

Fund report



River Avich Hydro Community Benefit Fund

Year 2: 1st April 2022 to 31st March 2023



Photo sourced from <https://www.facebook.com/Lochaweside>

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Highlights

- Fund distributes £7,844 in its second year compared to £995 in Year 1.
- Panel met for the first time to support award making under Main Grants programme.
- First awards made under the Main Grants programme.
- First award to DIG through the DIG Strategic Grants arrangement.
- A further two Education & Training awards made.
- Clear limits agreed to upper limit of Micro Grants and lower limit of Open Grants.

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),

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

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 £175,000¹.

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 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:

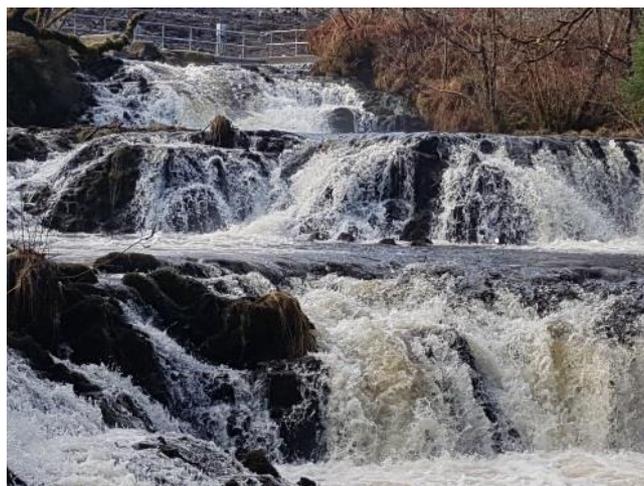
Open grants programme: This provides awards of between £501 and £3,000 to constituted organisations for charitable activities. For more information visit <https://www.foundationscotland.org.uk/apply-for-funding/funding-available/river-avich-hydro-community-benefit-fund>

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>

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Micro-grants: This scheme supports activity undertaken by individuals or groups. Awards of up to £500 are available. The scheme was originally to be administered by Avich & Kilchrenan Community Council but is now to be operated by a sub-committee of DIG including representatives from the community and a DIG Director.

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.



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Fund Activity

Following the 2022 AGM's approval of a £10,000 community benefit donation and after deduction of the annual contribution to Foundation Scotland, the DIG Board agreed that the Year 2 donation for award making would be split across the four sub-funds as follows:

Sub Fund	Year 2 amount
Open grants programme	£1,760
Education & Training Fund	£1,320
Micro-Grants	£1,320
DIG Strategic Grant	£4,400
Total	£9,800

Open grants programme:

The Panel met for the first time in May 2022 following the recruitment of six local people during March – April 2022. The meeting was part induction and part decision making on the one main grant application that was received following the earlier promotion detailed in last year's report.

The induction covered:

- Foundation Scotland's role
- The Fund and its purpose
- Role of the Panel
- The grant-making process
- Principles of good grant-making

Members who had not already done so were reminded to complete the Code of Conduct and Declarations of Interest form.

The session also included a practical exercise around a mock assessment report, to draw out some key principles in award making. The Panel then had the opportunity to immediately apply their learning when they approved the one application for consideration. The Panel's decision was informed by an assessment report they received of the application. The assessment had been conducted by Foundation Scotland. The assessment reviewed the competence of the applicant organisation, the need for the project, how the project was being planned and its likely outcome.

Education & Training Fund:

During the year the upper award limits and rates for travel and subsistence and driving lesson costs were revised to take account of inflation. The website was updated with the changes. Two further awards were made during the year.

Micro-grants:

During the year agreement was reached between DIG and the Community Council that DIG would distribute the River Avich Community Fund Micro Grant Scheme. This was because of the Community Council's reservations about the potential risks associated with the Community Council administering and accounting for a charitable scheme when they themselves are not a charitable body. DIG also approved a change to reduce the upper limit of a micro grant to £500 and formalise the lower limit of the

Open Grants programme to £500 and thereby creating a clearer distinction between the two processes. Funds are still lodged in the micro-grant sub-fund and will be paid across to DIG when requested. DIG has confirmed that it will promote the scheme to reach the same geographical area as the Community Council.

DIG Strategic Grant:

The Fund Strategy sets out the relationships and process regarding this component of the River Avich Community Fund. This provides for the ringfencing of funds to DIG that can be deployed as a single strategic grant towards activities set out in its Business Plan and/or other activity that arises not detailed in the Business Plan.

Since the DIG membership has still to agree and sign off on the Business Plan only one award was made.

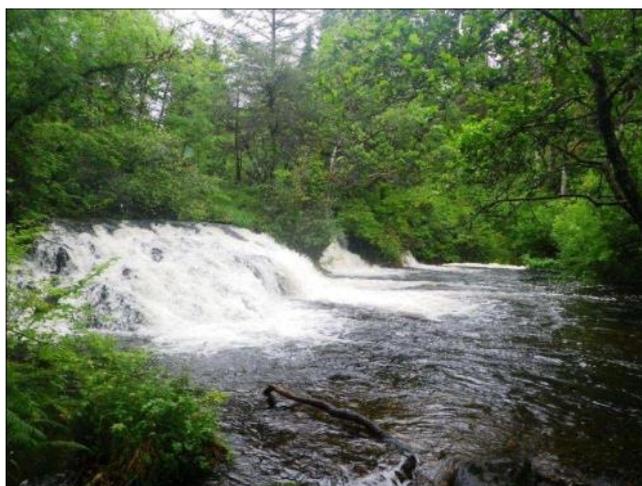
However in a comprehensive meeting on 31 January 2023 DIG and Foundation Scotland proposed that in the interim, and given local issues around capacity, funding could be used to deliver priorities agreed by the DIG Board.

In a further meeting between DIG, Foundation Scotland and AED representatives on 23rd February 2023 the recruitment of a Community Development Officer was discussed, to be appointed on an 18-month contract initially. This post will review/refresh the community action plan,

develop and manage projects linked to the plan, publicise the fund and funded projects, and provide reports to funders. Foundation Scotland encouraged that funding also be made available for administrative support for that post plus travel and expenses budget. Once approved, Foundation Scotland can provide support with job description templates and recruitment experience from elsewhere.

Fund promotion:

After the initial Fund promotional activity Foundation Scotland has not done further promotional activity through the year. In the coming year Foundation Scotland will compile and publish some case studies on awards to date and promote any further sub-fund awards.



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Fund Statement

Statement Period: Year 2 - 01 April 2021 to 31 March 2023

This statement represents the flow of funds from AED into the 'parent' River Avich Fund. After deduction of the contribution to Foundation Scotland, funds are then allocated to the four sub-funds. Statements for these four sub-funds are attached as appendices and summary balances highlighted below.

Opening Available Balance across all sub-funds **£56,805.00**

Income

Year 2 - Awesome Energy (Dalriada) Limited	07/06/2022	£10,000.00
	Sub Total	£66,805.00

Expenditure

Year 2 Foundation Scotland	07/06/2022	£1,200.00
River Avich DIG Strategic Grants sub-fund	24/02/2023	£4,400.00
River Avich Open Grants sub-fund	24/02/2023	£1,760.00
River Avich Micro Grants sub-fund	24/02/2023	£1,320.00
River Avich Education & Training sub-fund	24/02/2023	£1,320.00
	Sub Total	£10,000.00

Balances of sub-funds at 31/03/2022

River Avich DIG Strategic Grants sub-fund	(Appendix 1)	£38,622.00
River Avich Open Grants sub-fund	(Appendix 2)	£11,050.35
River Avich Micro Grants sub-fund	(Appendix 3)	£4,820.00
River Avich Education & Training sub-fund	(Appendix 4)	£3,268.00

Total available at 31/03/2022 **£57,760.35**

Grant Making Activity

Education & Training Fund

Award Purpose	Amount Awarded
Towards IT equipment and travel and subsistence costs in support of a NC in Social Sciences.	£1,105.50
Towards the cost of learning to drive, including 10 driving lessons in Oban and theory plus practical tests and travel & subsistence for practical test	£451.50

These bursaries were awarded to a single individual who reports that:

The bursary has allowed me to buy study materials including a laptop which has really improved my studying and made college an easier experience, before having a laptop I completed my studies on my phone which was quite difficult with such a small screen size. The fund had also helped me pay college fees and helped me pay for my travel expenses to and from college. If this bursary hadn't been available this year, I think I could have struggled to pass the course without a laptop to work from. - I hope to get accepted into the Social Science HNC course in the UHI Oban Centre. Now that I've turned 17 I also hope to begin my driving lessons with the driving licence support received from the River Avich Fund.

Main Grants Programme

Organisation	Award Purpose	Amount Awarded
The Avant Gardeners	To purchase three galvanised metal wheelbarrows plus alkathene pipe and fittings to deliver water from the village to the water storage tank at the garden, enabling the group to continue its food growing, educational, and therapeutic activities.	£509.65.

The grantee has reported the following:

We purchased parts for and fitted a watering system for the community garden. We also purchased 3 wheelbarrows. The parts for the watering system cost more than estimated so we took the decision to buy slightly cheaper wheelbarrows. The only problem we had was that the water connection system was more complicated than expected and required a few more parts which made that part of the project more expensive. Fortunately we had included a contingency of 10% and we are able to meet the remaining small shortfall from our own funds. The improved water supply inspired our oldest member to dig a wildlife pond for the garden over the summer. The community garden will continue to benefit from the improvements we have made with this grant for many years.

DIG Strategic Award

Award Purpose	Amount Awarded
To purchase a new washing machine for the community laundry.	£5,778.00

Looking Forward

The Fund is very much in its early forming stages. With only two community groups currently serving the area it is not surprising that more funding has not been distributed. However the architecture of the Fund is beginning to demonstrate the different ways that groups and individuals can be served by the Fund. Alongside this DIG is improving its internal governance so it has a robust policy framework to support its activities and personnel and which will provide assurance for managing the River Avich strategic grant. Being able to appoint a CDO could be a pivotal step in enabling DIG to progress more quickly and efficiently given the extensive spread of strategic and operational responsibilities that currently sit amongst only a few committed individuals. A CDO could also inform and support the establishing of other organisations in response to particular issues or opportunities that arise.