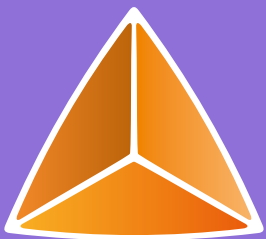


Flash Report

April - June 2024



Foundation
Scotland

Welcome to our Flash Report for April to June 2024

Milestones...

A milestone is generally defined as an important event in the development or history of something or in someone's life. Over the last year, we have celebrated many milestones – our own, and those of the communities and donors we are here to support. But one very recent milestone in particular is, we think, worthy of pause.

All over Scotland, local groups and charities have ideas and plans for how to make their communities happier, fairer, and more sustainable. What they often lack is the financial support to help make those ideas happen.

We work with individuals, families, Charitable Trusts and Foundations as well as corporate donors and renewable energy companies who want to support and strengthen the building blocks of these communities.

We help them to deliver their giving in a way that is most meaningful to them, or to support communities or places they have a particular connection with.



At the end of May, we marked the extraordinary milestone of having distributed more than £200 million to organisations and individuals across the length and breadth of the country. These funds have supported young people into employment, helped to reduce social isolation, grown community food projects, improved physical and mental wellbeing, created community facilities, energy schemes and green spaces, to name but a few.

We would like to thank all of our donors for their continued support and investment in the communities in which we all live. As one of our Trustees, **James Hilder** often reminds us: **"If you want to go fast, go alone...if you want to go far, go together."**



Community-Led Funding

Community benefit funds come in different shapes and sizes, and can vary in how they are set up and operate, including how the geographical area of benefit is determined, who administers the annual payments, who makes decisions about fund strategies and how the money is spent. But what they all have in common is that communities themselves can decide how funds are used.

Foundation Scotland is the leading national administrator of community benefit funds in Scotland. Our team works alongside renewable energy businesses and communities to provide specialist support, such as fund design, grant-making, community engagement, facilitation and fund management services. We currently support more than 350 communities to distribute around £7million annually, from just under 100 different community benefit funds.

The majority of the community benefit funds that we support are provided by onshore wind renewable projects, but we also support funds provided by offshore windfarms, hydro schemes and some funds from battery storage projects are in the pipeline.

Community benefit funds from renewables are a unique source of support for communities because of their longevity linked to the operational life of the project. But they are also unique because they can mandate communities to be the decision makers, and this is a feature that Foundation Scotland works to preserve and develop.

Spotlight on... Learning from practice: The Unlock Our Future Fund

The Vattenfall Unlock our Future Fund (UOFF) delivered its fifth successful year of grant making in 2023, supported by Foundation Scotland. This milestone was marked with an external evaluation and fund review to examine the impact of funding over that period, and make recommendations for the fund going forward, based on feedback from stakeholders across Aberdeen and Aberdeenshire. The report on findings has just been published.

The review offered a unique opportunity to look back on the overall impact of the fund, and reflect on what had been achieved, as well as where improvements could be made.

It pulled together information on all of the projects that had received awards in the five years since the fund began operating. In that time, 68 awards totalling £662,526 had been made, supporting energy improvements, electric vehicles and active travel, outdoor space, equipment and lighting, capacity building and feasibility and research work.

It was an impressive array of projects, ranging from the very practical realms of insulation and new windows to a whole range of creative and innovative solutions.



The review highlighted some excellent case studies where the long-term impact of the funding was evident, and there were some great examples that really underscored how environmental projects bring so many other benefits beside a vital reduction in carbon emissions - reduced running costs, improved comfort, less air and noise pollution, better outdoor spaces, and more awareness, to name a few.

The other purpose of the study was to review the fund strategy and ensure that it was fit for purpose for the local communities it served. Various suggestions and ideas came forward, based on discussions with applicants and stakeholders.

The main changes to the fund strategy were to increase the maximum award to £20,000 for a single year, to focus promotion of the fund in the north to address the lack of projects funded there, and to find a way to include young people in decision making going forward, perhaps through targeted panel recruitment.

The fund strategy has already been updated based on the review, and the year six funding round is currently live and underway.

The Vattenfall Unlock Our Future fund is a tangible example of how Community Benefit Funds can operate, making a real, meaningful and sustainable difference to Scotland's communities.

[Read more and download the Review here](#)





Social Investment – a unique programme of support

Social investment is a special type of funding designed to support social enterprises, community organisations and charities, to enable them to grow and also to deliver positive social impact that addresses local issues and needs.

We have a Social Investment team who provide support and expertise to those who are looking for a new way to start or grow their business. What makes our programme different to other social investment offerings is our blend of grant and loan, meaning that only a portion of our investment is repayable. Currently, we offer a 25% grant with a 75% loan.

Most importantly, the team also get to know the people behind the businesses that we invest in, creating relationships and partnerships that, in and of themselves, are an integral part of our Social Investment journey.

Spotlight on... the Granton Project

The Granton Project CIC is a social enterprise set up by two of the former Pitt Market directors to support new and emerging food traders in Edinburgh. In June of this year, the project secured a £150,000 investment from Foundation Scotland and £350,000 from the Catalyst Fund to operate a larger version of the market at a new location in the Granton Waterfront.

The investment will allow the Granton Project to lease and fit out the new venue at 20 West Shore Road. The space will offer a permanent outdoor street market, a 700-capacity multi-purpose event space, and a temporary indoor and outdoor pop-up market space for start-up traders and community groups.

The team behind the Granton Project will build on the pioneering model developed at The Pitt, introducing aspiring food traders, performing artists and other creative businesses to the market, enabling them to test their concepts, progress quickly and move on. The Pitt's alumni include some of Edinburgh's best-known street food vendors, such as Pizza Geeks, Junk, and Moo Pie Gelato.

The new site, owned by the City of Edinburgh Council and operated by Edinburgh Palette (EP), forms part of the Granton Waterfront Regeneration Programme, which aims to create a new coastal town, home to around 8,000 people on Edinburgh's waterfront. The plans include around 3,500 net zero carbon homes, a primary school, a health centre, commercial and cultural space and a new coastal park.

The project hopes to contribute to the regeneration efforts by developing vital enterprise and community infrastructure for existing residents and the new residents who will join the area when the planned new homes are completed.

As a social enterprise, the Granton Project is committed to supporting new and emerging food traders and other small businesses, operating inclusive sites where everyone is welcome, and offering signposting, support and mentoring to people seeking pathways into business or employment. For example, the market will provide opportunities to catering students from the nearby Scran Academy and space for charities and social enterprises to run events or provide support services to residents.



Hal Prescott

Hal Prescott, who is the Director of the Granton Project CIC, had this to say:

"Securing this investment has been one of the proudest moments of my life. Our dedication and passion for this project have paid off, and having funders who share our vision makes it even more rewarding. We are eager to start making a difference and developing this part of the city. The support and interest from budding entrepreneurs and community partners have been overwhelming, and we are thrilled to finally move forward."



Philanthropy and Fund News

Foundation Scotland provides wrap-around services and support for corporate giving and for individual donors. We work alongside and support a diverse range of philanthropists – individuals, families, Charitable Trusts and Foundations as well as corporate donors, who all want to do their bit for communities.

The Foundation Scotland Philanthropy team provides support for our donors in multiple ways. Some of the funds we support are called Donor Advised Funds. As the name suggests, this means that donations are placed in a fund specifically designated by donors themselves – for instance, to support a geographical area or social issue that they have a particular connection with.

Other donors prefer to ask for our advice and guidance around how their charitable giving should be channelled.

Whichever route our donors choose, we help them to forge meaningful relationships with communities and causes, and find the right fit for their philanthropic aspirations.

Donor Advised Funds

Some of the funds we support at Foundation Scotland are called Donor Advised Funds. As the name suggests, this means that donations are placed in a fund specifically designated by donors themselves – for instance, to support a geographical area or social issue that they have a particular connection with.

Community Foundations – such as Foundation Scotland – were one of the first providers of Donor Advised Funds. Currently, 134 donors have chosen to establish a Donor Advised Fund with us, and this number continues to increase.

Donors tell us they are drawn to this arrangement for several reasons. Some prefer partnering with us over setting up their own registered charitable foundation with OSCR, and others prefer to wind up their registered charitable foundation and transfer to us, taking the administrative burden out of their philanthropic endeavours.

What is a Donor Advised Fund ?

A Donor Advised Fund is a ring-fenced fund, set up with Foundation Scotland. It works something like this:

- ▲ **Donation:** Donors make a contribution of personal assets (usually cash or shares) to their fund.
- ▲ **Fund Management:** Once the donation has been received, it is placed in a fund specifically designated by the donor. We then work with them to articulate the fund aim, how decisions on funding applications will be made and whether they want the fund to be invested or not (you can read more about what that means [here](#)).
- ▲ **Grant Recommendations:** As above, donors can request where they want their money to go. In terms of grant awards, this means there can be flexibility in timing (how often grant rounds are open and how long they are open for) and the amount that can be applied for.
- ▲ **Administration and Governance:** We handle all administrative and reporting requirements, ensuring compliance with regulations, financial responsibilities and distributing grants.

Benefits of Donor-Advised Funds

Donor Advised funds offer several advantages for donors compared to setting up their own charitable foundations. They are tax efficient, and they are simple – Foundation Scotland handles all administrative, fiduciary and reporting aspects, so that donors can focus on their giving.

And Donors can take their time to decide who and what (or where) to support, adapting their giving strategy as community needs and personal interests evolve. [Read more about Donor Advised Fund here.](#)

One of our Donor Advised Fund-holders Russell Napier, set up the Karen Napier Fund in memory his wife.

Spotlight on.... The Karen Napier Fund

Russell Napier set up the Karen Napier Fund in memory of his wife Karen, who passed away in 2000.

During the charity's first decade or so, Russell's sole focus was providing scholarships for a Masters Degree in Investment Analysis at the University of Stirling, which was the course that Karen took when she decided she wanted to move on from her career in the arts and get into finance. The scholarships were designed primarily for women, who were underrepresented on the course, totalling just 5% of its students.

Most recipients of the scholarship were – and still are – from overseas, often from Vietnam or African countries.

Inequality of wealth and opportunity are two of Russell's biggest concerns, hence his focus on education, which he believes can change people's lives, and particularly the education of people from less developed countries. Though he can't do anything about the inequality of wealth itself, he can do something about the inequality of opportunity caused by it.



'I'm trying to do something in a tiny way about the inequality of opportunity by ensuring that the people who are smart enough to get an education get the funding to do so. I wanted to know about every single charity in Scotland promoting female education. I wanted someone to tell me who were the good and the bad ones, who's efficient and who isn't. Foundation Scotland was able to support me.'
- Russell

In 2013, when Russell had more money at his disposal, he decided to expand the reach of the charity, and now donates to more causes throughout the UK and across the globe.

While Russell works with Foundation Scotland to manage and administer the Karen Napier fund, he also plays a vital role with the Foundation as an ambassador. When speaking of reasons to entrust a charity to the Foundation, he turned to his own experiences:

'I used to wonder, why isn't there someone who does this for people? Surely the level of charitable giving would increase if people – lucky people, who are money rich and time poor – had someone to do this for them? Not only do Foundation Scotland take the paperwork off my hands, they help me find the charitable causes best aligned with my goals. The great joy of charity is giving the money away and then seeing what it does, not sitting down and filling in pieces of paper.'

APRIL - JUNE 2024



VALUE OF NEW DONATIONS:

£8,038,083



TOTAL NUMBER OF GRANTS PAID:

839



TOTAL VALUE OF GRANTS PAID:

£4,925,386



TOTAL VALUE OF LOANS PAID:

£153,750



TOTAL NUMBER OF NEW FUNDS:


15


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Foundation Scotland

Scotland's Community Foundation