

# Fund report



## River Avich Hydro Community Benefit Fund

Year 1: 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022



## Highlights

- Fund established through formal agreement between AED and Foundation Scotland
- Fund launched with web presence, press articles and local publicity
- First awards made under River Avich Hydro Education & Training Fund
- Community panel established to support award making under Main Grants programme.

## Fund Context

River Avich Hydro Community Benefit Fund is provided by Awesome Energy Dalriada (AED), owner and operator of the 350kw River Avich Hydro Scheme, a run-of-river hydropower system on the River Avich in Argyll.

AED is a community benefit society set up by the local community to develop and operate the hydro scheme. Starting in 2021, AED is making funding available to support charitable activities that primarily benefit people living in the area served by local community anchor body Dalavich Improvement Group (DIG), including the settlements of Inverinan, Lochavich, Dalavich, or Kilmaha.

However, smaller amounts of funding ('micro-grants') are also available for charitable activities benefitting people living anywhere in the Avich & Kilchrenan area.

This Fund is intended to continue for the operational lifetime of the hydropower scheme, anticipated to be forty years. It is provided from unallocated retained reserves arising from the operations of AED in each year and may be affected by items such as available cash on hand and restricted cash reserves. As such, no fixed annual donation to the Fund can be committed to or forecasted; AED decides the overall amount at its Annual General Meeting in May. However, donations are anticipated to total around £1,177,000 over the period 2020 to 2037, with maximum sums in any given year estimated to range from £19,000 to £175,000<sup>1</sup>.

The Boards of AED and DIG adopted a Fund Management Strategy in November of 2020. The Strategy sets out the priorities for support from the River Avich Hydro Community Benefit Fund over its first three years (June 2021 to June 2024) plus further criteria to be applied in distributing the Fund, including who and what can be funded.

The Fund will address the themes and priorities contained in Dalavich Improvement Group's Community Action Plan, which has been developed following extensive consultations with the community (permanent

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<sup>1</sup> *\*predominantly based upon Low Flow Data (LFD) P50, which has been consistently beaten by 15-20%.*

residents, holiday home owners, and visitors). The plan provides a clear mandate for the allocation of community funds based on identified local needs and opportunities.

The Fund is delivered by Foundation Scotland under an agreement with AED. The Foundation is an independent charity with grant making expertise and a track record in supporting the establishment and delivery of community benefit funds in Scotland.

Funding is provided through four sub-funds, as listed below. The amount of funding available under each sub-fund in any year is determined by DIG in June.

### **Sub-funds:**

**Main grants programme:** This provides awards of up to £3,000 to constituted organisations for charitable activities. For more information visit <https://www.foundationscotland.org.uk/apply-for-funding/funding-available/river-avich-hydro-community-benefit-fund>

**Education & Training Fund:** This provides bursaries to individuals seeking to take a course or apprenticeship that will help them improve their employability prospects or develop a new career. For more information visit <https://www.foundationscotland.org.uk/apply-for-funding/funding-available/river-avich-hydro-education-training-fund>

**Microgrants:** Up to £300 is available for individuals and up to £1,000 for groups. The scheme will be administered by Avich & Kilchrenan Community Council and will be open later in the year.

**DIG Strategic Grant:** An annual grant is made to Dalavich Improvement Group to take forward activities set out in its business plan, as approved at its AGM.

## Fund Set Up Activity

In June 2021, a 'donation agreement' between AED and Foundation Scotland was signed. This document provides the legal basis for the use and management of the Fund. Amongst other things it ensures the Fund can only be used for charitable purposes and for the benefit of the defined communities. It also entrusts the management of the Fund, as a charitable donation, to Foundation Scotland.

Following this, The DIG Board agreed that the Year One donation for award making would be split across the four sub-funds as follows:

Sub Fund	Year 1 amount
Main grants programme	£9,800
Education & Training Fund	£4,500
Micro-Grants	£3,500
DIG Strategic Grant	£40,000
<b>Total</b>	<b>£57,800</b>

A web presence was then created for the overall Fund and for the Main Grants programme and Education and Training Fund. <https://www.foundationscotland.org.uk/apply-for-funding/funding-available/river-avich-hydro-fund>

A press release announcing the launch of the Fund was issued to The Oban Times and Argyll Advertiser. This was published in The Oban Times online and newspaper versions.

Social media copy and posters were provided to AED and DIG Board Members and others to distribute locally, and Foundation Scotland promoted the Fund via its own social media accounts and newsletter. A short online video promoting the Education & Training Fund was produced and circulated locally, <https://www.youtube.com/watch?v=6uziy-63qjQ>

Discussions were held between Foundation's Scotland and Avich & Kilchrenan Community Council regarding the Community Council administering a micro-grant scheme. Written guidance was provided on how this would be operated.

An initial attempt to recruit a Panel of local people to the award-making Panel for the Main Grants programme in August 2021 was unsuccessful. However, a second round of recruitment, in March - April 2022, saw the appointment of six people who live in or have strong connections to the community. A list of Panel members will be published on the Fund webpage in due course.

The Panel will hold its first award-making meeting on 4<sup>th</sup> May 2022.

# Fund Statement

**Statement Period: 01 April 2021 to 31 March 2022**

**Opening Balance** **£0.00**

## Income

Year 1 - Awesome Energy (Dalriada) Limited	16/06/2021	£65,500.00
	<b>Sub Total</b>	<b>£65,500.00</b>

## Expenditure

Grants released in period		£610.00
Grants to be released		£385.00
Year 1 - Foundation Scotland CI	16/06/2021	£7,700.00
	<b>Sub Total</b>	<b>£8,695.00</b>

**Total funds available as at 31/03/2022** **£56,805.00**

*Note: in future years Fund statements will detail the financial breakdown across the four sub-funds.*

## Grant Making Activity

Grant making in Year 1 comprised Education & Training Bursaries to two residents, as follows:

Award Purpose	Amount Awarded
To assist with costs of attending a Pre-hospital Emergency Care (PHEC) course.	£610.00
Towards the cost of learning to drive, including 10 driving lessons in Oban and theory plus practical tests.	£385.00

## Looking Forward

The year has principally been about establishing and promoting the Fund, with some small-scale initial grant making. Foundation Scotland looks forward to working with AED, DIG and others locally to promote the Fund in the months and years to come.

We also look forward to working with DIG to enable the Strategic Grant(s) to be used for projects set out in the DIG Business Plan that can bring about real impact for the area. It is also hoped that Year Two will see the first micro-grant awards being made.

## Further Information

For further information, contact:

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