



# **Unlock our Future Fund**

## **Fund Strategy**

**January 2019**

## **1 What is the purpose of the Fund Strategy?**

The Unlock our Future Fund Strategy is a strategic plan for the Fund. Its purpose is to help guide the Fund Panel in funding decisions. It will set out the details of the Fund, covering what, who, when and how much will be funded, drawing on the analysis of the community consultation carried out by Dr Claire Haggett of the University of Edinburgh and meetings of the working group. It has been developed by the Unlock our Future Fund Panel with support from Foundation Scotland.

In particular the Fund Strategy will assist with:

- helping ensure the Fund achieves measurable impact against agreed purposes and priorities;
- providing clear messages and communication to applicants and the wider community about what the Fund will support;
- set parameters through which demand can be managed and consistent feedback can be given to unsuccessful applicants.

The Panel recognises the need for flexibility in considering how best to structure a Fund that will be fit for purpose in 20 years' time. It is therefore proposed that this Fund Strategy is reviewed within three years from the launch of the Fund and at a regular frequency thereafter so as to ensure it continues to meet the evolving needs and aspirations of the communities in the Fund area of benefit.

## **2 Background**

The European Offshore Wind Deployment Centre is owned and operated by Aberdeen Offshore Wind Farm Limited, a subsidiary of Vattenfall, which has committed to a community benefit scheme to benefit communities across Aberdeenshire and the City of Aberdeen. The Fund will be distributed to projects taking place within the boundaries of the local authority areas of Aberdeenshire and /or the City of Aberdeen.

The Unlock our Future Fund provides £150,000 per annum (as at Year 1 – 2018), tracking the Retail Price Index, for the life of the wind farm, which is expected to be 20 years. The costs of administering and managing the Fund are deducted from the annual sum donated to the Fund.

The Fund is administered by Foundation Scotland, an independent grant-making charity.

The Fund is overseen by a Panel of six individuals who have been nominated and appointed as community champions from across Aberdeenshire and the City of Aberdeen. None of the Panel members are on the Panel representing any organisation but have been appointed based on the skills and experience they can bring to bear.

The Panel advises Foundation Scotland on which projects are to receive grants from the Fund in the context of this Strategy. It also advises on funding strategy and encourages the communities within the Fund area of benefit to work together where this can bring mutual benefits. It also works with Foundation Scotland to promote the Fund, and to share more widely the benefits of the projects being funded by the Fund.

### **3 Community consultation**

In 2017 Aberdeen Offshore Wind Farm Limited commissioned support from one of Scotland's experts on renewable energy funding, Dr Claire Haggett of the University of Edinburgh, to work with them to ensure an independent analysis was taken to develop the best possible community benefit scheme for the region. Following a three-month consultation, which generated a very good response from the area, a clear picture was obtained of the kind of scheme that the community would like to see. This Fund Strategy has been informed by that consultation.

### **4 Fund priorities**

**All applications must meet all of the four priorities listed below.**

The overall purpose of the Unlock our Future Fund is to support charitable activity that addresses the following criteria:

- contribute to a climate smarter world with sustainability at its core. This is an approach that helps to guide actions needed to transform and reorient activities to effectively support development and ensure they can continue in a changing climate;
- invest in community facilities and activities that are fit for the future and are environmentally sustainable<sup>1</sup>, especially community spaces and

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<sup>1</sup> Where the phrase "environmentally sustainable" is used, it means that a project is "either environmentally sustainable already or is working to improve its environmental sustainability and to reduce the carbon footprint of the activity or facility involved".

transport. Applicants will require to demonstrate how their project will impact on the local and global environment. Only projects which show due consideration to the principles of sustainable development including how negative environmental impacts will be mitigated and any potential environmental enhancements delivered will be funded.

- support projects which are innovative in their delivery<sup>2</sup>. As a major focus of the Fund is innovation and 'breaking the mould', the Panel will particularly welcome applications for new ideas and initiatives that either need trying out or where pilot activity has already been successful;
- ensure a legacy (lasting impact) which brings clear benefit to the local community. Legacy can both be infrastructure or a 'living legacy', where the benefit of an activity continues long after the activity has been completed.

## 5 Blackdog

As a result of the community consultation it was also agreed that the substation host community in Blackdog will have access to an annual ring-fenced amount. £15,000 (index-linked) annually, 10% of the overall scheme, will be available to Blackdog for projects or activities that meet the criteria of the Fund. Such applications must normally be for activity taking place within Blackdog, although organisations based outside Blackdog are eligible to make such applications. Following community consultation, it is anticipated that the preference will be to apply the funding towards large projects in the area rather than a number of smaller projects.

## 6 Fund cross-cutting themes

The Panel requires applicants to consider the following cross-cutting themes in an appropriate and proportionate way relative to their project. It is recognised that they may not all be relevant in every case, but if some of them can be achieved, then the application will be stronger.

- **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

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<sup>2</sup> Innovative does not necessarily mean that the activity has never been tried anywhere in the world before but may be a new way of delivering a project not seen before in the area.

cases it could be taken to mean within the area of benefit but in others the whole of the North East of Scotland, or Scotland as a whole might be most appropriate.

- **Strengthening community partnerships:** Where appropriate, that the applicant has taken steps to deliver its project in partnership with other organisations / groups which will add value (financial, capability, or other), or will assist in empowering local communities. This could involve working with voluntary, private or public sector bodies that operate at local, regional or national level.
- **Capacity building locally:** That the applicant has taken steps to provide 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, volunteering or buddying scheme and/or any other learning opportunity that could be created through the project.
- **Focus on future generations and untapping local potential:** Projects should help prepare communities for the future. When seeking to untap local potential, regard should be had to existing community assets, which are the key building blocks of sustainable community building efforts and include:
  - the skills and connections of the local residents;
  - the power of local associations (clubs, groups, informal social networks);
  - the resources of public, private and voluntary and community organisations;
  - the physical and economic resources of local places; and
  - the heritage, culture and stories of the local community.
- **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. While match funding for an application to the Fund is strongly encouraged, it is not essential.
- **Enhancing quality of life for all:** Applications should demonstrate how the benefits of the project will assist in improving the quality of life directly for the beneficiaries of the project, and indirectly for other residents in the area of benefit. Projects should be designed to ensure

that no undue barriers to participation are placed in the way of those less advantaged in the area of benefit.

## **7 Ensuring a legacy from the Fund**

A key aim of the Fund is to provide a legacy. This is in keeping with the emphasis in the Scottish Government's 'Good Practice Principles for Community Benefits from Offshore Renewable Energy Developments', and the Marine Scotland (2011) Plan 'Blue Seas, Green Energy - A Sectoral Marine Plan for Offshore Wind Energy in Scottish Territorial Waters (Part A, The Plan)', which says that:

*"Scotland, and its local communities, should receive a direct and lasting legacy from the exploitation of our natural resources".*

Interviewees and respondents to the community consultation also described the importance of legacy:

*"It is important that the benefits of this fund can continue to be felt by residents in the area for years to come".*

It is unlikely that the Fund will be able to make a significant contribution to large capital projects given its size. However, grants may be awarded to capital projects that fit the following criteria:

- The project will be for a capital project to improve or enhance the infrastructure of an existing community facility; or for a feasibility study, consultancy fees or other start-up costs in preparing for the development of a new community facility, but only where there is a reasonable prospect of the funding being raised for the overall development within a reasonable timeframe;
- The applicant can demonstrate a funding plan for achieving the target project cost whereby the grant from the 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 financial sustainability in the short, medium and longer term.

## **8 What level of grant can be awarded?**

With £150,000 (index-linked) available to the Fund each year, of which £15,000 (index-linked has been allocated to Blackdog), this will be distributed via two levels of awards:

- Small grants of £500 – £2,000.
- Large grants of between £2,001 and £15,000.

Large grants may be awarded over a period of up to three years. This is called a 'multi-year' grant. By awarding multi-year grants this will reduce the amount available to distribute in subsequent years. The maximum total grant which may be awarded as a multi-year grant is £30,000, with £15,000, £10,000 and £5,000 as the maximum sums in years one, two and three respectively. These payments will be awarded over the three years.

## **9 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. However, applicants do not need to be registered charities to apply.
- Provide their latest set of accounts signed by an independent / third party or, if the group has been operating for less than fifteen months, they should provide a cash-flow projection.

The following are not eligible to apply:

- Commercial businesses;
- Individuals;
- Informal groups that do not have a constitution.

If the application is from a school or other group forming part of City of Aberdeen Council or Aberdeenshire Council, then neither accounts nor a constitution needs to be supplied.

Although groups may make more than one application each year, only one award (which may be a multi-year award) will be made in any Fund year. This is to try and ensure that there is a wide spread of grants to a diverse range of eligible organisations and local communities.

## **10 What kinds of things can and cannot be funded?**

The ambition of this Fund is to support a clean energy future for local communities with legacy at its core.

**Applicants are encouraged to contact the Fund Manager at Foundation Scotland for an informal discussion about their project before submitting an application, especially if the application involves funding staff salaries.**

Provided that the other Fund criteria are met, awards can support a wide range of costs and activities. The preference is for new activity to be funded i.e. applicants should demonstrate what additional activity will take place beyond that already happening. If 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 Unlock our Future Fund.

Grants cannot support the following types of activity:

- Projects that do not take account of their environmental impact or do not have a positive environmental impact;
- 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;
- Grants to individuals;
- Projects benefiting primarily those residents outwith the area of benefit.
- Activities contrary to the interests of Aberdeen Offshore Wind Farm Limited, Vattenfall or its subsidiaries;
- Activities likely to bring Foundation Scotland, Vattenfall, Aberdeen Offshore Wind Farm Limited or its subsidiaries into disrepute;
- Anti-renewable energy / wind farm activities;
- The repayment of loans or payment of debts;
- Costs already incurred or activities that will take place before the Panel has made a decision on an application (retrospective funding).

Village halls and community centres - only improvements to such buildings made for the improvement of their environmental sustainability are likely to be funded, and only with the consent of their owner.

The Panel has decided that there will be a presumption against funding staff salaries, especially existing staff for which funding elsewhere has been lost.

However, the costs will be allowed of sessional workers i.e. someone who is not employed by the applicant but is paid for carrying out work on an hourly or similar basis e.g. a tutor conducting computer coding classes one evening per week.

One-off events or days or trips are unlikely to be funded unless there is shown to be a clear lasting legacy as a result.

As Foundation Scotland is a charity registered in Scotland, all grants made through it must be charitable, so the Fund cannot support activities that are not charitable in nature. This does not mean that the applicant must be a registered charity with the Office of the Scottish Charity Regulator (OSCR), and many organisations in Scotland carrying out charitable activity are not registered. Sections 7 and 8 of the Charities and Trustee Investment (Scotland) Act 2005 sets out the definition of charitable activity: <https://www.legislation.gov.uk/asp/2005/10/part/1/chapter/2/crossheading/the-charity-test>

A variety of suggested examples of projects which may or may not be funded is attached to the strategy as Appendix 1. The fact that such an example is listed in that appendix does not guarantee that the Panel will fund such a project, and the examples are given merely to help applicants understand the type and range of projects which the Panel considers it likely it may fund. The Panel may of course receive more applications than it has funds available to distribute and therefore be able only to fund a limited number of applications.

## **11 Method and frequency of grant-making**

The Panel has chosen to adopt an open grant-making process i.e. applications for grants are open to all eligible groups in the Fund area of benefit to deliver projects meeting the priorities of the Fund. In future years, the Panel may choose to adopt any other method of distributing the Fund, for example participatory budgeting or commissioning.

Up to two grant-making rounds will be operated in each year. The Panel may choose to award all the funds available in one grant making round each year or may choose to set aside funds for a second grant-making round. This may be subject to change at any point during the life of the Fund. In setting the number of rounds, the Panel will take into consideration the amount of funds available each year, likely interest in the Fund and the capacity of the Panel to undertake the work required to consider applications.

The Panel will meet approximately 6 to 8 weeks after an application deadline to make decisions on awards.

## 12 Policy matters

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

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

As determined by the community consultation carried out, anything that is the responsibility of statutory authorities will not be funded. Public agencies like schools, health or police services are therefore generally ineligible, subject to the exceptions below.

Activities that take place on the school estate, during school hours and with school pupils only are not generally eligible for an award, subject to the exceptions below. Activities run on, and equipment for use in, the school estate outside of school hours may be eligible. Projects designed specifically to improve the condition of the school estate are unlikely to be funded e.g. solar panels on a school roof.

The key is that the applicant can demonstrate that the proposed project is **additional** to mainstream statutory provision and budgets and the work would not be undertaken without funding from another source. Activity which is capable of being supported from other funds e.g. from Skills Development Scotland, should not be supported by this Fund. However, determining whether applications are additional to statutory provision can be complex. As part of the assessment process, Foundation Scotland 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.

As the Panel for this Fund is seeking to fund innovative projects, applications for project work out with the mainstream school, college or university curriculum in Science, Technology, Engineering, Mathematics and Digital Skills (STEMD)<sup>3</sup> are encouraged. Applications will be welcomed from parent councils

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<sup>3</sup> **Science** enables us to develop our interest in, and understanding of, the living, material and physical world and develop the skills of collaboration, research, critical enquiry and experimentation.

and student bodies as well as from the schools, colleges and universities themselves, although applications from schools and academic institutions will require to demonstrate that funding for the project is not available from within their own budget.

**Supporting religious bodies or groups connected with such bodies:**

Although it is a charitable purpose, this Fund does not fund projects that promote religious belief ('the advancement of religion'). This means projects relating to the core activities of religious organisations will not be funded, even if they are charities.

However, the Fund can make grants to such organisations for projects that benefit the wider community without excluding anyone on religious grounds. For example, the Fund can assist with sustainable improvements to a hall owned by a religious body and accessed by various groups where religious affiliation or practice does not present a barrier to groups wishing to use the facilities. Ideally, the service or facility in question will be widely promoted to other groups (non-religious or of other religious affiliation) and/ or already accessed by these.

Where some elements of a project involve promotion of religion, it may be possible for the Fund to provide a grant towards the non-religious elements, where it is clear which elements our funding will support and where the applicant agrees that all faiths will be promoted (or none) through the wider project.

The Fund will not normally make grants towards the construction, alteration or restoration of buildings or associated features whose primary purpose is worship, e.g. replacement of stained-glass windows in churches, unless there

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**Technologies** cover a range of fields which involve the application of knowledge and skills to extend human capabilities and to help satisfy human needs and wants, operating at the interface of science and society. This covers business, computing science, chemicals, food, textiles, craft, design, engineering, graphics and applied technologies.

**Engineering** a specific branch of the technologies, draws on scientific methods and knowledge to address and solve real-world problems.

All of STEM is underpinned by **Mathematics**, which includes numeracy, and equips us with the skills we need to interpret and analyse information, simplify and solve problems, assess risk and make informed decisions.

**Digital skills** embrace a spectrum of skills in the use and creation of digital material, from basic digital literacy, through problem solving and computational thinking to the application of more specialist computing science knowledge and skills that are needed in data science, cyber security and coding.

is sustainable environmental improvement in doing so, or if the improvement is carried out in a particularly innovative way in line with the focus of this Fund.

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

This will not be funded. All activity must take place within the boundaries of the City of Aberdeen Council or Aberdeenshire Council.

**13 Measuring the difference the Fund is making**

Foundation Scotland will agree with the Panel some simple procedures to ensure grantees provide feedback about the difference the grants from the Unlock our Future Fund are making. This will enable a picture to be built up about the impact the Fund is achieving. 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 a report at the end of each funding year, prior to the next year's grant being released. A grant recipient may receive an inspection visit from a Panel member and/or Foundation Scotland during the course of its project activity, and grant recipients will be expected to accommodate such a visit. A grant recipient may also be asked to make a presentation to the Fund Panel or to public events on the outcomes of their project, and how the grant from the Fund has helped these be achieved.

The Panel, with support from Foundation Scotland, will review the performance of the Fund annually including the extent to which it has contributed to the Fund priorities and any potential changes that might increase the success of the Fund. A more fundamental review of the Fund, its success in meeting its purposes and priorities, and its impact on the area of benefit will be carried out at a frequency to be agreed with the Panel but at least every three years.

## Appendix 1

### Examples of projects that the Panel may wish to fund

- 1) A University applied for funding (to a different funding source) to install bicycle maintenance stands around its campus. The stands allow users to lift their bike up for maintenance, has tools for changing tyres, tightening screws/bolts and has a built-in bicycle pump. All the tools are fixed to the stand so cannot be removed easily.

The project encourages environmentally friendly transport, should last for a long time without further costs (i.e. it provides a legacy), encourages healthy living (future generations) and is innovative.



- 2) The operators of community-managed 3G artificial sports pitches, suitable for 5 a side football, tennis and basketball, sought to introduce controlled access to these pitches, at minimal operating cost, while making them available to wide range of people, especially young people locally. It proposed a solution involving solar-powered automatic locking of the gates to each pitch, combined with an on-line booking system and payment system.

The idea was that anyone could either (a) book and pay for a pitch in advance; or (b) be at the pitch, see that it was not being used, and using a smart phone book, pay for and receive the access code to the gate to gain entry to the pitch. By setting the level of hire charge for the pitch at £5 per hour for young people, it became instantly accessible to them.

The project is innovative, using a combination of existing technologies to provide a low-cost booking and access system, encourages healthy

activity and living (future generations), and improves community facilities in an environmentally sustainable way.

- 3) A village hall is seeking to upgrade its insulation in order to reduce its heating bills. It proposes to use a new type of insulation material recommended by the hall's architect. All groups currently using the village hall have been involved in developing the project. This will meet the priority of improving a community facility in an environmentally sustainable manner, it will provide a lasting legacy, will be innovative, and will provide a benefit to the wider community.
- 4) A local development trust seeks funding to help develop a cycling and walking path network in the local area. Part of the path in an urban area is made up of thousands of sparkling stones that can absorb solar energy during the day and emit light by night. Funding is specifically sought for meeting the costs of survey work, negotiating access agreements, and other preparatory work with a view to unlocking substantial funding from another funder to actually build and improve the paths. There is a reasonable prospect of the funding being raised for the overall development within a reasonable time-frame.

This project will provide a legacy, will be an investment in community facilities that are fit for the future, will improve the environmental sustainability of travel in the area, and will benefit the community more widely. The stones aspect of the project, when developed, will be innovative.

- 5) A unique partnership amongst four high schools and a non-profit 'Living Landscape' community group has helped to develop skills, confidence and the health of young people who have been 'twinned' with local wild places. The schools have used employability, well-being and creativity to inspire people to come together and deliver community action plans. Funding is required for a sessional worker to project manage starting a community vegetable garden which will grow fruit and vegetables which will be donated to the local food bank. All other resources to start up the garden will be funded by the local authority.
- 6) A local energy company has offered to install biomass heating into the community-owned learning centre using their heating connection. The energy company have committed to donating the labour and connecting the heating free of charge, but funding is required for the boiler and radiators. The company will complete the installation in one day. The

renewable payments received from this heating source will be reinvested in the learning centre. <http://www.hwenergy.co.uk/4596-2/>

### Examples of projects that the Panel is unlikely to fund

- 7) A village hall is looking for the funds to replace its outdated kitchen. While this will improve a community facility, and is likely to provide a lasting legacy, this is unlikely to be either innovative in its delivery or to improve the environmental sustainability of the village hall.
- 8) An after-school club of young engineers is looking to make a visit to the Edinburgh Science Festival, and funding is sought to pay for the cost of transport and accommodation to Edinburgh. This is unlikely to be environmental sustainable or innovative and as a one-off trip, will not be funded.
- 9) A rugby club seeks funding to help repair the roof of its changing rooms and clubhouse. This project is unlikely to be either innovative in its delivery or to improve the environmental sustainability of the building.
- 10) A local canoe club seeks funding to buy equipment for local young people learning to use kayaks and canoes, with a view to participating in the activity as a competitive sport. The provision of sports equipment is unlikely to provide a legacy or contribute to a climate smarter world with sustainability at its core, so is unlikely to be funded.
- 11) Funding is sought by a village hall committee to purchase a public access defibrillator plus heated defibrillator cabinet for placing on the external wall of the village hall, in order to assist anyone locally having a cardiac arrest. The project is not innovative, nor does it provide improved environmental sustainability for the local community, and funding could be sourced elsewhere, so it will not be funded.