



Press release

PM rewrites plan to put money from infrastructure in the hands of local people

From: Prime Minister's Office, 10 Downing Street
(<https://www.gov.uk/government/organisations/prime-ministers-office-10-downing-street>),
The Rt Hon Theresa May MP (<https://www.gov.uk/government/people/theresa-may>)
and HM Treasury (<https://www.gov.uk/government/organisations/hm-treasury>)

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Prime Minister Theresa May has changed Shale Wealth Fund proposals to include the option to give more of the proceeds to local residents.



Prime Minister says options to share proceeds of shale should include money directly to residents
previous proposals only included money for community trusts or councils
Prime Minister pledges to make the principle of direct benefit to households a blueprint for other schemes
this is part of her drive to deliver an economy that works for everyone

A scheme to spread the benefits of shale gas will include options to give more of the proceeds to local residents than previously planned, after the new Prime Minister changed the plans as part her drive to deliver an economy that works for all.

The Shale Wealth Fund, due to be formally consulted upon this week, was previously expected to share proceeds from shale revenues only with community trusts and local authorities.

The consultation has been changed by the new Prime Minister to include the option of money being paid directly to local residents in host areas.

Plans for the fund were first announced at last year's autumn statement (<https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents/spending-review-and-autumn-statement-2015>), but the new government has changed the consultation to ensure a greater focus on control for local communities – including insisting on proposals to transfer funds directly to households rather than local authorities.

Communities could receive up to 10% of tax revenues derived from shale exploration in their area to spend on priorities such as local infrastructure and skills training. The new fund could deliver up to £10 million per eligible community.

The government will also be looking at whether this approach to the Shale Wealth Fund **can be a model for other community benefit schemes with the aim of putting more control and more resource in the hands of local households. Examples of where the principle could be extended include the Community Infrastructure Levy** (<https://www.gov.uk/government/publications/the-community-infrastructure-levy-summary>), **which is currently being reviewed** (<https://www.gov.uk/government/consultations/community-infrastructure-levy-review-questionnaire>).

Speaking ahead of the consultation launch, the Prime Minister said:

“ The government I lead will be always be driven by the interests of the many – ordinary families for whom life is harder than many people in politics realise. As I said on my first night as Prime Minister (<https://www.gov.uk/government/speeches/statement-from-the-new-prime-minister-theresa-may>): when we take the big calls, we’ll think not of the powerful but of you.

This announcement is an example of putting those principles into action. It’s **about making sure people personally benefit from economic decisions that are taken – not just councils – and putting them back in control over their lives.**

We’ll be looking at applying this approach to other government programmes in the future too, as we press on with the work of **building a country that works for everyone.**”

Notes to editors

The government is consulting in order to seek views on the delivery method and priorities of the Shale Wealth Fund. Responses are welcomed from individuals or from organisations, such as charities, businesses, local authorities and community groups. The government will publish its response to this consultation later this year.

A British Geological Survey (BGS) study of shale gas across the north of England (<https://www.gov.uk/government/news/estimates-of-shale-gas-resource-in-north-of-england-published-alongside-a-package-of-community-benefits>) estimated a total shale gas resource of 1,300 trillion cubic feet. This can be compared to the current UK annual gas consumption of around 2.5 trillion cubic feet.

The government is committed to ensuring that local communities are fully involved in planning decisions that affect them: any shale applications – whether decided by councils or government – will continue to require a full consultation with local people.

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