

Flash Report

JAN-MARCH 2025



Foundation
Scotland



Welcome to our first Flash Report of 2025, a brief look back at the first three months of the year.

It's probably fitting that the New Year started with some new ventures—and adventures—for us at Foundation Scotland. While we've still been funding projects, communities and individuals across the country, we have also been continuing our collaborative work, supporting new ways of thinking, listening, and learning.

Cue one of the most innovative projects we've seen in some time.

In March, after two years in development, the Edinburgh Regenerative Futures Fund launched. This new fund is disruptive, ambitious and could, according to one headline, **'be a model for the rest of the country...'**

Regenerate, in its essence, means **'to create again.'** That's what this fund has at its heart—a re-creation of how we fund, how long we fund for, and who makes decisions on how funds are used.

Regenerative Futures Fund

The fund will support approaches that improve the lives of people living in poverty and experiencing racism in Edinburgh, and that contribute towards a just, green transition.

What makes this fund different is that it puts decision-making directly into the hands of those who are most often excluded, enabling equity and power-sharing. In fact, it is different in multiple ways:

Co-production: The fund was co-designed over two years by individuals with lived experience of poverty, racism and inequality, alongside local organisations working closely with these groups. This means that the fund has had the voices and experiences of a diverse range of people included in the process from the beginning.

Distribution: the distribution model of the Regenerative Futures Fund is pioneering in its approach, as funding awards will be for ten years and will be unrestricted, giving organisations the freedom to think and plan for the long-term.

Decision making: a panel of local residents and communities with lived experience will decide how the funding is distributed.

The Regenerative Futures Fund also brings together a remarkable coalition of funders, including Esmée Fairbairn Foundation, the National Lottery Community Fund Scotland, the Robertson Trust, Turn2us Edinburgh Trust, City of Edinburgh Council and Foundation Scotland, but **completely removes them from the decision-making process**. Instead, they are giving local individuals and organisations the agency and resources they need to create a better future themselves.

Already, almost £6 million has been committed, and other donors and funders are invited to join this coalition and help this visionary fund go even further.

As host of this ambitious initiative, Foundation Scotland knows that it could be pivotal to an extraordinary shift in the funding environment. This shift would see long-term, unrestricted funding embedded in the way communities are supported, and it would see funders placing trust in those who know best how to deploy funds in the most meaningful way—communities themselves.

You can read more about the Edinburgh Regenerative Futures Fund [on their website](#).



Community-led Funding

The Foundation Scotland Communities team works across the country, providing specialist support and fund management for community benefit funds linked to renewable energy projects, such as wind farms. We work alongside communities to help them navigate and maximise these long-term funds, so that they can make significant and enduring investments in the places they live.

We currently support over 350 communities to distribute around £13 million annually, from almost a hundred different community benefit funds. Each community is different, in terms of fund strategy and how the money is spent. What they all have in common is that communities themselves can decide how funds are used.



Wind farms working together

Most community benefit funds are 'place-based' funds, meaning that particular geographical communities are supported by renewable energy projects that are situated near to where they live. Sometimes, however, there can be geographical overlaps for separate funds. So what happens then?

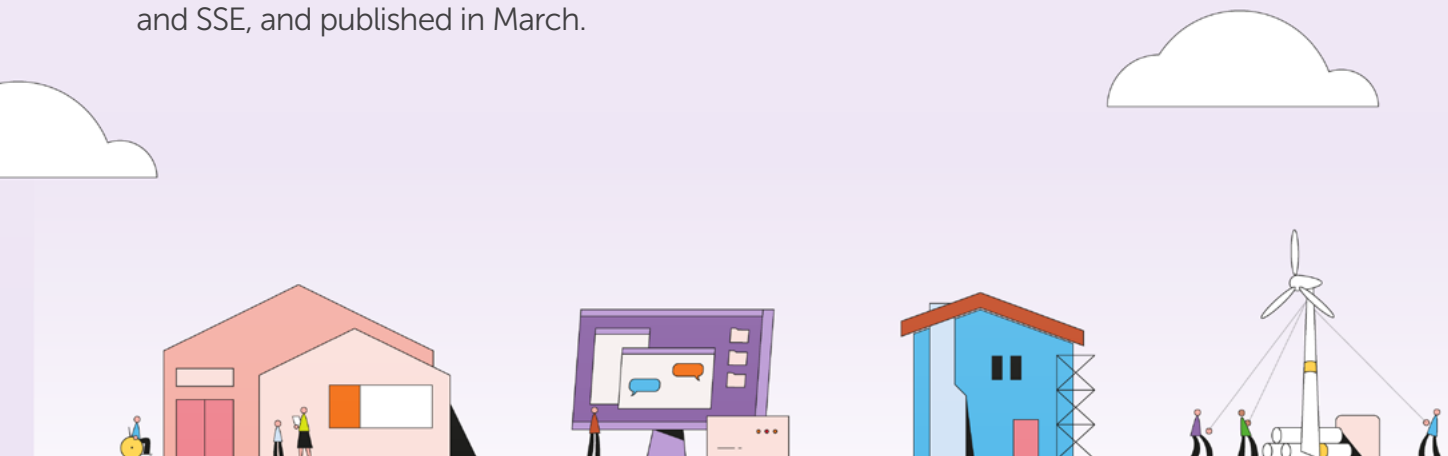
One option is to bring them together, meaning that pooled resources can have the greatest impact. This is exactly what Foundation Scotland brokered for the SSE Renewables Achany and RWE Rosehall wind farms.

Believed to be unique in Scotland, the Achany and Rosehall community benefit funds are administered using a multi-community and multi-developer collaborative model. Applications for both funds are considered by a single award-making panel, with representatives from each of the three community council areas of Ardgay and District, Creich, and Lairg.

To find out how well this approach had worked, an impact study was jointly commissioned by Foundation Scotland and SSE, and published in March.

The study showed that this model not only simplifies the grant application process for each community, it also helps to build a strong civic connection across communities and promote the active participation and support of local people.

Since the launch of the funds in 2010, a total of £2.8 million has been awarded in grants, contributing to an estimated total of between £10 and £14.5 million in wellbeing benefits and generating around £11.8 million in local economic value, including the creation of 18 long-term jobs.

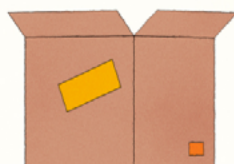
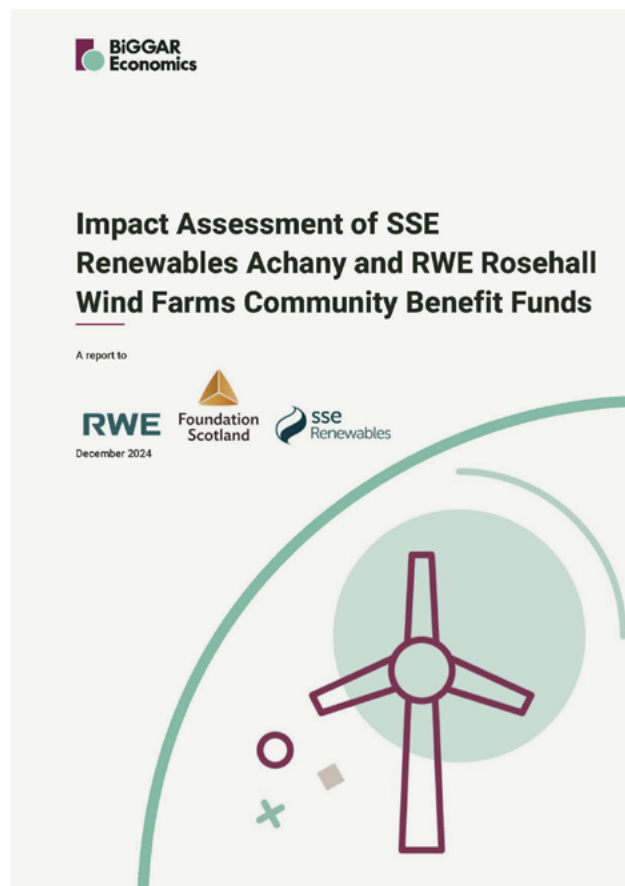


The study also marks the first time that the impact of community benefit funds has been assessed using Wellbeing Adjusted Life Years (WELLBYs), a system used to measure improvements in life satisfaction. It highlighted the significant social value delivered by the funds, particularly in reducing loneliness and isolation, and improving social cohesion.

It also showed that locally-led delivery by individuals with a deep understanding of local aspirations was a significant factor in how successful the funds were.

The study offers valuable insight into how this model could be applied elsewhere, showing that when community benefit funds are administered effectively and shaped by active local involvement, they can deliver meaningful value for host communities and support a just transition to net zero.

You can read the report [here](#).





Philanthropy & fund news

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 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. Some simply need help with our governance and grantmaking expertise.

And sometimes, donors will add some of their resources to our own, pooling funds to try out new things and address community need.



Tackling inequalities

Alongside responding to immediate and critical demand, Foundation Scotland is increasingly adopting a developmental approach, allocating funding to groups working differently. Our goal was to develop a fund that tested local, community-led solutions, supported by unrestricted, longer term funding. Based on this approach, around 18 months ago, we launched our first thematic fund—Tackling Inequalities.

Tackling Inequalities is a £500,000 initiative that supports organisations to tackle some of the barriers to equality through upstream, community-led interventions. £100,000 of the fund was contributed by one of our donors, and the remainder came from our own funds.

It was important from the outset of this fund that grants be unrestricted, meaning that organisations could decide for themselves where money was best spent, and also allowing them to adapt as needed, in response to changing circumstances.

It would also allow them to think longer term about sustainability, growth and strategic development. The original intention in 2023 was to award three years of funding to six projects, with with no restrictions on how they spent their grants, which is what we did..

Then, in Autumn of 2024, we began a learning evaluation of the programme so far, and in February 2025, a learning report was published on the Foundation Scotland website.



Based on the rich data gathered and the **clear benefit of longer term and unrestricted funding**, in March 2025, each organisation was awarded a further three years of funding, bringing the total length of each grant to six years.

The learning report highlights the Fund's progress, key learnings, and recommendations for the next phase. It also takes a case study approach, hearing first hand and in-depth from projects about their challenges, successes and aspirations for the future, as well as the huge impact that removing funding restrictions has had.

"It's allowed us to think about things differently, to really think about, what would different ways of funding look like, what would that mean. We're doing something transformational."—Calum, Gordon Rural Action

Read the full funding report [here](#).





Social Investment

Social investment is 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.

At Foundation Scotland, our social investment programme is different. We offer a unique 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, our team also get to know the people behind the businesses that we invest in, creating relationships and partnerships that are an integral part of our Social Investment journey.

In March, we visited a project that we've been working alongside since 2022. It's a social enterprise run by Izzie Erikson, an entrepreneur on a dual mission to tackle child poverty and address the vast amount of clothing ending up in landfill.

Izzie, who in a previous life worked in environmental policy, believes that nothing should go to waste, particularly when it can still provide value. The initial drive behind her setting up shop was to re-use unwanted clothing and footwear to reduce the massive environmental and social impacts of clothing going to landfill (shockingly, an estimated 350,000 tonnes of clothing goes to landfill each year in the UK).

She opened her first shop back in 2019, in St Enoch centre, but positioning of the unit meant low footfall as well as repeat closures in response to Covid restrictions. Izzie wanted to relocate to a more community-facing area, near schools, where they could embed as a community asset and become more financially sustainable. Opening Strathbungo-based shop ApparelXchange in 2022 gave the initiative new premises and a better community base.

While delivering on her mission to reduce 'disposable fashion', Izzie and the ApparelXchange team were also acutely aware that many parents locally were struggling to afford basic clothing for their children, with many families living in poverty, which had only become worse during the pandemic.

"During COVID we really began to understand the scale of deprivation. So many people were living close to or on the breadline, and with some losing their jobs, they needed all the help they could get. This is when our social mission with the provision of clothing packages really started to grow. That and working with Glasgow City Parents Group, to reach families who needed support."





Now, at ApparelXchange, families can shop pre-loved fashion at vastly reduced costs and can receive vital clothing packages when times are challenging. The income they make through sales, along with funding from Glasgow City Council, JMA Trust and the National Lottery Community Fund, helps support families in need by providing no-cost clothing packages.

During 2024, ApparelXchange provided 1063 clothing packages containing 10,246 garments or pairs of footwear worth £47,084. Last Christmas, Izzie launched a school uniform top up scheme, a free service where parents who simply could not afford new uniforms could receive quality items at no cost. They received requests from over 120 families in less than 24 hours.

Izzie's long term aspiration is to scale to city-wide. She is creating a sustainable clothing system for young people, integrated in every community in Glasgow, that also benefits those who are struggling financially.

Her business model is made up of 3 parts: physical shop sales, online sales and social mission. **Foundation Scotland's social investment fund** was instrumental in the ApparelXchange Southside shop becoming a reality, with a £25,000 boost in 2022. This was a blend of grant and loan funding, and the loan repayments are spread over a term suited to the cashflow generated by the shop.

Izzie also runs outreach programmes in schools, and her shop facilitates community engagement work, including hosting upcycling workshops for families, where they can bring along items of clothing for repair and learn skills themselves.

"The climate emergency is happening, child poverty is growing and money from hard working communities is flowing one way into the pockets of corporate stakeholders. We want the Glasgow pound to remain in Glasgow making a difference to lives here. We have solutions here and ApparelXchange is one of them. Buying local is the most powerful way to make a difference with your money."

Read more about [ApparelXchange](#)

JANUARY - MARCH 2025



VALUE OF NEW DONATIONS:
£8,553,806



TOTAL NUMBER OF GRANTS PAID:
995



TOTAL VALUE OF GRANTS PAID:
£6,007,504



TOTAL VALUE OF LOANS PAID:
£335,733



TOTAL NUMBER OF NEW FUNDS:
4



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