitute for existing mineral planning authority resource.
- Confirmation that funding will not be contributing to wider resources that should be funded locally.
- Confirmation that funding provides value for money both in immediate and longer terms.
- Details of any Planning Advisory Service support that has been, or is intended to be, given to the mineral planning authority.
- **If Approved:** provide written notification within 28 days of each of the stated and applicable trigger point being reached set out in the Planning Performance Agreement has been reached with evidence for this (see the table on page 8) including: proposal or planning application details (proposal, applicant, site address, etc.), or decision notice, as appropriate.