

# Sunart Community Benefit Fund Framework

24<sup>th</sup> September 2016



## 1 What is the purpose of the Fund Framework?

The Sunart Community Benefit Fund Framework is a strategic plan for the Fund. Its purpose is to help guide the Panel in funding decisions. It will set out the details of the Fund, drawing on the results of the Community Action Plan consultations of 2014 and subsequent community consultations.

In particular the Fund Framework will assist with:

- Helping ensure the Fund achieves measurable impact against agreed local priorities;
- Providing clear messages and communication to applicants and the wider community (through key sections in the application guidance notes) about what the Fund supports;
- Set parameters through which demand can be managed and consistent feedback can be given to unsuccessful applicants.

The Community Company recognises the need for flexibility in trying to consider how best to structure a Fund that will be fit for purpose in 25 years' time. ***It is proposed that this Fund Framework is reviewed after the*** first three rounds and then every two years thereafter so as to ensure it continues to meet the evolving needs of the community.

## 2 Background

The Fund has been created using the annual profits from the community hydro scheme run by Sunart Community Renewables. The amount to distribute will therefore vary depending on rainfall! From time to time the fund may also receive donations from other organisations or donors.

The Fund is administered by a registered charity, Sunart Community Company (SCC), who must report to the Scottish Charity Regulator (OSCR) on the use of all of its funds, and who will produce authorised annual accounts. SCC has entered into a Memorandum of Agreement with Sunart Community Renewables for the distribution of funds. An annual administration fee will be levied from the Fund, as outlined in the Terms of Reference document.

The Fund is overseen by a local Panel of 13 Sunart residents. Anyone aged 16 or over is eligible to apply to be on the Panel, which will meet no more than 4 times per year to distribute grants. Panel members for this voluntary role will be drawn from the following age categories. Two people aged 16-25, three people aged 25-44, three people aged 45-64, and three people aged 65+. There will be two Ex Officio Members - one each for the Sunart Community Company and the Sunart Community Council. The total number on the Panel will be thirteen

### **3 Community Action Plans and Profile**

Over the last three years the community has taken steps to identify priority areas for action in readiness for the Sunart Community Benefit Fund distributing funding.

Our 2014 Community Action Plan, which was based on a survey returned by almost half the population, identified a range of suggested actions which the Community Council and Community Company have sought to progress. Commonly referred to as the CADISPA report, this provided a picture of the current socio-economic status of the Sunart area, the issues being faced and opportunities to address these as well as existing plans and aspirations.

In 2015 with the help of an EU funded internship, a Housing Needs Analysis was undertaken which revealed an ongoing need for access to affordable land and housing in the area.

In 2016, in partnership with other organisations the community organised a Masterplanning consultation. This enabled the community, in conjunction with Rural Design Architects, to compile a 'masterplan' laying out WHERE in the village developments should (or should not) take place. This included protecting amenity spaces, enhancing footpaths and developing new spaces.

Following a joint workshop with the Community Company Board and Community Council in the summer of 2016, a Vision, Mission and priority areas of action were agreed for taking into consideration all of the consultations above.

### **4 Fund Purpose and Priorities**

The overall purpose of the Sunart Community Benefit Fund is to support positive change by investing in a wide range of community-led activity in the Fund area that is strategic, positive and creative and helps create lasting impact.

The fund will be used to progress our Vision which is :

***“A socially and economically inclusive environment which adapts to change in a sustainable and dynamic way creating a resilient community”***

Summarised as :

***Keeping Sunart a great place to live, work and visit.***

Our Mission for Sunart (e.g. how do we achieve the Vision):

***All working together building a strong community for the future.***

The Values we will adhere to in carrying out our work are as follows:

Responsible	Fair	Transparent	Open	Empowering
Equality	Inclusive	Participation	Enabling	Encouraging

Following an examination of the top 25 priorities that came out of the 2014/15 CADISPA process we have identified that there are four 'Areas for Action' that the Sunart Community Benefit Fund will seek to progress with its awards policy:

- **Health and Well-being**
- **Learning and Working**
- **Access and Transport**
- **Housing and infrastructure.**

Underpinning these over-arching priorities the Sunart Community Benefit Fund must seek to work within the boundaries of its legal responsibilities, namely its charitable objects:

- a) To promote for the public benefit rural regeneration, following principles of sustainable development, where 'sustainable development' means development which meets the needs of the present without compromising the ability of future generations to meet their own needs, in areas of social and economic deprivation within the Community by all or any of the following means
- b) the relief of poverty in such ways as may be thought fit,
- c) the relief of unemployment in such ways as may be thought fit, including assistance to find employment,
- d) the advancement of education, training or retraining, particularly amongst unemployed people, and providing unemployed people with work experience,
- e) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms,
- f) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing,
- g) the advancement of environmental protection or improvement,
- h) the preservation of buildings or sites of historic or architectural importance,
- i) the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities,
- j) the protection or conservation of the environment,
- k) the provision of public health facilities and childcare.

Beyond the 4 strategic priorities and the charitable objects, the Fund will also require applicants to consider the following issues in an appropriate and proportionate way relative to their project. It is recognised that they may not all be relevant. However where they can be integrated into project planning/activity it is likely that the impact of investment from the Fund will be enhanced or increased, in keeping with the aspirations expressed in the Community Action Plan process of creating "***Keeping Sunart a great place to live, work and visit.***"

- **Local procurement:** That local suppliers of goods and services will be used, where appropriate (e.g., in terms of quality of products / services available) and feasible (in terms of availability and cost). The definition of 'local' will vary depending on the goods/services in question. In some cases it could be taken to mean within the Sunart Area but in others, Lochaber or Highland or the West of Scotland might be most appropriate.

- **Partnership working:** Where appropriate, that the applicant has considered whether delivering their project in partnership with other organisations / groups will add value (financial, capability, or other). This could involve working with voluntary, private or public sector bodies that operate at local, regional or national level.
- **Building capacity locally:** That the applicant has considered if the project provides opportunities to build the skills and knowledge of group members or other local people connected with the project. This could be formal or informal and through some form of mentoring activity, peer support or buddying scheme and/or any other learning opportunity that could be created through the project.
- **Leverage or match funding:** That the applicant is seeking to secure match funding for the project (from local fundraising activity or other sources) and/or that the applicant can demonstrate what other funding may be secured as a result of implementing this particular project. The amount of volunteer time being invested in the project will be considered when awarding grants, but is not at currently being considered as match funding.
- **Sustainability:** For grants of over £5,000 the Panel may give additional weighting to an application that can show it has an element of financial sustainability and or an ability to generate income from other sources in the long term.

### 5 Ensuring a legacy from the Sunart Community Renewables Hydro Scheme

Unsurprisingly, the consultations of the last few years list a diversity of activity and ideas that people feel the Fund should support, some potentially requiring significant capital funding and others requiring either one-off or small ongoing revenue costs. In an effort to provide a Framework that ensures the Fund can meet some immediate community needs and opportunities but also pave the way for longer term impact, the Fund will consider 'ring-fencing' part of the Fund for strategic legacy activity.

**Legacy Projects** - 15% will be set aside each year to support the improvement and enhancement of community assets<sup>1</sup>. This decision is in response to the consultation activity which identified significant levels of support for maintaining and investing in the physical infrastructure in the area.

The focus and value of this ring-fencing approach will be kept under review but will likely change over time and will be determined by the Panel in consultation with the local community.

"Legacy Projects" will be encouraged to fit the following criteria:

- The project will be for a capital project to improve or enhance the infrastructure of an existing community facility;
- The applicant can demonstrate a funding plan for achieving the target project cost whereby the grant from the Sunart Community Benefit Fund is just one source of funding;
- There is evidence to show that this facility is vital for community activity in the short, medium and longer term;
- The project has a business plan which demonstrates commitment to it achieving a level of environmental and/or financial sustainability in the short, medium and longer term.

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"Community Assets" in this context would normally include physical assets that are owned or leased by a constituted community organisation. Proof of ownership or freehold may need to be evidenced.

- Groups receiving support for developing their community assets will be expected to share knowledge and learning with other groups keen to undertake similar projects but who are not so advanced.
- A Legacy Project will be expected to evidence community support either through letters of support or a consultation exercise.

### Endowment Fund

After 3 years the Panel will consider putting money aside for when the hydro scheme subsidies end, (approximately 25 years after date of commissioning.) The amounts to be ring fenced will be agreed by the Panel in consultation with the community council and community company.

## 6 What level of grant can be awarded and for what kinds of things?

With 15% ring-fenced for strategic legacy activity linked to improving community assets, the remainder (decided annually) will be available for other activity.

This will be distributed via two levels of awards:

- Standard grants of £500 – £5000
- Large grants over £5,000

**Standard grants** will be applied for through a common Application Form. Applicants should note that for sums of £500 or less, the Sunart Community Council runs a small grants scheme, and the Sunart Community Company also makes grants.

**Large grants** involve a two stage application process with the applicant firstly submitting an *Expression of Interest Form* (at any time) which will be considered by the Secretariat and a recommendation made to the Panel. This will be reviewed by the Panel by email or post. The Panel will make a decision whether to invite a full application which will then be fully assessed and considered by the Panel. This process is aimed at ensuring effort is not wasted by any party where there are insufficient funds or the project is unlikely to be deemed eligible or a priority. Applicants will then be able to choose whether to submit their full application in time for the next round, or take more time to develop their project plans and submit at a later date. Large Grant applicants are expected to submit a project plan or business plan alongside their application form. If this is not available then an explanation is required for the Panels consideration.

Standard and large grants may be awarded over a period of years. This is called a 'multi-year' grant. In awarding multi-year grants the Panel clearly needs to be aware of the implications this has on reducing the amount available to distribute each year. Multi-year grants are usually provided for up to three years but in some cases may be for a longer period.

Awards can support a wide range of costs and activities including equipment costs, running costs for local groups, staff or sessional worker costs, consultations, maintenance or refurbishment of community facilities. Activity doesn't have to be new activity although where an organisation is requesting grant support for an established activity or project, the applicant needs to clearly explain what has changed to mean that grant support is now required from the Sunart Community Benefit Fund. The Panel will welcome applications for new ideas and initiatives that either need trying out or where pilot activity has already been successful.

## **7 Frequency of grant-making**

Two grant-making rounds will be operated in each year during the Fund's first three years. (In the event that funds are undersubscribed, or additional funds become available additional 'exceptional' grant making rounds will be announced.) This may be subject to change thereafter.

The Panel will meet approximately 8 weeks after a submission deadline to make decisions on awards. (This allows for the Secretariat to check that all necessary information has been submitted, and to prepare reports for the Panel meeting.)

## **8 Eligibility**

To be eligible to apply for a grant applicants are expected to:

- Have a constitution (governing document or set of rules) and be set up on a not-for-profit basis<sup>2</sup>. However applicants do not need to be registered charities to apply.
- Provide latest set of accounts signed by an independent / third party or, if the group has been operating for less than one year, they should provide a cash-flow projection.

Whilst there was a defined need in the CADISPA report to support business and enterprise development this will be restricted initially to business activity developed or managed by community based organisations with a legal structure that ensures that any surplus is invested in community activity, not personal profit. This restriction on commercial businesses applying will be one aspect of a Fund Review after the first three years of operation.

During the first three years groups may only apply for one grant per round, (with one exception\*). This is to try and ensure that in the initial three years there is a wide spread of grants to a diverse range of eligible organisations. Where an applicant makes a second application within any 12 month period they should be made aware that other 'new' applicants may score more highly. This restriction will also be reviewed after the first three years of operation.

\* The exception to this rule, will be the Sunart Community Company, who may make multiple applications, for example on behalf of one or more Working Groups within the community seeking to progress a specific initiative. However the Panel will consider each SCC application on its own merits, and in comparison with all other applications 'competing' for funds at each round.

Awards cannot support the following types of activity:

- The advancement of religion or politics (including requests to support the core activities of religious or political groups).
- Activities which are deemed to be the responsibility of statutory authorities. (See section 10 for details.)
- Grants to individuals, (with the exception of payments made to assist access to training or education, which may require evidence of spend and that the activity has been completed).
- Projects benefiting primarily those residents out-with the area of benefit.
- Anti-renewable energy activities.
- The repayment of loans or payment of debts.

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<sup>2</sup> The SCC Local Development Officer or Voluntary Action Lochaber can assist with constitutions.

- Costs already incurred or activities that will take place before we have made a decision on an application - known as retrospective funding. (This last rule may be relaxed in exceptional circumstances, but applicants must never spend in the expectation of support from the Sunart Community Benefit Fund.)

### 9 Measuring the difference the Fund is making

The differences that the Fund will seek to bring about for people and groups within the area of benefit can be described as follows:

- Community life is enhanced and maintained through a wide range of activities and improved amenities within settlements.
- There are more and better opportunities for everyone to take part in cultural, sports and recreational activities.
- Economic activity, small business development and local employment is encouraged within the Fund area.
- Local community assets – including community buildings - are developed and supported to enhance the social, economic and environmental well-being of the area.
- Access to and through settlements is safer and more accessible to all.
- The natural, built and cultural heritage is more valued, experienced and understood by both visitors and residents.
- Tourism opportunities are promoted and created within the Fund area.

The Sunart Community Company will agree some simple procedures with the Panel to ensure grantees provide feedback about the difference the grant is making. This will enable a picture to be built up about the wider impact the Fund is achieving and help with statutory reporting. The frequency and level of detail of reporting expected of awardees will be proportionate to the amount of funding they are awarded. As a minimum, completion reports are required at the end of the grant period though multi-year awards will require more frequent reporting.

The Panel, with support from the Sunart Community Company, will review the performance of the Fund annually including the extent to which it has contributed to the Fund outcomes and any potential changes that might increase the success of the Fund.

### 10 Appendix: Additional Policy matters

Although guidance will be provided alongside application forms, it is anticipated that grant-making approach of the Panel will be shaped by applications that come in, evolving over time as different issues need to be considered.

**Based on experience from other community funds in Scotland to date these initial guidelines will help inform Panel knowledge and decisions:**

**Supporting activity that might be deemed a statutory responsibility:**

Most independent funders do not wish to support activity that is generally thought to be a statutory responsibility. This applies also to the Sunart Community Benefit Fund. Public agencies like schools, health or police services are therefore ineligible. Funding work in schools can be problematic as advancing education is a charitable aim but they do not want their funding to enable statutory agencies to divest themselves of their responsibility to continue funding core curricular work in schools. Most funders try to navigate around this by

funding work that is undertaken by the Parent Teacher bodies attached to schools that will be independently constituted and work to bring additional funds to schools to extend children's educational opportunities.

The key is that the applicant can demonstrate that the proposed project is additional to statutory provision and budgets and the work would not be undertaken without funding from another source. However, determining whether applications are additional to statutory provision can be a grey area even where an application is being made by a community group. As part of the assessment process, the Community Company will consider on a case-by-case basis whether a particular project is additional to statutory provision and will report on their findings in the assessment report that is provided to the Panel.

### **Supporting churches or groups connected with churches:**

The Fund will not support activity that promotes the advancement of religion. However churches are eligible to apply for funding for non-religious activity that is likely to benefit a wider catchment than their own specific congregations. In the same vein, churches could apply for funding to upgrade the facilities or fabric of a church owned building where this is used by other groups that bring wider benefit to the community.

### **Supporting activity that takes place outwith the area of benefit but which benefits or involves those living within it:**

It is acknowledged that those living in the area of benefit do make use of facilities out-with the Fund area. Groups providing activities or running initiatives outwith the Fund area are eligible to apply to the Fund where they can demonstrate that the activity does involve people living in the area of benefit. However such activity may not necessarily be considered as high a priority as applications from groups operating within the area of benefit.

### **Supporting commercial businesses:**

Businesses, and especially small businesses, are often the lifeblood of small rural economies. The Sunart Community Company recognise this but will not directly support commercial businesses in the first three years of the Fund because of anticipated high demand from community organisations and enterprises. (It may however support voluntary groups whose members include private businesses.) In due course it may be that applications from commercial businesses are welcomed for activity that will bring clear public benefit as opposed to private gain to the business owner.

Awards from the Fund may be made as either grants and/or interest free loans. The latter could create a revolving business fund. (I.e. The Panel could set aside a sum of money to loaned to small businesses or social enterprises. Interest would be charged on the amount loaned which would then be re-invested in the fund. Any such scheme would be dependent upon the level of funding available each year and the SCC being able to meet the appropriate regulatory standards for small loans. Such schemes are commonly referred to as Community Development Finance Initiatives).

### **Responding to emergencies:**

There may be cases where an emergency situation arises that affects the community – or parts of it - and which the Panel wish to respond to. This may result in the Panel choosing to provide some assistance by way of a grant or donation to a group or individual with immediate and critical needs and/or to intermediaries with the infrastructure to provide the support. Such instances will be dealt with on a case by case basis and where no other provision or immediate support is available.