

BLACKCRAIG WIND FARM COMMUNITY FUND

Fund Strategy 2019-2022

1 Purpose of this Fund Strategy

The purpose of the Blackcraig Wind Farm Community Fund Strategy is to set out the Fund's early priorities and the processes by which funding will be made available. In due course it is anticipated that this strategy will be refined in response to consultation and action planning activity in areas benefitting from this new charitable Fund for the area and its early grant-making activity.

The Fund Strategy will:

- Enable proposals to be prioritised for funding and for decisions to be made in a fair and consistent manner;
- Ensure the Fund achieves measurable impact against agreed Fund priorities;
- Provide clear messages to applicants and the wider community about what the Fund supports;
- Ensure the funding is accessible to those who are well placed to deliver impact in the Fund area.

The Strategy has been developed by The Glenkens & District Trust (GDT) in conjunction with Foundation Scotland and will be reviewed at regular intervals to ensure it continues to meet the evolving needs of the communities.

2 Background

Blackcraig Wind Farm is owned and operated by Blackcraig Wind Farm (Scotland) Limited (BWL). BWL has agreed to provide an annual Fund that will benefit the communities, defined as the areas served by the following Community Councils:

- Balmaclellan
- Balmaghie
- Carsphairn
- Corsock & Kirkpatrick Durham
- Crossmichael & District
- Dalry
- Dunscore
- The Royal Burgh of New Galloway and Kells Parish
- Parton

Glencairn is also within the Fund area of benefit. However Glencairn Community Council has made separate arrangements with the owners to administer a sum for its area in line with arrangements already in place for community benefit payments in Glencairn. As a result, Glencairn based groups are not eligible to apply to the Blackcraig Wind Farm Community Fund Main Grants Programme (detailed below).

The Fund comprises an annual payment of £5,000 per MW, totalling £264,500. The longevity of the Fund is currently not known. It is hoped, but not guaranteed, to endure for the operating lifetime of the wind farm.

The Fund is administered by Foundation Scotland, an independent grant-making charity, under contract to BWL. Some costs of administration will be borne by the Fund, capped at 5% of the Fund value. BWL will fund any additional annual administration costs. In addition to the stand-alone contribution to Glencairn, BWL has also agreed a contribution to each Community Council within the area of benefit. This leaves a balance of £213,275 which will, initially, be distributed through an open Main Grants Programme.

The decision-making body for the Fund is The Glenkens & District Trust (GDT), the Board of which comprises representatives drawn from most but not all of the Fund's Community Council's and potentially some none Community Council representatives.

Foundation Scotland is entering into a Memorandum of Understanding (MOU) with GDT setting out key roles and operational terms in relation to the governance and administration of the Fund.

The role of the GDT Board in relation to the Blackcraig Fund is to:

- Develop and agree the Fund Strategy and keep it under review;
- Determine distribution methods, in accordance with the Fund Strategy¹;
- Decide, in accordance with the Fund Strategy, on fund spend and advise FS on award decisions;
- Advise FS on other aspects of the management of the Fund such as promotion, awareness-raising and strategic activities designed to maximise benefits to the community.
- Pursue this range of activity in a context shaped by commitment to ongoing dialogue with the communities about their needs and aspirations.

¹ Excepting the direct payments to the Community Councils which is an arrangement determined by the wind farm owner.

3 Making a Difference

The overall purpose of the Fund is to help build our communities to be even better places to live and visit for people of all ages.

This means using the Fund to help the communities become more connected, strong, creative, inclusive, healthy and long lasting.

The Fund will achieve this by supporting community activity that:

- Makes life better for local residents and visitors by helping to meet their social, emotional, physical and environmental needs and wishes.
- Stimulates the feeling of belonging and pride in the area by encouraging people to join in with positive and creative activities
- Encourages activity that shares and celebrates the skills, experience and knowledge of local people.

These **priorities are deliberately broad** to ensure funding can reach a wide and diverse mix of activity and projects.

GDT is aware of various research and analysis done by the Galloway Glens Landscape Partnership, Galloway and South Ayrshire Biosphere, New Galloway Community Enterprises Ltd, Glenkens Community and Arts Trust Ltd and more recent survey work by the Stewartry Council for Voluntary Services to inform Fund priorities in the medium and longer term. There is an outstanding task to draw this research together and analyse the results. Once this is completed GDT will also consider how to build on this to develop appropriate community action planning. Considered collectively, this can then become a **baseline community profile** from which to measure Fund impact going forward. It will also inform any review of the priorities.

The Blackcraig Wind Farm Community Fund has arisen as a direct result of the Blackcraig Wind Farm. Whilst it doesn't provide any clean energy directly to the local community, GDT is aware of the need for communities locally, regionally, nationally and internationally to drastically reduce greenhouse gas emissions to tackle the climate emergency. The Blackcraig Wind Farm Community Fund provides a unique opportunity for the local communities to better work together and plan for their collective and shared futures. In the light of this GDT will seek to draw in support to develop a **Local Energy Plan** for the Blackcraig area that will enable communities to consider their future energy needs and how these can be met reliably, cost effectively and without long term environmental consequences. This Plan will then be an additional resource to inform revisions to this Strategy in future years.

4 Approaches We Encourage

The Blackcraig Wind Farm Community Fund is an exciting opportunity for our communities. As well as using it to improve our communities through specific projects or activities linked to the priorities noted above, we also want to use it as a springboard to improve how community groups plan and deliver projects and how we can work together better.

So we will encourage applicants to show that they have considered some of these approaches in an appropriate and proportionate way relative to their project. Some examples are detailed. Not all of these will be relevant to every application and they are not mandatory. Certainly we don't want applicants to force them into their application. But where one or more can be reflected or integrated into project plans and delivery, it will help GDT prioritise proposals if there is competition for funding.

For the purposes of clarity we are using the term 'criteria' in the Fund Factsheet and Application Form to identify these 'approaches.'

Partnership working: Some groups already collaborate and share ideas and resources. We want to encourage more of that because we will all benefit from more sharing. So we want to encourage groups to explore if delivering their project in partnership with other organisations / groups could add value (financial, capability, or other). This could involve collaborating with other local groups or working with voluntary, private or public sector agencies that operate at local, regional or national levels.

Geographic breadth of impact: We appreciate and respect that some activity is very place based and delivered to a specific group, perhaps tied to a particular place. However, where possible, we want to encourage people to consider if their project or activity can link with or reach to other parts of the Fund's area of benefit. We do understand that some of the communities are more on the fringe of the area of benefit so appreciate this kind of linking this may be less likely. But we do want groups to consider the feasibility of extending the geographic breadth of impact of the project.

Building skills, knowledge & understanding: We want to encourage the applicant to consider opportunities to build the skills and knowledge of group members or other local people, associations or organisations connected with the project. This could be formal or informal or through some form of mentoring activity, peer support or buddying scheme, or any other learning or development opportunity that could be created through the project.

Being imaginative: The Fund can support established project activity but if people have ideas to try different things, we want to encourage that. Whether it's trialing a new event, running a service differently or reaching new people in different ways. We don't want our communities to be limited by what they have known until now. We want them to think ambitiously and creatively especially where people have new ways of solving old problems. And we are prepared to take some risks if proposals come forward that challenge us all to think or operate differently. (We also recognize though that some things are working well – but may need some support. So if it's not broke - don't fix it!)

In it for the long term: We want to encourage applicants to take a long term view of their project. So when an application is for recurring activity (e.g. rental of a space, an annual festival, ongoing running costs for a club), we may encourage the applicant to give some thought to how that the activity might become more sustainable at some point in the future. This might be, for example, through transition to volunteer delivery, charges to beneficiaries (balancing this against issues of affordability), some other form of trading (goods or services), or a service delivery contract (e.g. with the local authority). Nonetheless it is recognised that the population and demographic of the area does mean that some things are not sustainable without external funding and will always be grant dependent. If so, it will be important for an applicant to explain why this is the case.

Respecting and caring for our local environment – for ourselves and future generations: We recognise the importance of protecting our environment. We recognise too that our actions as citizens and participants in community life can contribute to the growing climate emergency we all now face. We want to encourage groups to consider where and how their own activity or project can contribute, even in a very small way, to combatting this emergency. This may for example mean, encouraging car sharing if volunteer travel is involved, or encouraging a discussion within the group's management committee about carbon reduction measures relevant to them as a group or the wider service or project they oversee.

Leverage/ match funding: We want the Fund to help bring in additional income into our communities. So where groups can, we want them to try and use grants from the Blackcraig Wind Farm Community Fund to help lever in further funding to help them deliver projects. This might be through local fundraising activity, other grants, loans or crowdfunding. Match funding is not mandatory but we would hope that those applying for higher value grants will be able to demonstrate that other funders are contributing to the total project cost or bids are in progress.

Procuring smartly: Where possible we encourage applicants to work with suppliers

of goods and services local to their area. Of course the definition of 'local' will vary depending on the goods/services in question. In some cases it could be taken to mean suppliers located within the Fund Area of Benefit (the ten communities) but in others a more regional reach may be more appropriate.

5 Fund Distribution

In the first year/, the Fund will be distributed as follows:

- An allocation to each Community Council for localised distribution (see Appendix 1 which describes arrangements that have been put in place).
- An open grant-making process, with advertised funding rounds widely promoted across the Fund area. This will be called the 'Main Grants Programme'.

Distribution plans for the following year/s will be informed by experience and learning from Year 1.

Main Grants Programme

In this first year, the Main Grants Programme will run over the Summer/ Autumn period (opening in June, awarding funds in late October, and called the **Autumn Round**) and then in the Winter/Spring period (opening in late 2019 and awarding funds in April/May 2020 and called the **Spring Round**). However if there are sufficient fundable projects in the first round, GDT reserves the right to support those and allocate available funds rather than delay project implementation. The aspiration for two annual rounds may be altered (increased or decreased) after the first couple of years to take account of the volume of applications being received and the level of unallocated – if any - funds remaining.

In the event of the Fund being over-subscribed, and GDT wishing to support more projects than funds available, any approved applications which are not time sensitive will receive funding when funds become available again, subject to the project still being on track. The group will not be required to apply again.

The **minimum grant** that can be applied for is £500. In this start-up period and in anticipation of high demand initially, GDT doesn't intend to provide grants of more than £25,000. This **upper limit** will be reviewed after the first two rounds.

Initially the Fund will **not provide multi-year grants** (whereby a repeat activity such as a salary or a rental cost comprises part or all of the grant) but this will be considered at a later point.

Funding rounds will be advertised in advance so groups have the opportunity to plan. **Outreach events** will also provide opportunities for groups to learn more about applying to the Fund.

Applicants will apply through **a single, common application form**. The Fund Administrator, Foundation Scotland, will receive and assess all applications and supporting materials, based on eligibility and fit with scheme criteria. This will usually involve a follow-up telephone call from a Foundation Scotland Assessor. The call is an opportunity to learn more about the organisation applying, as well as project specific information relevant to your application. Drawing on the application, supporting material, subsequent phone call with the applicant, and potentially referees as well, Foundation Scotland will then compile an objective appraisal of the application, which will be considered by GDT to inform its funding decisions.

GDT will be advised of all applications received including those not eligible.

Groups are not prohibited from submitting more than one application in any round or including more than one project in a single application. However groups are expected to be aware of the many other groups and organisations in the area, of varying types, scale and capacity, competing for support from the Blackcraig Wind Farm Community Fund. If more than one application is made, or where more than one project features in an application, the organisation may be asked to confirm the priority order of the applications or projects to facilitate decision making by GDT.

There may be cases where **an emergency situation** arises that affects the community – or parts of it - and which GDT wishes to respond to. This may result in GDT choosing to provide some assistance by way of a grant or donation to a group 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

6 Eligibility

To be eligible to apply to the Main Grants programme, applicants must:

- Have a **constitution** (governing document or set of rules) and with a minimum of three unrelated committee members.

- Be set up on a **not-for-profit** basis and have **charitable purposes**. However applicants do not need to be registered charities to apply.
- Provide their **latest set of accounts** that have been independently inspected and signed, unless they are newly established/ less than 15 months old.

Awards can support **a wide range of costs and activities** including equipment costs, staff or sessional worker costs, consultations and feasibility studies, maintenance or refurbishment of community facilities, and so on. Activities funded (including capital and running costs) must be consistent with **recognised charitable purposes** as set out in the Charities and Trustee Investments (2005) Act Scotland².

The Fund **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 understood to be the primary responsibility of statutory authorities (including teaching equipment in schools).
- Organisations or groups with unduly restrictive membership criteria and/or where the committee or board is not elected by, or otherwise accountable to, a wider group of people.
- Grants to individuals or unconstituted groups (other than through the discretionary Community Council schemes and where that grant provides community benefit) or grants to private for-profit businesses.
- Projects primarily benefiting residents outwith the area of benefit.
- Activities contrary to the interests of Blackcraig Wind Farm (Scotland) Ltd, The Glenkens & District Trust or Foundation Scotland, or likely to bring any of them into disrepute.
- Anti-renewable energy/anti-windfarm activities;
- Retrospective funding (i.e. paying for costs incurred before a decision on an application to the Fund is made).
- The repayment of loans or payment of debts.

Further detail on some of these points are provided below:

In a broader commitment to support and promote good practice in charitable grant-making, the Blackcraig Wind Farm Community Fund is adopting the following **minimum governance requirements for applicants**.

This means that the applicant organisation:

² See <https://www.oscr.org.uk/guidance-and-forms/meeting-the-charity-test-guidance>

- Has purposes that are charitable in nature;
- Has suitable restrictions on the disposal of assets (a charitable 'asset lock') and the remuneration of its Committee or Board Members;
- Requires a minimum of three unrelated persons on its management committee or Board. This is to ensure that the group is representative of the wider community or interest group and not dominated by a single family or similarly connected individuals, and;
- Requires all financial transactions to be either authorised (before payment) or checked (after payment) by two un-related people. This is to act as a safeguard against fraud or misuse of charitable funds under the organisation's control

If the applicant's governing document allows for **remuneration of any Board or management committee members** (for example, if the lead member of staff is also a Board Member), then the organisation must comply with OSCR's guidance on this. Its governing document should only allow for a minority of those on the Board or management committee to be remunerated for their services as Directors or committee members, and none of those who are remunerated as such should be involved in decisions about that remuneration.

There is sometimes confusion around **support for community activity connected with religious groups**. Funds will not support activity that promotes the advancement of religion. However, grants can be made to religious organisations for non-religious activity that benefits the wider community without excluding anyone on religious grounds. For example, it can fund improvements to a hall owned by a church and accessed by various groups beyond the organisation's own specific congregation alone, and where religious affiliation or practice does not present a barrier to groups wishing to use the facilities. The service or facility in question should be widely promoted to other groups (non-religious or of other religious affiliation) and/ or already accessed by these.

Funds 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. An exception may be made where there is significant heritage or other community benefit to doing so, such as improvement to the visual appearance of the village/ town and its tourism potential.

Another area that can be challenging is where and how an existing or proposed project may **overlap with statutory provision**. Determining whether applications are additional to statutory provision can be difficult, whether funding is sought by either statutory authorities (such as local authorities, schools, health or emergency services) or by a community group. As part of the assessment process, Foundation

Scotland will consider on a case-by-case basis whether any proposed project is additional to statutory provision and will report on their findings in the assessment report that is provided to GDT.

GDT wants to encourage applicants to **work in an inclusive way, in line with equalities legislation** – and that they can demonstrate how they do this.

This means that:

- Access to activities or services should not exclude beneficiaries on the grounds of age, disability, race, religion or belief, pregnancy and maternity, marriage and civil partnership, sex, sexual orientation or gender reassignment (known as “protected characteristics” under the Equalities Act 2010) unless this can be justified (see below). It also means that applicant groups should seek to remove any barrier to participation and it should be possible for anyone in the intended beneficiary group to find out about the activity or service. Ideally, the activities/services should be widely promoted within the community or specific interest groups. Potential further barriers may be: physical (e.g. accessibility of the venue); financial (e.g. relating to any charge or transport costs); geographical (relating to transport availability / journey time); psychological (e.g. to do with confidentiality); cultural, language or literacy barriers.
- Similarly, the organisation’s membership criteria should not exclude any individual on the basis of protected characteristics, unless this can be justified (as below). In addition to equalities considerations, organisations that welcome a diverse range of interests and perspectives may bring in a wider set of skills and experience, innovation, and/or engage new sections of the community.
- Where an organisation restricts membership and / or access to its services or activities to people who share one or more of the protected characteristics (e.g. by gender), the GDT may only consider an application for funding if it is clear that excluding other individuals is objectively justified, or is done to prevent or compensate for disadvantage linked to the protected characteristic. For example, it may be justifiable to have membership and/or access to a service restricted to women only if a mixed gender environment would act as a barrier to their participation, or to restrict membership to parents / carers of children accessing a service if unrestricted membership could pose a risk to children.

Supporting **activity that takes place outwith the area of benefit** but which benefits or involves those living within it is another factor that may be an issue for potential applicants. GDT acknowledges that those living in the Fund area do make use of facilities and services outwith the area. GDT wishes to allow those organisations providing services or activities outwith the Fund area of benefit to apply

to the Fund where they can demonstrate that the service or activity in question does (or will) primarily benefit people living in the Fund area. Where this is the case, there will be an expectation that the proportion of the project costs funded will not normally exceed the proportion of beneficiaries from the Fund area. Applicants will be expected to have systems in place to allow them to identify and report the number of beneficiaries from the Fund area.

7 Future Distribution

Over time other methods described below may be developed and implemented as needs and/or opportunities arise and as agreed by GDT.

- **Targeted award-making**

A more targeted grant scheme may be operated, seeking to address specific priorities. In each case, an identified portion of the main Fund would need to be ring-fenced for this activity. However demand for such funding can be monitored and reported to GDT regularly and funds returned to the main pot if there is insufficient demand over a significant period.

- **Commissioning (open or closed)**

This approach may be appropriate if there is clear evidence of need for a project or service but no applications that address that need are forthcoming to the open grant making programmes. For example, this might include local broadband provision or community transport projects. Commissioning could also be used to carry out research that will help to identify or shape future projects or services.

The approach would involve GDT and Foundation Scotland, working with relevant local stakeholders to draw up a specification for the service with clear outcomes and related targets to be met. A competitive selection process could then be run, inviting proposals in response to the specification and resulting in appointment of a preferred bidder against agreed selection criteria.

Alternatively, there may be just one local organisation that is well placed to deliver the commission. In that case, a bid for funding may be encouraged from that organisation directly. Identification of the selected organisation may come about in various ways, for example the organisation may have made an approach to GDT, Foundation Scotland or one of the Community Councils, or local individuals or groups may have approached the organisation to ask if they would be willing to provide the service in question. Whatever the case, there should ideally be some consensus, at least amongst key local stakeholder, that the service or project is required and that the organisation in question is best placed to provide it. Where there are other local

organisations that may consider themselves well placed to deliver, this approach could be problematic, and the open commissioning approach above more suitable (or those organisations may be encouraged to form a consortium, if appropriate).

There would need to be an appropriate legal entity that enters into a binding agreement with the selected service provider, setting out how they will deliver the service or project, at what cost, and over what timescale. Ongoing payments can be tied to the achievement of the outcomes and targets. Regular reporting and reviews are therefore key; there must be a way to check that the agreed activity is being delivered well, achieving impact, and that it is still a priority locally if the aim is for the commission to run over a number of years.

- **Participatory Grant-making**

This is a form of competitive grant-making that involves a larger number of local people having a direct say on which proposals receive funds through a voting process (either on-line or at a public event). Proposals must however still meet with the Fund's purposes and with basic eligibility criteria, so will need to be screened beforehand.

Individuals may have experience of other participatory budgeting initiatives. Approaches vary, including presentations by applicant groups to an audience who then vote on the same day at said event or via online voting or again in person at a drop in event where applicants had stalls.

8 Evaluation and Review

Evaluation of funded activity is important to show how the Fund is making a difference and so that GDT and other stakeholders learn lessons for the future, informing Fund reviews.

All funded projects will be required to submit a completion report to Foundation Scotland identifying the project's impact. In due course, multi-year projects will also have to submit regular monitoring returns - at least annually and sometimes more frequently depending on their size.

The completion report invites the group to share how the project went and what has been achieved. We will be asking for some feedback and the extent to which the project has made a difference in any of the Fund's main change areas.

Foundation Scotland will produce a Fund annual report showing projects funded, as analysed by outcomes etc. The report will also contain a selection of case studies which capture impact and lessons learned.

The wind farm owner, GDT and Foundation Scotland will keep the arrangements for delivering community benefit under review. At a later point an external evaluation may be commissioned to help evidence learning and impact in the Fund's initial phase.

9 Promotion and Communications

A successful Fund requires clear and ongoing communication, for example about what will be supported, how to apply, what has been supported, and the success and learning of funded projects.

GDT and Foundation Scotland will work together to ensure the Fund is promoted across the area of benefit and information about awards and the difference being achieved through them is widely shared.

This will include using local print newspapers (particularly the Glenkens Gazette and Galloway News) and social media as much as possible alongside creating an annual report to summarise and celebrate the work of the Fund. Outreach events will provide an opportunity for prospective applicants to discuss their project ideas with Foundation Scotland and GDT.

In addition GDT will look to run at least one annual event that can bring awardees together to share project progress and potentially identify new opportunities for collaboration. Groups being offered awards will be required to commit to attending that event.

The Fund will have a dedicated page on Foundation Scotland's website. At a future point the Fund may develop its own website.

Fund material will be available to download but hard copy material, including application forms, will also be available in local outlets where this can be arranged and monitored. Applicants will also be able to apply online.

Applicants are required to have an email address and Foundation Scotland will send written material by email. In exceptional cases hard copy letters and accompanying documentation will be issued.

Fund identity is important. During the first year, GDT will consider options to develop a logo for the Fund that will then become the recognised brand for it. This might be via a tender, competition process or some other process.

Appendix 1: Direct grant-making by Community Councils

In Year 1, this arrangement provides:

- £2,000 each to the Community Councils of Balmaghie; Carsphairn; Corsock & Kirkpatrick Durham; Crossmichael & District; Dalry; Dunscore; The Royal Burgh of New Galloway and Kells Parish; and Parton;
- £4,000 to Balmacllelan Community Council, as the host community, and;
- £18,000 to Glencairn Community Council, which has made separate arrangements with the wind farm owner to distribute all funds for its area. As a result, Glencairn based groups and/or projects benefitting Glencairn may not access the Main Fund open-grant-making process.

GDT is not involved in the above arrangements but will welcome hearing about how funding is being used and the impact being achieved.

The Community Councils will be able to utilise this funding charitably, however each sees fit. Some may have one or two larger 'shovel ready' projects – others may opt to run local grant-making schemes, akin to Foundation Scotland's model 'micro grant' scheme and for which details can be shared with interested CCs. In addition Foundation Scotland can provide other templates to Community Councils to assist with setting up their schemes.

Each Community Council will report annually on its expenditure to Foundation Scotland.

From experience, Foundation Scotland would suggest that where the Main Grant scheme is running concurrently alongside any other scheme run by a Community Council, clear names, branding and descriptors of local schemes or funding opportunities is helpful to avoid confusion. Naming Community Council distributed funds consistently, for example as <Parton> Community Council Blackcraig Small Grant Scheme could help mitigate confusion.