



2020

## Funding Strategy for Former Lochmaddy Primary School Development 'Àrainneachd Àlainn'



North Uist Development Company

6/11/2020

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## 1. Introduction

There is wide community support for the proposed development, Àrainneachd Àlainn, in Lochmaddy on the Isle of North Uist, which will provide a community hub filling the needs of the local community to improve health and wellbeing, provide improved facilities and services and add to the social need of improved play and recreation. There are also the wider needs of helping to sustain the population and maintaining young people on the island, increasing the local economy and providing long-term work opportunities, as well as the need of conserving the local environment for the benefit of all present and future generations. Àrainneachd Àlainn will incorporate a Multi-Purpose Environment including an 'incubator hub' to nurture enterprise, a learning environment for skills development, and a creative environment for partnership with the arts and crafts sector of the community; a Community Environment providing a gathering place for the local community as well as facilities and services; including to enable therapeutic activities; an Environment Centre to showcase the unique local environment and act as an education resource to assist in conservation and, the School Bunkhouse to act as a living environment as affordable accommodation for students and visitors.

The UK has faced two major challenges during the development of this business model: Brexit and now the COVID-19 pandemic. As a consequence, funding is currently uncertain, but feedback from supporting organisations such as The Scottish Council for Voluntary Organisations and Highlands and Islands Enterprise is positive, and where possible organisations such as NUDC are encouraged to continue to pursue their community development plans. NUDC has been fortunate that due to ongoing funding from Highlands and Islands Enterprise they have not needed to furlough staff, and therefore it is business as usual. The development has been divided into Phases to ensure the business model can start to be delivered immediately on acquisition of the building, as the building has been proven to be usable immediately on occupation (the building was recently leased by the council to a film crew for 3 months).

The following represents the current funding strategy to Phase 4 for full operation of all aspects of the business, including both the Àrainneachd Àlainn Community Hub and School Bunkhouse.

## 2. The development and funding requirements

The development has been split into 3 development phases, and 1 full operational phase. This will enable immediate use of the building on acquisition, operating as a non-for-profit before all the funding has been acquired for the wider business plan (please see Business Plan 2020).

Development Stage	Details of development requirements	Estimated cost
Phase 1 2020-2021	Purchase of building, recruitment of project manager, basic redecoration, installation of bouldering wall panels and purchase of safety equipment, acquisition of basic furnishings (most of which already obtained). Operation of Phase 1 business plan.	£10,000+  SLF Stage 1: £8,950+£1,500+£150+£17,356.46+ £500 = £28,456.46
Phase 2 2021-2023	Acquisition of funding and full re-development of existing building as per architectural plans, including demolition of flat roof area. This would be undertaken in stages to ensure minimal interruption of business operation, with largest works during off-peak season.	£167,500
Phase 3 2023 - 2025	Acquisition of funding and completion of development plans including the new entrance and new building incorporating the School Bunkhouse as an independent	810,000

	social enterprise: profits returning to investors and the hubs' community activities.	
Phase 4 2025 onwards	Operation of Àrainneachd Àlainn Community Hub and The School Bunkhouse	N/A

Successful implementation of Phase 1, acquisition of funding for Phase 2 as well as construction and development of the full business plan will require an additional member of staff to act as Project Manager. Funding is sought from SLF in Stage 2 for a Project Manager for 6 months full-time to kick-start Phase 2. Phase 2 requires funding to re-develop the existing fabric of the building for key components of the Phase 1 and Phase 2 development. The full costs of the re-development including the extension of the existing building to provide a bunkhouse/living environment, are available in the QS report, providing costs for the three concept architectural designs (please see QS' report and Architect's report). This funding plan is based upon Option 1. Option 1 was the preferred option in the recent (2019) online survey and overall the preferred Option. Option 1 was costed at £987,500.00.

### 3. Potential funders

#### 3.1 Phase 1

Phase 1 completion will require revenue costs and the building acquisition costs from the Scottish Land Fund Stage 2, including legal fees, Project Manager salary for 6 months with expenses and advertising costs for the position. £6,000 worth of in-kind contributions is envisaged from the local community for basic re-decoration and furnishings (much of this has already been obtained including paint and furniture). The SLF Stage 2 and in-kind contributions will enable the immediate use of the building. A further £4,000 will be sought to advance the Phase 1 business model: £2,000 of which will be applied for from Western Isles Development Trust (initial conversation supportive of development) and £2,000 Baillie Gifford Grassroots Sports awards for installation of the bouldering wall panels and improve the environmental centre exhibition space.

#### Funders Details

##### ***Baillie Gifford Grassroots Sports Fund***

Foundation Scotland has been delivering the Grassroots Sports Fund since 2014. Small grants of up to £2,000 are available for groups with an income below £250,000. The criteria for the fund are as follows:

- Improve the quality and participation in sport - all ages and abilities, all sports (excluding elite participation)
- Widen access – remove barriers to participation
- Improve sustainability (of clubs and groups)

The fund will consider applications for grants up to £2,000 for the following:

- Purchasing sports equipment
- Coaching and coaching development costs
- Facilities hire
- Encourage the inclusion of minority groups and those facing barriers to entry

## **Western Isles Development Trust**

The purpose of the trust is to support the regeneration and development of the Outer Hebrides through the disbursement of community benefit secured from the local deployment of renewable energy installations. This community benefit will come from a range of technologies, predominately onshore wind, offshore wind, wave and tidal. Over time and as grid connectivity allows, WIDT will expand its activities to support community ownership of large-scale renewable energy infrastructure with the objective of addressing fuel Poverty through access to locally generated "green" electricity. Within the Company and Charity objectives, the Board's current main focus is to assist projects which will:

- (i) Support the alleviation of fuel poverty; and
- (ii) Promote renewable energy schemes.

The Trust is currently inviting applications for funding that will specifically meet those criteria (whilst also being in accordance with the Trust's wider objectives). For the present time, applications which do not sufficiently meet those criteria will not be successful.

Applications are invited from community, voluntary and social enterprise groups which operate primarily within the WIDT area.

NUDC have previously been successful in acquiring a £17,000 grant and £25,000 loan from WIDT. With renewable energy in the planned development and engagement about renewable energy planned as part of the Environment Centre this project is also seen to be relevant to WIDT aims.

### **3.2 Phase 2**

Phase 2 will require further funding to re-develop the existing building according to the designs of the architect. Given Phase 3 consists of an additional build onto the back of the existing building and a small extension to the side, the architect believes the development plans can easily be divided so the existing building can be re-developed in Phase 2 with Phase 3 concentrating on the new entrance and the School Bunkhouse. The Project Manager will apply for the Loch Duart Salmon Pool for Phase 2 before the deadline date of December 2020. The new Project Manager will also need to secure funding to continue their post past April 2021, though up to April 2021 will be the critical period to kick-start funding for Phase 2 and create an operational period for Phase 1 in the existing building.

Though funding for Phase 2 has not yet been applied for; which the new Project Manager will kick-start, initial conversations have been made with potential funders. All initial conversations have been positive. NUDC were invited to submit an application for the recent SNH funding opportunity for the Natural and Cultural Heritage Fund; however unfortunately did not have all the necessary documentation for the submission deadline as SLF Stage 1 works were still ongoing at the time. Fortunately, these have now been completed and any similar funding opportunity could be grasped. The following table represents the funders NUDC aim to apply to for Phase 2.

Funder	Amount applying for
Trusthouse Charitable Foundation/Robertson's Trust	£110,000
Loch Duart Salmon Pool	£47,500
Tesco Bags of Help/Prince of Wales' Charitable Fund	£5000
The Pebble Trust	£5000

## Funders Details

### ***Trusthouse Charitable Foundation***

A medium-sized grant making foundation giving grants to small, well-established organisations in the UK who address local issues in areas of extreme urban deprivation, or in remote and fragile rural communities.

Trusthouse is interested in applications for capital projects at community centres in the most deprived urban areas and village halls in remote and economically deprived rural areas. They want to support community centres and village halls which are at the heart of small, deprived communities; expecting provision of a range of activities for all ages and abilities which help to promote community cohesion and address local problems of isolation, poverty, lack of local facilities, transport and other issues of relevance to your area.

They consider applications for new buildings; upgrading, renovating or extending buildings; improving or creating outside space (but not car parks). Interests include innovative schemes for bringing back disused buildings into full community use, such as community shops combined with space for community activities; community hubs which bring different groups together to share space and offer easy access to a range of services. At the same time, they are also interested in traditional village halls which provide the standard activities which keep a community together. The postcode must clearly show that, in urban areas, they are in the most deprived 20% of the latest government Indices of Multiple Deprivation or, in rural areas, in the most deprived 50% of the Indices.

### ***The Robertson's Trust***

The Trust's overall aim as an organisation is "to improve the quality of life and realise the potential of people and communities in Scotland". In order to deliver this, they have identified four high level outcomes These are:

- Improved outcomes for individuals and communities
- Improved evidence base of what works and why in addressing challenges facing communities and individuals
- Increased awareness and use of evidence to inform policy and practice
- Improved capacity of third sector organisations to deliver impact to their beneficiaries

The Robertson Trust does this by recognising and responding to need and disadvantage, and by building the capacity and sustainability of charitable organisations. Every year, they fund and support charitable organisations of all sizes, committed to achieving positive change for individuals and communities across Scotland. They have a particular focus on addressing a range of inequalities which exist in Scotland, including health, social, cultural and educational inequalities.

The Strengthening Communities strand has been developed in response to the social inequalities in Scotland. Within Strengthening Communities, the Robertson Trust hopes to support work which benefits those who have been disproportionately affected either economically, or due to the marginalised nature of their peer group.

They also recognise the value of building on local assets and wish to support organisations and communities which come together to create meaningful, sustainable solutions to address local need.

### ***Loch Duart Salmon Pool***

Loch Duart have had the distinct privilege of connecting, sharing, learning and serving the communities of Sutherland and the Uists for the last 20 years. As part of their continued commitment to the locations where their people live and work, they have created '*Salmon Pool*'.

Developed in collaboration with Cargill Aqua Nutrition, supplier of Loch Duart's bespoke salmon feed, the joint '*Salmon Pool*' is a substantial and long-term funding project which will provide additional financial support to local organisations for projects that bring tangible benefits to sustain the local communities of Sutherland and the Uists.

They believe that people working together build communities that will thrive – '*Salmon Pool*' can help make that happen.

The principal aim is to provide financial support to local organisations for projects making a tangible contribution to the community. They invite applications from recognised groups within the communities of Sutherland and the Uists; from individuals and organisations with a determination to genuinely make a difference and a commitment to sustainable communities.

Loch Duart and Cargill believe that strong communities make the foundation for a better world. The fund will be available until the end of December 2020 and applications may be made at any time.

### ***Tesco Bags of Help***

Bags of Help is a grant scheme for applications from charities and community organisations.

Applications are assessed by Groundwork to ensure they are eligible. In areas where application numbers are high, Tesco colleagues will shortlist the projects to determine which go forward to the customer vote.

Three community projects in each local area will be voted on by customers in Tesco stores throughout the Great Britain, with projects changing every other month. Following the vote, the project that received the most votes in its area will receive a grant of up to £4,000, second place receiving up to £2,000 and third place up to £1,000.

This is currently closed but expects to re-open. Outer Hebrides community groups were approached as there were not enough projects coming forward for funding.

### ***The Pebble Trust***

All projects have to meet charitable objectives, and in particular must contribute to reducing our dependency on fossil fuels and finite resources.

The detailed Pebble Trust objectives are:

- The advancement of environmental protection or improvement, in particular supporting organisations and individuals developing sustainable lifestyles and projects which take into account future resource availability, fossil fuel use, climate change and the desirability of a more equal society;
- The advancement of community development, in particular encouraging local communities to become stronger and more self-reliant through the adoption of sustainable lifestyles;

- The advancement of education and science, in particular carrying out research and education relating to the technical and social aspects of sustainable lifestyles; and projects funded will be expected to benefit the public through:
- A reduced resource intensity of lifestyles, thereby contributing to a more sustainable future
- a contribution to individuals' awareness, and the technical knowledge required for sustainable lifestyles
- making results known, thereby disseminating and promulgating the results of funded projects

Applications will be prioritised from the Highlands and Islands and grants will be restricted to a maximum of £5,000. Applications can be accepted from charities, community groups, businesses or individuals, provided they can demonstrate that the expected outcomes contribute to the Pebble Trust's vision.

### 3.3 Phase 3

As explained, Phase 3 aims to complete the development to fulfil the entire business model for full operation in Phase 4. As funding changes shape within the UK, many are turning to more innovative funding structures such as crowdfunding. There are many examples of successful community enterprises who have combined community share offers with grant funding, such as the 'Community Carrot' in Dunbar who raised £62,000 through a community share offer, and with a £119,200 grant from the Scottish Land Fund they were able to purchase the local green grocer shop. HISEZ will be consulted, as will Community Shares Scotland and Co-operative and Mutual Solutions to create a dedicated plan for developing a social enterprise funded through a community share offer. It is envisaged a new charity will be established for managing the community hub and environment centre, with a community benefit society established for the raising of finance and managing The School Bunkhouse, whilst ensuring overall profits from the bunkhouse are delivered to the charity for the benefit of the local community.

NUDC already has a history of success with community share offers, raising £453,850 for a share offer to construct and operate two 900Kw wind turbines in North Uist: UistWind; hence has the experience in how to manage a crowdfunding campaign, during which the NUDC Project Delivery Manager acted as Communications Manager delivering a successful communications strategy. The Project Delivery Manager is already undertaking associated enterprise courses on enterprise through Just Enterprise to advance the skill base of NUDC, and the new Project Manager will be encouraged to undertake continuing professional development training.

Conversations have been had with the architect on how to reduce the cost of Phase 3, and a cost savings exercise may be possible to reduce this final figure which will assist in acquisition of funding. The following represents the funders NUDC aim to apply to for Phase 3:

Funder	Amount applying for
Garfield Weston Foundation	£80,000 (10% maximum of capital costs)
Paul Hamlyn Foundation	£50,000
The Scottish Government Regeneration Capital Grant Fund (RCGF)	£150,000
The Robertson's Trust	£50,000 (4 deadlines a year for major grants)
Gordon & Ena Baxter's Foundation	£25,000
Western Isles Development Trust	£20,000
Energy Savings Trust/Resource Efficient Scotland Loan (0%)	£50,000

The Prince of Wales's Charitable Fund	£5,000
Crowdfunding/Social Investment/Community Shares	£380,000
TOTAL	£810,000

There is also the potential to apply to the Postcode Lifestyle Lottery Fund for a specific element of the project i.e. The Environment Centre or re-development of the tennis court area up to £20,000. Grant funding is available for installation of electric car chargers. NUDC will work with the new Project Manager, advisers and funders to ascertain the best approach.

### ***The Garfield Weston Foundation***

The Garfield Weston Foundation is a family- founded grant-making Trust which has been supporting charities across the UK for over 60 years. From small community groups to large national institutions, the Trustees' aim is to support organisations that have effective solutions to helping those most in need.

The Foundation accepts applications from organisations working in the areas of Welfare, Youth, Community, Arts, Faith, Environment, Education, Health and Museums & Heritage. The Trustees remain flexible and wish to fund the most compelling projects hence do not have target expenditure by category. Don't worry if your charity could be described in more than one category as it has no bearing on how likely your project is to be funded. As long as an organisation is not currently in receipt of a grant from us nor have applied to within the last year, they are eligible to apply if you are one of the following: UK registered charities working in the UK; Charitable Incorporated Organisations (CIOs); schools, universities or registered educational charities; faith based organisations that are either exempt under the Charity Commission guidelines or are registered charities; housing associations; or museums and galleries.

The Foundation awards grants for Capital, Project and Revenue costs. To keep things simple, there is a one-stage process which typically takes around four months from submitting the application to receiving a decision. The Regular Grants programme is open all year round for applications under £100,000. For projects over £100,000 Garfield Weston expect the organisation to have or expect to have a turnover of £1million which would not be suitable for NUDC.

### ***Trusthouse Charitable Foundation***

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Trusthouse is interested in applications for capital projects at community centres in the most deprived urban areas and village halls in remote and economically deprived rural areas. They want to support community centres and village halls which are at the heart of small, deprived communities; expecting provision of a range of activities for all ages and abilities which help to promote community cohesion and address local problems of isolation, poverty, lack of local facilities, transport and other issues of relevance to your area.

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space and offer easy access to a range of services. At the same time, they are also interested in traditional village halls which provide the standard activities which keep a community together. The postcode must clearly show that, in urban areas, they are in the most deprived 20% of the latest government Indices of Multiple Deprivation or, in rural areas, in the most deprived 50% of the Indices.

### ***The Scottish Government Regeneration Capital Grant Fund (RCGF)***

Eligible organisations:

The fund is open to all 32 Scottish local authorities individually, or whether they exercise their functions through urban regeneration companies (URCs) or other special purpose vehicles (SPVs).

Eligible projects

Applications are not restricted in geography, size or type of project. It is up to the applicant organisations to demonstrate that projects fit with the aims and objectives of the fund and can demonstrate clear regeneration outcomes in line with their strategy document: Achieving a Sustainable Future and local area regeneration plans.

Project focus:

- Projects that primarily focus on areas that suffer from high levels of deprivation and disadvantage
- Projects that demonstrate clear community involvement
- Projects that will deliver large scale transformational change with strong regeneration outcomes
- Projects and programmes that can encourage additional investment and address market failure

Application process:

All applications will be subject to scrutiny by the Regeneration Capital Grant Fund Investment Panel which will make final recommendations on projects to be funded. There is a two-stage assessment. Applicants must submit a summary of their project on the form provided at Stage 1. Successful projects at this stage will be invited by the panel to then complete a full Stage 2 application.

### ***Gordon & Ena Baxter's Foundation***

The Gordon and Ena Baxter Foundation supports a huge variety of projects. Generally, applicants should demonstrate a sound management plan and a clear benefit to communities in the North of Scotland. The Gordon and Ena Baxter Foundation has traditionally supported community projects based in the Moray area. However, the geographical area for potential funding has now been extended to cover communities in the North East of Scotland and the Highlands & Islands. This enables Trustees to assist a wider range of charitable activities and worthy causes. Areas they fund include:

- Education and training: to assist educational and training initiatives which broaden horizons, promote responsibility and generally increase access or opportunity for young people.
- Health: to support medical projects and promote good health practice, including healthy living and nutrition, good food making skills including Scots culinary traditions.
- Care: to promote good citizenship and support the improvement and enjoyment of social and community welfare, from the very young to the elderly, the disabled and those in vulnerable and deprived situations.

- Sports: to support amateur sporting activity, in particular those activities which encourage positive youth development.
- Arts and heritage: to promote and support arts and heritage to widen opportunity, access and participation for all in these fields.
- Conservation and the environment: to promote the conservation and preservation of our natural environment.

### **Scottish Government Rural Tourism Infrastructure Fund through Comhairle nan Eilean Siar**

The Scottish Government has established a fund to provide investment in infrastructure to support sustainable growth in rural tourism across Scotland.

The fund will support a wide range of improvement projects – such as parking, camping facilities, recycling points and footpath access. Local community groups can only apply through their local authority. Comhairle nan Eilean Siar has already been successful with one project for the Western Isles. As this project will provide tourist information and engagement, a new bunkhouse and an electric charging point, as well as toilets and showers, this would provide additional tourism infrastructure and hence is seen to be eligible.

### **The Prince of Wales’s Charitable Fund**

The Trustees and The Prince of Wales are keen that awards from PWCF make a significant difference to people and their communities. Therefore, PWCF would consider small grant applications from UK registered non-for-profit organizations that support grassroots community-based projects.

#### **Major Grants**

The major grants programme awards grants in excess of £5,000. The Charitable Fund is, unfortunately, unable to accept unsolicited requests for major grants, and is invitation only, often following success of a small grant application.

#### **Small Grants**

The small grants programme awards grants to a maximum value of £5,000. The average award is £1,500.

## **4. Funding acquisition plan**

The following Gantt chart represents the funding acquisition plan, which is subject to change once the New Project Manager is in post. Please also see the Monitoring Plan and Business Plan 2020-2025.

*Table 1. GANTT Chart to show updated funding plan from June 2020 onwards.*

	Jun-20	Sep-20	Dec-20	Feb-21	Apr-21	Jun-21	Aug-21	Oct-21	Dec-21	Feb-22	Aug-22	Feb-23	Aug-23	Feb-24	Aug-24	Feb-25
SLF Stage 2 Funding Application	█															
SLF Stage 2 Funding Decision		█														
Recruitment of PM			█													
Small grant applications & purchase	█	█	█	█	█											
Phase 1 of community business																
Application to Loch Duart for Phase 2				█	█											
Establishment of Sub-committee				█	█											
Business/Marketing/Comms Plan				█	█											
Applications for PM funding				█	█											
Phase 2 operation																
Ongoing community consultation		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Creation of new companies																
Applications to all funders				█	█											
Funding secured for Phase 2 construction																
Phase 2 construction																
Community Share Offer																
Funding secured for Phase 3																
Construction & Operation of Phase 3																
Phase 4 of business plan & full operation																

Key milestones include: End Aug 2020 funding decision from Scottish Land Fund Stage 2, Recruitment of Project Manager in September 2020, purchase from September – December 2020 and small grant applications, Phase 1 of the business model starting in December 2020/January 2021, and ongoing funding applications from December 2020 – February 2023 for Phase 2 and Phase 3, and the final full operation of Phase 4 in February 2025.

## 5. Conclusions

The business plan for Àrainneachd Àlainn meets the aims and objectives of many different funders and to meet the capital needs of the project a portfolio of funding is planned. Initial conversations have already proved positive, and the first initial application is already in development. Phase 1 of the business plan, to operate a non-for-profit community business to make use of the building in its current form for the benefit of the community is envisaged from end 2020/beginning of 2021. The new project manager will focus entirely on making the project a success and acquiring necessary funding to complete the re-development during Phase 2. The Phase 2 business is envisaged to be operational from providing key services and facilities for the Uist community and economic development of the Western Isles. Phase 3 with the School Bunkhouse living environment is envisaged to be complete by January 2025, with full operation meeting the charitable aims of the new company. This funding plan will be updated once the new Project Manager is in place.