

Strathard Hydro Fund

Proposals for use of community benefit income

After Forestry Commission Scotland developed a framework for supporting the creation of renewable energy on its land, this has resulted in Strathard receiving annual payments from the hydro scheme operated by Bruach Caorrain Hydro Ltd (BCH). Strathard Community Trust has been nominated as the organisation to receive and administer these funds, having worked along with the Community Council over a long period of time on hydro-related initiatives.

Two annual payments have now been received, totalling £13,505, and external expert advice has been taken on best practice for distributing this community income. The payments in theory continue for the length of the 40-year lease between Forestry and BCH.

During September and October 2018 the Trust will facilitate local discussion of the proposals outlined below, to ensure that these are considered broadly acceptable to a wide cross-section of the community, and that any concerns are addressed. A public meeting will be held to promote the detailed arrangements, taking account of feedback during the discussion. It is hoped that Strathard Hydro Fund will be launched in late 2018.

The procedures and workings of the Fund will be subject to periodic review, potentially towards the end of each Community Action Plan, in order that feedback can be received and processes updated appropriately.

Key Proposals

- 1 The Community Trust will facilitate distributing the Hydro Fund by appointing an Advisory Group which will assume responsibility for examining applications for use of these monies.
- 2 The Advisory Group will also be responsible for engaging with local people and organisations, agreeing detailed working arrangements and publicising the availability and possibilities for access to the Hydro Fund.
- 3 This Advisory Group will report back into the Community Trust on its activities and conclusions, and make recommendations on the grant awards to be made. Formal approval of payments from the Fund rests with the Trust, but would be in line with those recommendations assuming the Advisory Group follows its agreed remit.
- 4 The Advisory Group will have representation from a cross-section of residents (e.g. by age, location, interests), to ensure that it delivers a balanced view. Suggestions for members or organisations represented on this group will be welcome during the local discussion.
- 5 The Trust has welcomed input from Andrew Faulk¹, a local resident with appropriate professional experience, and we are delighted that Andrew will co-ordinate the work of the Advisory Group, to ensure it is fairly and transparently run to high standards of governance.
- 6 The Trust will assume financial responsibility for costs incurred by the Advisory Group, and for Hydro Fund financial processes and reporting. An administration fee smaller than the commercial norm will be charged to cover these costs, potentially set at 5% of annual receipts.

¹ Andrew can be contacted at Andrew_h_faulk@hotmail.com

- 7 Detailed criteria for receiving financial support will be developed by the Advisory Group and agreed by the Trust, but these are expected to follow stated guidelines e.g.
- Applications for funding will normally be expected to meet the objectives of the current Community Action Plan, which is revisited every few years. However one-off local funding opportunities may be considered by the Advisory Group at any time.
 - Administration including the nature of application requirements and reporting arrangements will be kept as simple as possible, but may vary depending on the size of grant being sought or awarded.
 - There is likely to be one application round advertised per year, although cash will be retained in the Fund to address time-limited exceptional opportunities that may arise during the rest of the year. This principle is likely to be supported by leaving up to one years' funding available after annual grant awards, although the quality of applications in any funding round may affect this level retained.
 - Grants are likely to fall into the range £250 to £1500, Awards made may be below or above the funds received in any year and will be decided on merit. Matched funding as part of a larger project may be considered.
 - To avoid any conflicts of interest the Trust itself may apply to the Fund for projects for which it would like support, and these will be considered by the Advisory Group using its normal criteria.
 - Ongoing annual funding of a routine nature is unlikely. Preference will be given to new initiatives which will provide additional activities and/or stimulate the creation of future benefits.
 - Use of local suppliers where possible will also be welcomed.