

**SCBF Advance Grant Scheme – Information for community councils**

**Overview**

Shetland Community Benefit Fund (SCBF) looks forward to working with community councils in a new enterprise which will help sustain and develop Shetland's communities. SCBF hopes the Advanced Grant Scheme (AGS) will attract imaginative and innovative projects - as well as those smaller projects that make big differences. SCBF is also keen for the scheme to be used to help access funds from other sources.

Changes have been made in how the scheme will operate. We have listened to feedback about the earlier draft and looked at how schemes are run elsewhere. In particular SCBF has had to make changes to meet legal requirements on handling data

SCBF has decided to make important changes to the initial draft scheme:

* Two tiers of funding instead of three tiers - Tier One up to £500 and Tier Two over £500
* All applications will go direct to SCBF and administration will be processed 'in-house' by SCBF before being shared with a community council.
* The requirement for two signed documents - a Memorandum of Understanding between SCBF and each community council setting out responsibilities for operating the scheme and a Data Sharing Agreement setting out the responsibilities of SCBF and a community council in regard to General Data Protection Regulations and the handling of Personal Data. Both these documents must be signed by both SCBF and a community council before any application can be considered.

**The Viking Community Fund – Advanced Grant Scheme**

The AGS is financed by the Viking Community Fund who will invest £400,000 a year during the construction phase of the Viking Energy Wind Farm - estimated to be about four years. Some of this fund will also be used to administer the AGS and to develop SCBF's plans for the main grant scheme which will be provided when the wind farm is operational.

**AGS Objectives and Priorities**

The strategic objective is to help "*sustain and develop Shetland's communities"* Applicants must show how projects meet the priorities for funding in each tier - details are [below](#Appendix). What projects that can be supported are listed in the [Appendix](#Appendix). Details are also on the [SCBF website](http://www.scbf.org.uk/ags).

**AGS Funding**

The AGS will divide funds between all Shetland community council areas, with the four areas that have a Viking turbine receiving five shares and the other 14 receiving one share. SCBF will decide on annual allocations by 31st May each year the scheme operates.

For the lifetime of the scheme the allocations will be:

* £50,000 a year for Nesting and Lunnasting; Tingwall, Whiteness and Weisdale; Sandsting and Aithsting; and Delting.
* £10,000 a year for each of the other 14 community councils.
* Funding years will run from 1st September to 31st August. If a community council does not use all its allocation in the year, the unspent funds will be added to the following year's allocation.
* With SCBF’s prior approval, a community council can either delay using some of its annual allocation to support a project the following year - or a community council can draw down funds from the next year to help finance a current project or if there are too many applications needing funding in a particular year.

A community council can also apply for project funding.  The application will be considered directly by SCBF and any grant awarded will be deducted from the community council’s allocation. The SCBF officers will consider any application under £25,000 from a community council. If there is any potential conflict of interest, with an officer also being a member of the community council applying for a grant, then another director will take part in the decision. All applications from a community council over £25,000 will be considered by the SCBF management committee.

SCBF will use a maximum of £60,000 a year from the fund to administer and audit the scheme, including employing staff, renting an office (when allowed), promoting the AGS and the work of the SCBF as well as developing a business plan for the main grant scheme.

**AGS Tiers Explained**

The AGS offers two tiers of financial assistance, to encourage and enable community projects of all sizes to benefit from the fund:

1. Tier One – Grants of £50 to £500 to support small projects which might need only a small level of support. This could be for an existing project or to develop a new idea. The application is short and easy to access.
2. Tier Two – Grants of over £500 to support projects which need a larger investment. These applications should be from constituted groups with a bank account and up to date accounts. Projects must support the aims of the AGS and should be sustainable without dependence on continued funding from SCBF.

**Role of the community council**

Community councils have an important role to play in ensuring the fund is used to address local needs and local priorities.

* Each community council must decide how to promote the scheme and attract applications.
* Up to 5% of their annual allocation should be used to promote the scheme.
* A maximum of 33% of each community council’s annual allocation can be used for Tier One applications.

If a community council decides not to participate in the grant scheme, the SCBF officers will make a decision on any application under £25,000 for that area and any award deducted from that area's AGS allocation. Any application over £25,000 will be considered by the SCBF management committee.

**How it will work**

**Tier One:**

The application process for Tier One is simple. All applications are sent to SCBF. The following process will be used:

1. Applications received by SCBF and checked against guidelines.
2. If an applicant is considering applying to more than one community council they are advised to contact SCBF beforehand to discuss their project.
3. Details of the proposal are sent to the relevant community council for a decision on whether to support it.
4. SCBF notified of the community council’s decision within six weeks
5. After final checks SCBF will release the funds as quickly as possible and inform the community council.
6. SCBF intend that all applicants should be informed of a decision within eight weeks of receipt by SCBF

More details of the Tier One criteria and rules are in the [Appendix](#Appendix) below.

Some key factors for community councils to consider for Tier One application decisions:

* Will the project make a positive difference for the community?
* Does the project meet with the SCBF guidelines and eligibility?

**Tier Two:**

The purpose of Tier Two grants is to assist larger projects which will make a lasting difference for the community. The funds are to support social enterprises, charities or organisations, that need assistance to enable projects or activities, consistent with the AGS priorities, to go ahead.

*Businesses can apply but only to* *support or retain essential skills in a local community through training and apprenticeships.*

SCBF expects applicants for Tier Two grants to also seek other sources of funding for their projects - or to use AGS funding to access support from other sources.

**Tier Two Process:**

1. SCBF will receive all applications and will check the eligibility, sustainability and achievability of fund objectives. This will include reviewing the constitution and accounts.
2. If an applicant is seeking over £5,000 of funding they must send an overview of the project to SCBF for an initial discussion before a formal application is made.
3. If an applicant is considering applying to more than one community council they are advised to contact SCBF beforehand to discuss their project.
4. SCBF will send the community council an overview of the application. The community council should discuss and recommend if the project is something they think fits with local priorities and should be assisted by AGS.
5. The community council should inform SCBF of their recommendation for the application.
6. SCBF will issue a grant offer and agreement, support evaluation and monitoring and inform the community council. SCBF will pay the grant either in full or in instalments depending on the project’s needs.
7. SCBF intend that all applicants are informed of a decision within eight weeks of receipt by SCBF.

**Key factors for considering Tier Two applications:**

* Local need – to what extent is the project important in your local area.
* Compliance with priorities - to what extent does the project comply with the local aims and objectives of the community council area.
* Evidence of demand/need for project - to what extent can the project demonstrate evidence of community demand/need now and in the future.
* Community engagement - to what extent has the community been engaged in developing the project.
* Ongoing commitment - what degree of involvement will the community have in implementing and supporting the project.

**Other financial details**

* Community councils will be unable to consider any applications for Tier One or Tier Two until both the Memorandum of Understanding and the Data Sharing agreement are signed and returned to SCBF.
* If there are unspent funds when a project is completed the funds must be returned to SCBF and will be added to the community council's future AGS allocation.
* SCBF intends to give as much flexibility to community councils as possible. However, community councils must remember this is a time-limited scheme. The AGS and its funding stops when the Viking Wind Farm and the interconnector become operational, presently estimated to be around spring 2024. There is provision in SCBF's agreement with Viking Energy Wind Farm LLP for this funding to continue for a further two years if construction is delayed.
* SCBF will have to review the scheme's spending and community council budgets should the construction timetable change significantly.
* When the Viking Wind Farm becomes operational the AGS will end and the main core funding - of about £2.2m a year - will start. There must be no commitment to support a project beyond the AGS operation period.
* If any approved project has not been successfully completed when the AGS is due to end, SCBF will provide the applicant with any unpaid award to allow the project to be completed after the formal end of the scheme.  The grant Terms and Conditions will continue to apply until the project is successfully completed.

**Decision making and conflicts of interest**

Each community council will sign a Memorandum of Understanding with SCBF, outlining the way the scheme will operate and their responsibilities.

All community council members should declare any interests that may have a bearing on their role in making recommendations for the AGS. Any conflict of interest should be recorded on the project's feedback form. If you are not sure what to declare, or whether/when you should make a declaration, please consult SCBF.

A conflict of interest is any interest in an application that may create a danger of bias or reasonably cause SCBF, other community council members, or the wider community to think that it could influence their recommendation. Conflicts of interest can be financial and might include a situation where you, or a close family member, are an employee of an organisation that hopes to receive a grant from the fund or can reasonably expect to be commissioned to carry out paid work as part of a funded project. The aim of this approach is to protect both the community council, SCBF and the individuals involved from any appearance of impropriety.

* SCBF must be informed of all declared conflicts of interest which should also be recorded by the community council. SCBF should be consulted on any issues that may arise regarding conflict of interest.
* It is crucial that community councils make unbiased and fair judgements of grant applications against the general aims of the fund programme and summarised in the fund guidelines.
* community councils should take the information provided in the application at face value and avoid making speculative assumptions about the applicant or project. If you have any additional questions about an application, please contact SCBF to request further information from the applicant.
* Further information regarding declaration of interests are available [here](https://scbf.org.uk/faq-on-declaration-of-interest/)

**GDPR**

In 2018 new data protection legislation was implemented in the UK. The legislation is called the General Data Protection Regulation (GDPR). The new law gives improved control to individuals on how their data is used e.g. they can request a copy of information that an organisation holds on them and they are entitled to transparency over how their data is processed and stored. You can find out more information on the legislation here: <https://www.resourcecentre.org.uk/wp-content/uploads/2018/04/Data-protection-for-community-groups.pdf>

Because of the way that SCBF will be handling the AGS applications, the personal data shared with community councils will be limited, however, there is still an obligation on community councils to handle Personal data within GDPR regulations. This is covered in the MoU and Data Sharing Agreement. That is why it is important that each community council signs both of these documents.

**Other issues**

* If a community council has a question relating to an application, the query should be directed to the SCBF who will raise it with the applicant.
* Applicants should not try and influence or discuss directly with a community council member on fund decisions and if contacted the applicant should be directed to SCBF.
* Community councils should consider making arrangements for considering projects during periods when there are no formal meetings to ensure SCBF are informed of recommendation within six weeks of receipt of proposal.
* On any issues regarding the AGS the decision of SCBF will be final.

**SCBF contact details**

Please contact Eleanor Gear, Administration Officer. Email [admin@scbf.org.uk](mailto:admin@scbf.org.uk) Phone: 07538 417 175

**Appendix A**

**Tier One**

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| **Who can apply?** | Any local organisation, community group, charity, or club can apply to their community council for funding. Applications can be considered from any group – including those who don’t have a written constitution or set of rules – and individuals, but not for personal profit. Only one successful application is allowed in a community council area every 12 months. The 12 months begins from the date of the grant offer letter.  Shetland-wide enterprises, organisations or charities can apply to a community council area if the project is for the direct benefit of that community. If your project covers more than one community council area you must apply separately to each one, stating why each area would benefit from your project. |

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| **What projects can be supported?** | Applicants have to show evidence that the project would:   * Sustain and Develop the local community * Enhance quality of life for local residents * Encourage community activity |

**Tier Two**

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| **Who can apply?** | Social enterprises, charities, organisations or businesses\* which need funding to support projects or activities consistent with SCBF priorities may apply for a grant. You must have a constitution (governing document or set of rules), be set up on a not-for-profit basis and have independently verified or audited accounts. Only one successful application is allowed in a community council area every 12 months. The 12 months begins from the date of the grant offer letter.  Shetland-wide enterprises, organisations or charities can apply to a community council area if the project is for the direct benefit of that community. If your project covers more than one community council area you must apply separately to each one, stating why each area would benefit from your project.  \* *Businesses can only apply for projects that support or retain essential skills in a local community through training and apprenticeships.* |

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| **What projects can be supported?** | Projects must support one or more of the following priorities:   * Reducing poverty and social deprivation, particularly child poverty. * Promoting social inclusion and mental wellbeing. * Promoting improved transport within and between communities that would add value to a wider Shetland Community. * Energy improvement schemes - energy reduction, fuel poverty, local renewable schemes. * Developing or improving community assets. * Supporting the local community's economy by retaining essential skills through training and apprenticeships. * Developing or improving local heritage, cultural, sport, and arts facilities or activities. * Improving telecommunications within local community. * Protecting or improving the local environment. |

**What cannot be supported under the AGS**

The Advance Grant Scheme cannot be used to support:

* The advancement of religion or party politics.
* Activities that are generally understood to be the exclusive responsibility of a statutory authority.
* Projects primarily benefiting residents outside Shetland.
* Activities contrary to the interests of Viking Energy Wind Farm LLP or its subsidiaries.
* Activities likely to bring Viking Energy Wind Farm LLP or its subsidiaries into disrepute.
* The costs of energy consumption.
* Anti-renewable energy/wind farm activities.
* Trips abroad.
* Retrospective funding (i.e. paying for costs incurred before a decision on an application to the Fund for support can be made).
* Individuals for their direct gain
* The purchase of firearms

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