

Fund report



Kildrummy Wind Farm Community Benefit Fund



Year 7: 1 January 2020 to 31 December 2020



Headlines

- Five grants awarded in year seven, totalling £16,131.
 - 50% of awards in year seven (by value) were to projects advancing people's physical and mental health, wellbeing and safety.
 - 56 grants, totalling £146K, awarded since the Fund launched.
 - Projects totalling £541,623 in value supported since launch; for every £1 awarded a further £2.70 was brought in to support community enhancements in Kildrummy, Lumsden and Towie.
- Panel recruitment saw three new members selected from a pool of seven high calibre nominees, bringing new skills and perspectives to decision-making over the Fund.
 - Community Endowment Fund received its first contribution, at £25K. This was matched with £7K (income/ growth only) from Foundation Scotland's Endowment Builder scheme.
 - Community endowment funds were transferred into a new Impact Fund, targeting social and environmental returns alongside financial.

Fund Context

Kildrummy Wind Farm Community Benefit Fund is provided by Greencoat UK Wind, the owner of Kildrummy Wind Farm in Aberdeenshire. The initial (2013) donation to the Fund was £23,000 and the donation increases by £4,600 every five years, the first increase being in 2019. Donations are also index linked (Retail Price Index). By year seven the annual donation for grant making had risen to £32,218.

The Fund is held and administered by Foundation Scotland, a charitable body with grant making expertise, who processes grant applications and supports a local Community Panel to make decisions on grant awards.

The Fund benefits the settlements of Kildrummy, Lumsden and Towie within the Donside Community Council area. Grants of between £250 and £4,000 are available to support charitable activities that contribute towards the themes in Kildrummy, Lumsden and Towie Community Action Plan and Glenkindie and Towie Community Action Plan.

Themes in the Kildrummy, Lumsden and Towie Community Action Plan (2013) are:

1. Supporting Community Services & Facilities
2. Enhancing Adult Learning, Employment & Training
3. Developing Tourism
4. Improving Access & Environment
5. Supporting Children & Young People
6. Improving Community Communication
7. Improving Local Transport

Themes in the Glenkindie and Towie Community Action Plan (2019) are:

1. Getting Around
2. Getting Connected
3. Activities & Facilities

Grants can support a wide range of costs and activities, such as equipment, running costs for local groups, staff or sessional worker costs, consultations, maintenance or refurbishment of community facilities.

In addition, an annual award can be made to Donside Community Council to run a micro-grant scheme that provides awards of up to £250 primarily to non-constituted groups and individuals for charitable activities. The aim is to provide benefit to the community beyond the activities of constituted groups alone, and to kick-start new community initiatives. The Community Council administers the micro-grant scheme and reports to the Panel and Foundation Scotland on awards made.

An Advisory Panel makes decisions on how the Fund is spent and promotes the Fund locally. The Panel comprises two members of the community from each of Lumsden, Kildrummy and Towie, plus two members appointed by Donside Community Council.

In 2020, the Panel and Donside Community Council established a community endowment, with the aim of growing this to support award making into the future, and potentially beyond the life of the wind farm.

Financial Statement

Kildrummy Wind Farm Community Benefit Fund - Financial Statement for Year 7			
Opening Balance available	£35,841.10		
Income		Expenditure	
Donations	£32,264.48	Grants released	£12,000.00
		Grants to be released	£8,131.15
		Panel meetings expenses	£45.00
		To Community Endowment	£25,000.00
Total Income	£68,105.58	Total Expenditure	£45,176.15
		Closing balance available	£22,929.43

* 'Grants released' and 'Grants to be released' include payments against awards made in previous years.

Community Endowment Funds

In 2020, Kildrummy, Lumsden & Towie Community Endowment Fund was established by agreement between Donside Community Council and Foundation Scotland. This is an invested Fund aimed at increasing the total funds available to the community over the long-term, and potentially beyond the life of the wind farm. In June 2020, a contribution of £25K was made from Kildrummy Wind Farm Community Benefit Fund to establish the Endowment Fund.

At the same time, Foundation Scotland invested a further £7K into a separate Endowment Fund from its own reserves on behalf of the Kildrummy, Lumsden and Towie community through the Foundation's Endowment Builder scheme. This scheme is aimed at encouraging communities to set up invested funds for long-term benefit. Under the scheme, all capital invested is retained by the Foundation, but any growth and income on that sum is available to the community.

The establishment of the two endowments has been a strategic decision by the Panel and Community Council that demonstrates a long-term view and mature approach to the management of community income streams.

The endowments are invested by Foundation Scotland on behalf of the community in an 'Impact Fund', managed by EQ Investors. EQ Investors were selected to set up and manage the new Impact Fund following a rigorous selection process run by Foundation Scotland

in 2020. The Impact Fund was established in later that year and is in fact a portfolio of investment funds created specifically for Foundation Scotland, with 98% held as equities across 390 companies globally.

Both endowment funds were transferred to the Impact Fund from Foundation Scotland's previous investment funds. Investments are held in companies that deliver positive societal impact through their products or services and their business practices (e.g., supply chain, low carbon policies, staff welfare approach, Board composition). Foundation Scotland is the first community foundation in the UK to launch an Impact Fund.

Foundation Scotland monitors the performance of the fund managers via quarterly meetings of our Investment Committee and annual face-to-face meetings with EQ.

Access to an online portal enables Donside Community Council and the Panel to view the real-time performance of the invested funds at any time, both in terms of financial returns and the global social and environmental impacts they are achieving. This includes their contribution to the UN Sustainable Development Goals and carbon emissions mitigated or offset.

The tables below provide the financial position for the two endowment funds in year seven.

Kildrummy, Lumsden & Towie Community Endowment Fund - Financial Statement for Year 7			
Opening Balance	£0		
Income/ gains		Expenditure/ losses	
Donations from Kildrummy Wind Farm Community Benefit Fund	£25,000.00	Unrealised losses on investments	£1,480.71
Unrealised gains on investments	£3,632.28	FS fees	£175.00
Total Income	£28,632.28	Total Expenditure	£1,655.71
		Closing Balance	£27,124.57

Kildrummy, Lumsden & Towie Community Endowment Fund (Endowment Builder) - Financial Statement for Year 7			
Opening Balance	£0		
Income/ gains		Expenditure/ losses	
Donations from Kildrummy Wind Farm Community Benefit Fund	£7,000.00	Unrealised losses on investments	£366.11
Unrealised gains on investments	£999.13	FS fees	£175.00
Total Income	£7,999.13	Total Expenditure	£541.11
		Closing Balance	£7,458.02*

* Initial capital (£7,000) retained by Foundation Scotland

Grant-making

Nine applications were received for project funding during the year, across two rounds of grant making, plus a tenth from Donside Community Council towards the micro-grant scheme. This is higher than the number received in the previous year (five) and was due to an increase in applications from groups based outside the Fund Area, perhaps as their income was reduced because of Covid-19 restrictions.

The Panel made five awards, each to separate groups/organisations, as shown in the table below. This gives a conversion rate from application to award of 50% (100% in 2019) over the year.

The remaining five applications were either withdrawn or rejected due to the proposed project being located outside the Fund area and insufficient evidence of potential

benefit to residents of the Fund area, or because it was national in scope and not sufficiently developed in partnership with local stakeholders and context in mind.

Grants totalling £16,131, equivalent to 50% of the year seven donation from Greencoat for distribution, were awarded over the year. of this, £14,131 was awarded directly to community groups and other charitable bodies, and £2K to Donside Community Council to award as micro-grants.

The average award over the report period was £3,226.20 (£3,114.60 in 2019).

The total value of projects funded (i.e. from all sources) in year seven was £68,409 giving a leverage ratio of 76% (79% for 2019); for every £1 awarded from the Fund, a further £3.24 was raised from elsewhere.

Award Summary – Year 7			
Awardee name	Award Value	Total Project Cost	Award Purpose - summary
Lumsden Community Association	£2,131.15	£2,431.15	To fund fencing to complete the local play park and improve the safety of children and young people using it.
Towie School & Nursery Parent Council	£4,000.00	£4,000.00	To contribute to the costs of extracurricular activities for the pupils of Towie Primary School and Nursery over two years, including transportation to sporting events and for visiting cultural or heritage events and sites.

Award Summary – Year 7			
Awardee name	Award Value	Total Project Cost	Award Purpose - summary
Upper Donside Bowling Club	£4,000.00	£7,500.00	To fund replacement of the wooden supports around the bowling green to stop erosion of the bank and replacement of the gravel in the ditch with a rubber liner, supporting continued provision of this well-used recreational facility.
Silver Circle	£4,000.00	£52,478.23	To contribute to the cost of providing a weekly newsletter, a telephone support service and volunteer drivers delivering shopping and medical supplies to members of the community, which will reduce social isolation and support older people in the community.
Donside Community Council	£2,000.00	£2,000.00	To provide a fund for distribution to groups and individuals for general charitable purposes in the form of micro grants up to a maximum of £250.
Totals	£16,131.17	£68,409.38	

By the end of December 2020, 56 grants totalling £146,002 had been awarded from the Fund since its inception (including awards to Donside Community Council to operate a micro-grant scheme). Awards

had supported projects costing £541,623 in total, meaning **every £1 awarded had leveraged a further £2.70** to support community enhancements in Kildrummy, Lumsden and Towie.

What difference is the Fund making?

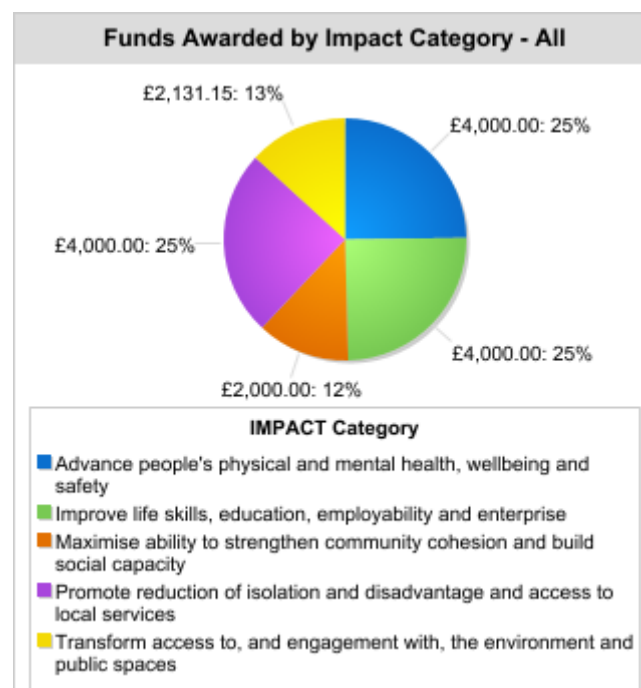
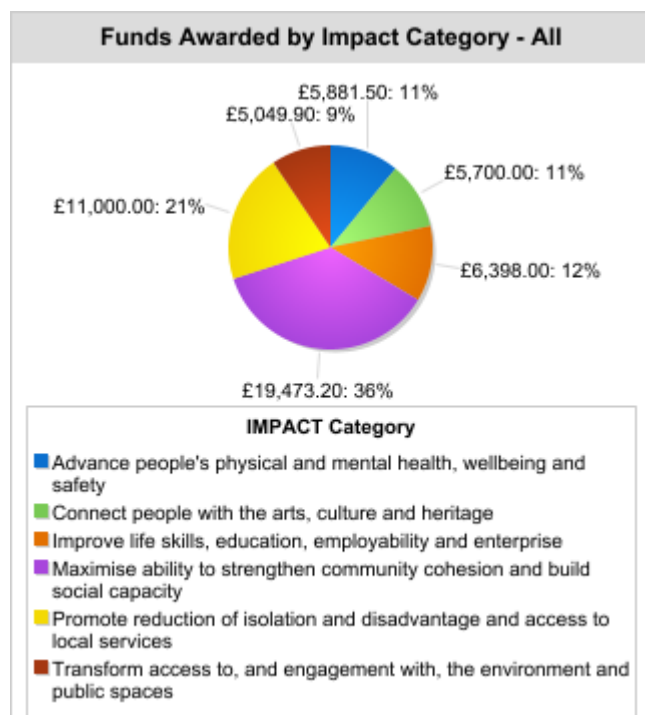
Foundation Scotland aligns grants from the Kildrummy Wind Farm Community Benefit Fund to six headline themes to describe the impact of the Fund. The themes are:

1. Advance people's physical and mental health, wellbeing and safety
2. Connect people with the arts, culture and heritage
3. Improve life skills, education, employability and enterprise
4. Maximise ability to strengthen community cohesion and build social capacity
5. Promote reduction of isolation and disadvantage and access to local services
6. Transform access to, and engagement with, the environment and public spaces.

As shown in the chart opposite, from launch of the Fund to end of year seven, awards have contributed towards all six themes, with two themes predominant: *'Maximise ability to strengthen community cohesion and build social capacity'*, and *'Promote reduction of isolation and disadvantage and access to local services'*.

During year seven, the Fund made awards supporting the themes shown in the following chart, with three supported the most:

- Advance people's physical and mental health, wellbeing and safety
- Promote reduction of isolation and disadvantage and access to local services
- Promote reduction of isolation and disadvantage and access to local services
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Two examples of the impact the Fund is making are given below.

Enabling important extra-curricular activities at Towie School & Nursery

Towie School and Nursery Parent Council works in partnership with Towie Primary School to support the education and welfare of pupils. The school has a large rural catchment in upper Donside and currently there are 54 pupils at the school and 10 at the nursery. The Parent Council carries out fundraising and provides a voice for parents/carers as well as supporting school staff in delivering a range of activities and projects.

A key area where support is required is the provision of transport to and from extra-curricular events. For a remote, rural school, transport is particularly expensive but also particularly beneficial, providing opportunities for the children to participate in sporting activities, cultural events and social interaction which they might otherwise miss out on. A network of three schools, including Strathdon and Lumsden Primaries, organises joint activities to help the children to broaden their experience and get to know more of their peers, but this also relies on transport. There is very limited public transport available.

The Parent Council has received £9,120 since October 2016 from the Kildrummy Wind Farm Community Benefit Fund for transport costs to support extra-curricular activities. This includes £4K awarded in September 2020.

The first grant received covered the school years 2016/17 and 2017/18 and funded travel to/from swimming lessons in Alford as well as a range of trips including to Landmark Adventure Park in Carrbridge; Highland Folk

Museum in Newtonmore; and for activities such as a day of dance, a problem solving and chess day, and a nursery trip to see Santa. The award was £2,520 with a further £588 spent on travel by the Parent Council from its own funds. In the following two-year period an award of £2,600 plus an additional £628 from the Parent Council funded trips to swimming lessons, theatre performances, an inter-school day of dance, an orienteering festival and visits to Alford Heritage Museum and Highland Wildlife Park.

The most recent award, for £4,000, was intended to cover the full costs of transport during 2020/21 and 2021/22 for swimming lessons, joint activities with other small local schools, and school and nursery excursions. However, restrictions due to the coronavirus pandemic meant that all the usual trips and activities had to be cancelled. An emphasis on staying local and playing outside, led the Parent Council to consider ways of improving the school playground to ensure the children could have the best possible opportunities for outdoor learning on their doorstep.

In the spring of 2021, parent volunteers rallied round to tidy up the playground which had been neglected during the school closure period. They drew up plans to improve the space further and made a request to Kildrummy Wind Farm Community Benefit Fund Panel to reallocate some of this year's grant to pay for items such as a greenhouse. The Panel saw sense in this approach and approved the change to use of the funding.

Other plans include creating a quiet seating area and improving paths throughout the playground. Most of the work is being carried out by staff and parent volunteers using donated materials. The hope is that swimming

lessons and other activities will resume next year, and any future grant will be used for travel to these and other activities.

The project contributes to Theme 5 in the Kildrummy, Lumsden and Towie Community Action Plan – Supporting Children & Young People.

As part of a small community, there is a limit to the amount of fundraising the Parent Council can do in the community year-on-year, so the funding from Kildrummy Wind Farm makes a huge difference, giving all the children at the school social, cultural and sporting opportunities which would otherwise not be possible. The Parent Council always hires local coach companies to provide the transport services, so local businesses also benefit as the money remains in the community.

Of this year's work to improve the playground, Carol Davidson, Treasurer of the Parent Council, commented:

"It has been a great community project and brought parents and teachers together as well as improving the playground which will enhance the children's learning. Without the wind farm fund's support and money this would not have been possible, and we are very appreciative."



Parent helpers working on playground improvements

Keeping Upper Donside Bowling Club facilities fit for purpose

Upper Donside Bowling Club was established in 1991 to promote outdoor bowling in the Upper Donside area of Aberdeenshire. The Club grounds are in Glenkindie, and around half of the 40 members live in Kildrummy, Lumsden and Towie. The Club has maintained and improved the facilities over the years, running successful competitions annually, and relying on local volunteers, fees and fundraising to keep the facility going.

The Kildrummy Wind Farm Community Benefit Fund has made 5 awards to support the Club, totalling £14,341, up to the end of 2020. This has included the purchase of specialist equipment to maintain the bowling green, safety improvements such as handrails, and help with maintaining the facility by renewing ditches and banks. The most recent award, in 2020, was of £4,000 to fund replacement of the wooden supports around the bowling green to stop erosion of the bank, and replacement of the gravel in the ditch with a rubber liner. This work was considered essential to avoid slumping of the bowling green which would make it unusable.

This type of repair work to bowling greens is carried out by specialist companies. The replacement of the timber edge with new treated timber required the existing edging to be dug out, the ditch to be excavated to accommodate new edging, and new treated timber edging being installed. The edge of the green had to be levelled and the set-aside turf re-laid. A rubber liner was laid to replace the gravel at the base of the ditch to reduce damage to the bowls. The total project cost was £8,500 with the Club meeting the balance of £4,500 from its own reserves.

"The grants from the Kildrummy Wind Farm Community Fund have made lasting improvements to the Bowling Club with new equipment being purchased to create a better playing surface and the bowling green edging being replaced and upgraded. All together these have brought great benefits for current and future members of the Club to enjoy."
- Janet Bukowski, Club Secretary

Repair and maintenance of the bowling green fits with Fund Theme 1: Supporting Community Services & Facilities. Around 40 to 60 people benefit from the Club facilities every week, including members who bowl regularly along with visiting teams and other visitors. The Club takes great pride in having a well-kept green and is keen to maintain it as an

attractive community facility, which will also help to encourage new members to join.



A Community-led Fund

The Panel continued to support the normal programme of grant making throughout 2020, with two rounds delivered (March and November) despite the restrictions in pace due to the Covid-19 pandemic. Foundation Scotland supported Panel meetings by videoconference and was on hand to provide trouble shooting for Panel members struggling with this. Panel members responded quickly to the unfamiliarity of meeting in this way, enabling Fund business to progress with the same levels of due diligence and participative decision-making that have taken place in face-to-face settings previously.

The Panel comprises up to eight members, each serving up to four years (though they can stand for re- election). Going into year seven, two Panel Members had come to the end of their term while a third had stood down. A recruitment exercise was carried out following a fair and transparent process. This was very successful, with seven experienced candidates putting themselves forward and three of those selected by random method.

Panel Members at 31st December 2020 were:

Kildrummy:	Fiona Young Derek Gray
Lumsden:	Jamie Mayo Annie Nicholson
Towie:	Louise Stuart Joanne Davidson
Donside CC:	Anne Miller Paul Toohey

Panel members bring vital local knowledge and insight to award-making and are committed to ensuring the Fund works well for the community. This includes a proactive approach to publicising the Fund through local channels, both online and via posters, word of mouth, and so on. Foundation Scotland also issues press releases after each round of award making, raising awareness of the projects supported and the next application deadline.

While there were insufficient applications in year seven to ensure that the entire annual donation was spent, the Panel and Foundation Scotland are confident that all local groups and organisations are aware of the Fund and the opportunity to apply – in small rural communities, there are simply fewer community organisations delivering activities and services. A portion of unspent funds was placed into the community endowment, and it is anticipated this will grow to provide a legacy for the community.

There are some organisations operating in the area that now tend to receive funded each year, e.g., Silver Circle, who provide services for the elderly. However, they are still required to apply each year, demonstrate they are operating to good standards of governance, and to report on what the grant has enabled them to achieve during the previous year.

Further Information

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