

News story: Communities to decide how to spend shale cash windfall

Local communities across the country will choose how they spend up to £1 billion of additional funding on local projects, under proposals [unveiled today](#) (11 November 2017).

The Treasury's Exchequer Secretary, Andrew Jones has announced that people living near sites, approved for the safe and clean extraction of shale gas, will benefit from a share of the proceeds through a new 'Shale Wealth Fund'.

Those living in the North and the Midlands – where there are significant shale gas reserves – are set to benefit first.

The fund, which will provide up to £10 million for each local community, will empower local decision making. Communities will be able to decide how to spend the money locally, but projects could include:

- new play parks, community sports facilities and libraries
- improvements to transport links
- restoration of local heritage sites

The development of a British shale gas industry is set to bring substantial and far-reaching benefits. Not only will safe and sustainable exploration of shale boost the UK economy, create close to 65,000 new jobs and attract up to £33 billion in investment*, but it could also generate greater energy security.

The UK currently imports nearly half of its gas from abroad, and by 2030 this is set to rise to three quarters. Using UK supplies of shale gas will reduce the need for this, making Britain more self-sufficient.

The Exchequer Secretary to the Treasury, Andrew Jones, MP, said:

Shale production could play an important part in the UK's future energy security, creating jobs and boosting our economy.

The economic benefits must be shared with those living alongside these sites and this funding will ensure local people reap the rewards too.

Further information

Following consultation, the government has developed a clear set of principles that will be at the heart of the development of the Shale Wealth Fund.

These are:

- a commitment to real local decision-making, by allowing local communities to determine how the Shale Wealth Fund is spent in their area. This includes the potential for household level payments
- prioritising the needs of local people first and foremost. Where local communities decide that they wish to spend some funding on regional projects, this should benefit communities hosting shale sites in those regions, and be subject to a clear instruction from communities
- providing additional benefits to local communities, in addition to existing local government funding, and not as a replacement for existing local spending
- ensuring that decision-making is locally representative and those who make these decisions are held accountable to local communities. The process will be fully transparent

The government has confirmed that it will be up to communities to decide where the money should go. This could include being paid directly to local residents in host areas.

The fund will initially consist of up to 10% of tax revenues arising from shale gas production, to be used for the benefit of communities which host shale sites.

The government's [response to its consultation](#) on the development of a Shale Wealth Fund was published today (11 November).

More details on how communities will receive the money will be published in due course.

*EY, Getting Ready for UK Shale Gas, April 2014