

Community Funding – Policy and Processes

Introduction

The Trustees (Board) of Westray Development Trust (WDT) have the ultimate responsibility of ensuring the assets of the charity are used to their full potential and for the benefit of the community of Westray. The Board can choose to delegate authority to sub groups as it sees fit. The purpose of this document is to set out the levels of authority within the community turbine fund project evaluation processes.

The Board has set the following funding categories:

- Community Grants
- Development Grants
- Entertainment Grants
- Education & Training Grants
- Investment Budget

The budget for each of these funds is set annually by the Board and presented to the AGM. The WDT financial year runs 1st July to 30th June and the figures presented to the AGM for budget purposes are based on the income from the previous fully completed financial year. For example, at the 2014/15 AGM (held around November 2015) the budgets presented will be for the 2015/16 financial year and be based on the income from 2013/14.

The grant funding categories, collectively called the Net Budget (NB), will be based on a percentage of the Gross Budget minus the essential expenditure of the Trust which, is derived from the net income including all contributions from the trading subsidiaries, micro-turbine income and any other rents or donations.

As well as the grant funds, the Board has set up a revolving loan fund with an initial budget of £200,000.

Who has the authority to allocate funds within these budgets?

There are four levels of authority within these processes: the Board, the Project Evaluation Group (PEG), the Financial Sub group and the Staff team.

The *Community Grants scheme* and *Development Grants scheme* are controlled by the Board with the PEG having previously assessed the application.

The *Entertainment Grants scheme* and the *Education & Training Grants scheme* are managed by the Trust Staff who are given the required criteria by the Board and they assess each application against this. The Trust staff have been allocated the authority by the Board to approve funding under these schemes.

The *Loan Fund* is controlled by the Board with low level assessment being carried out by the Financial Sub Group (FSG). After the low level assessment has been completed, the Board makes its decision on whether to proceed to the high level assessment which is carried out by a loan management company, Developing Strathclyde Ltd (DSL). DSL provides an appraisal to the Board, following which any decision is then made by the Board.

In line with best practice procedures, generally accepted by grant providers, there is no right to appeal any decision made by the Board or any of its delegated agents.

The Policy

All activities that the Trust carries out must be in line with the Charity's governing document, The Articles of Association. The Articles of Association sets out the charitable objectives of the Trust and also states the powers that the Trust has in order to fulfil its charitable objectives.

The charitable objectives of the Trust are:

1. To provide in the interests of social welfare, facilities for recreation and other leisure time occupation available to the public at large in Westray, with a view to improving their conditions of life;
2. To advance education and in particular to promote opportunities for learning for the benefit of the general public;
3. To protect and/or preserve the environment for the benefit of the general public;
4. To provide or assist in the provision of housing for people in necessitous circumstances within Westray;
5. To relieve poverty particularly among the residents of the island of Westray;
6. To advance the arts, heritage, culture and science;
7. To relieve those in need by reason of age, ill-health, disability, financial hardship or other disadvantage (includes relief given by the provision of accommodation and care);
8. To regenerate the community of Westray by the maintenance or improvement of the physical, social and economic infrastructure;
9. To promote, establish, operate and/or support other schemes and projects of a charitable nature for the benefit of the community of Westray.

Everything that is funded through the grants and loan schemes stated in the introduction must fit under one or more of these charitable objectives. In addition, any project that is awarded funding under the **Community Grant** and the **Development Grant** schemes must also be assessed and scored against the following criteria:

- Objectives – does the project have clear correlation with the charitable objectives of the Trust?
- Need – does the applicant show evidence of need?
- Impact – what will be the resulting benefits of this project and how will these be measured?
- Achievability – can the organisers of the project deliver it to a satisfactory conclusion?
- Costs – does the project offer value for money?

Entertainment Grants

The **Entertainment Grants** scheme was developed to meet aim 1:

“Under the charitable aim of ‘To provide in the interest of social welfare, facilities for recreation and other leisure time occupation available to the public at large in Westray with a view to improving their conditions of life’, the Board of Westray Development Trust has made available funding to groups who wish to put on events which bring acts to the island or to enable groups to bring across items of equipment for events. The Board recognises that the cost of travelling to the island (and freight costs) could be seen as prohibitive if the group who wishes to put on the event would have to make a full cost recovery, and therefore the group can apply for funding of up to a maximum of £300 per event which should be used strictly for the travel and accommodation costs of travelling acts (or for freight costs, if equipment is being brought across).

If the event being held is to raise funds for other charities off the island, this must be stated in the application to the Trust. Members of the community of Westray must have benefited personally from these charities.

How much is available?

- The budget is set annually (running July to June) by the Board. The budget available will be 2% of the NB and will be published on the website and in the local press;
- EGs will be up to a maximum of £300.
- Applications over £300 will be considered under the Community Grants scheme.

Anyone wishing to apply for funding should contact the office for an application form or download a form from the Trust website. Trust staff will be available to assist in the completion of application forms.

The Trust staff will contact the applicant to confirm that the application has been received. Each application will be given a unique reference number and any correspondence regarding the application should contain it.

The Trust staff will carry out an assessment on the application within 10 days of receipt and inform the applicant in writing of the decision. Successful applicants will receive an award letter, two grant acceptance forms and a copy of the terms and conditions document which should be read carefully, both copies of the grant acceptance form should be signed and one copy returned to the Trust office. Only once the signed acceptance form has been received will funding be paid.

The applicant will be asked to provide evidence of the event having taken place. This could be in the form of receipts and/or photographs from the event along with a short report.

Applicants should be aware that if successful, their name or the name of the organisation, the name of the event and the amount of grant will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.

Education & Training Grants (ETG)

The **Education & Training Grants** scheme was developed to meet aim 2:

The Board of Westray Development Trust has agreed to an annual training bursary fund, to assist the goal of “advancing education and in particular to promote opportunities for learning for the benefit of the general public.”

Bursary awards will be limited to 50% of course fees up to a maximum of £500 per person per year.

The education and training courses eligible for these grants are for personal development either socially, academically or vocationally. Statutory workplace courses will not be considered.

In the case of individuals who wish to obtain a full driving licence, WDT will fund up to 50% of the costs of up to 10 lessons per person. This can only be obtained once per individual.

Applicants must be ordinarily resident on Westray i.e. Westray is where they live for most of the year.

How much is available?

- The budget is set annually (running July to June) by the Board. The budget available will be 5% of the NB and will be published on the website and in the local press;
- ETGs will be up to a maximum of £500 per person per year;
- WDT will fund a maximum of 50% of the total cost of the training.

Anyone wishing to apply for funding should contact the office for an application form or download a form from the Trust website. Trust staff will be available to assist in the completion of application forms.

The Trust staff will contact the applicant to confirm that the application has been received. Each application will be given a unique reference number and any correspondence regarding the application should contain it.

The Learning Centre Coordinator will advise of a cut-off date, from when applications for bursary funding will not be considered. This does not affect your ability to apply for the course and self-fund it. Similarly, personal applications made directly to The Trust staff are not to be submitted retrospective and will not be considered. Applications that are submitted, but which are not assessed prior to the commencement of the training will still be considered.

The Trust staff will carry out an assessment on the application within 10 days of receipt and inform the applicant in writing of the decision. Successful applicants will receive an award letter, two grant acceptance forms and a copy of the terms and conditions document which should be read carefully. Both copies of the grant acceptance form should be signed and one copy returned to the Trust office. Only once the signed acceptance form has been received will funding be paid.

The applicant should provide evidence of the training having taken place. This can take the form of receipts for the training, pass certificates or a letter from the training provider stating the participation of the applicant.

Applicants should be aware that if successful, their name, the name of the training and the amount of grant will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.

Loan Scheme

The **Loan Scheme** fits with the charitable objectives of the Trust:

In order to meet charitable goals including *'to regenerate the community of Westray by the maintenance or improvement of the physical, social and economic infrastructure'*, Westray Development Trust will consider making loans available, dependent on available funding, and which may include those at below commercial interest rates or more favourable terms, for new or existing business development that:

- Creates jobs, especially for people who would otherwise be likely to leave Westray;
- Assists people to have a secure future through business ownership (either new business or taking over an existing business);
- Enables viable businesses that provide a local service or benefit, and that are in danger of being wound up and lost to the community, to continue;
- Business development that fills an identified gap in local services;
- Development that supports the viability of other locally owned and operated businesses;
- Any other business initiatives.

It is the policy of Westray Development Trust to lend no more than 70% of the total security available on any loan. (E.g. if the total security available to WDT is £100,000, then £70,000 is the maximum it will lend). There may be exceptional cases where negotiation on this level will be considered but the decision of the WDT Board will be final in all circumstances.

The applicant must be resident on the island of Westray or will be resident on the island of Westray before the loan has been finalised.

The WDT Board has set up a budget of £200,000 for a loan fund. This will be a revolving loan fund but the WDT Board can add to this at any time if required. Loan applications will be accepted at any time throughout the year.

Applications should be made using the WDT loan application form and should include all relevant paperwork (as detailed in the advisory notes included with the application form).

The Financial Sub Group will do the initial assessment on the application and provide the Board with enough information to enable it to make a decision on whether the application should progress to DSL for further assessment. From the point that it goes to DSL, the WDT Board will have no further involvement until such time as it receives the appraisal document from them.

If the application is successful, the WDT Board will inform the applicant of this by means of a letter stating that the loan agreement document and all further correspondence will come from DSL who will be responsible for managing the loan on behalf of WDT. DSL will continue to manage the loan and provide annual updates on the progress of the loan to WDT.

Personal financial details of the applicants will not be, at any time, made known to the WDT Board. Assessment of this area will be made by DSL only. If the loan application is successful, the costs of appraisal and administration fees will be payable by the applicant and will be added to and included in the cost of the loan.

Applicants should be aware that if successful, their name, the name of the business and the amount of financing will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.

Community Grants (CG)

Based on the location of the activity and who benefits from it there are three out of four possible ways in which the Trust can support applications to this scheme.

		Benefits	
		Remain on Westray	Benefit leaves Westray
Location of Event	Event occurs on Westray	Meets with charitable objectives e.g. Westray Regatta	Meets with charitable objectives e.g. Island Picnic or Bisgeos Run
	Event does not occur on Westray	Meets with charitable objectives e.g. Children’s visit to Poland	Does not meet with charitable objectives e.g. completing the West Highland way for Oxfam

How much is available?

- The budget is set annually (running July to June) by the Board. The budget available will be 20% of the NB and will be published on the website and in the local press;
- CGs will be between £50 and £10,000;
- WDT will fund a maximum of 80% of the total cost of the project.

What is it for?

- It is expected that applications to this scheme will be for one-off projects;
- Projects that have direct benefit to Westray residents;
- Things that will further the charitable objectives of the Westray Development Trust;
- Things that fit well with the key themes of the Westray Development Plan or with identified annual priorities;
- A way to add to existing or outside fundraising, not replace it.

Applications which are considered entertainment in their nature will have a level of fairness applied. The distribution of this funds for entertainment related events will have a “cost to attendee ratio”, of no more than £5 per attendee. For example if an application of £1000 is received for an event that would only benefit a maximum of 50 possible attendees, being limited by size of venue only, that this would give a cost to attendee ratio of £20 per person. Therefore, this application would not be considered. However, if an application was received for £1000 that enabled up to a maximum of 200 potential attendees, this would give a ratio of £5 per person and would be considered for funding. The ratio is not relevant for open air events where generally there are no restrictions of number of attendees.

Please note that there are limited funds and projects will be prioritised so there is no guarantee that applicants will receive what they have applied for even if they think that they meet with all the criteria. Anyone wishing to apply for funding should contact the office for an application form or download a form from the Trust website. Trust staff will be available to assist in the completion of application forms.

The Trust staff will contact the applicant to confirm that the application has been received. Each application will be given a unique reference number and any correspondence regarding the application should contain it. The PEG will meet two weeks before the funding meeting to discuss and assess each application against an approved scoring matrix. Dates for these meetings will be published on the website and in the local press but applicants should be aware that the funding meeting will generally be the first Tuesday in October, January, April and July and therefore, the PEG meeting will generally be during the second last week of September, December, March and June.

Successful applicants will receive an award letter, two grant acceptance forms and a copy of the terms and conditions document which should be read carefully, both copies of the grant acceptance form should be signed and one copy returned to the Trust office. Only once the signed acceptance form has been received will funding be paid.

Applicants should be aware that if successful, their name or the name of the organisation, the name of the event and the amount of grant will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.

Development Grants (DG)

How much is available?

- The budget is set annually (running July to June) by the Board. The budget available will be 33% of the NB and will be published on the website and in the local press;
- DGs will be up to a maximum of £50,000 however, applications or larger amounts may be considered;
- WDT will fund a maximum of 80% of the total cost of the project.

What is it for?

- Applications to this scheme should be for projects that will have a direct, long-term benefit to the community of Westray;
- Projects that will further the charitable objects of WDT;
- Projects that fit well with the key themes of the Westray Development Plan or with identified priorities;
- A way to add to existing or outside fundraising, not to replace it.

Please note that there are limited funds, and projects will be prioritised so there is no guarantee that applicants will receive what they have applied for even if they think that they meet with all the criteria.

Anyone wishing to apply for funding should contact the office for an application form or download a form from the Trust website. Trust staff will be available to assist in the completion of application forms.

The Trust staff will contact the applicant to confirm that the application has been received. Each application will be given a unique reference number and any correspondence regarding the application should contain it.

The PEG will meet two weeks before the funding meeting to discuss and assess each application against an approved scoring matrix. Dates for these meetings will be published on the website and in the local press but applicants should be aware that the funding meeting will generally be the first Tuesday in October, January, April and July and therefore, the PEG meeting will generally be during the second last week of September, December, March and June. Applicants will be informed in writing of the success of their application.

Successful applicants will receive an award letter, two grant acceptance forms and a copy of the terms and conditions document which should be read carefully, both copies of the grant acceptance form should be signed and one copy returned to the Trust office. Only once the signed acceptance form has been received will funding be paid.

There will be monitoring on the use of funds and the applicant will be informed of the level of monitoring required in the award letter. If the project runs over several years, there will be yearly reporting required from the applicant. WDT will provide the required paperwork for this.

Applicants should be aware that if successful, their name or the name of the organisation, the name of the event and the amount of grant will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.

Investment Budget (IB)

How much is available?

- The budget is set annually (running July to June) by the Board. The budget available will be 40% of the NB and will be published on the website and in the local press;
- WDT will fund a maximum of 80% of the total cost of the project.

What is it for?

- Applications to this scheme should be for large, one off and unique projects;
- Projects that will further the charitable objects of WDT;
- Projects that fit well with the key themes of the Westray Development Plan or with identified priorities;
- A way to add to existing or outside fundraising, not to replace it.

The Investment Budget is available for large, one off and unique type projects that are beyond the limits of the Community and Development Grant schemes. Projects such as the recent play park scheme will be considered throughout the year and generally announced at the following AGM.

If no projects of this kind are developed in any particular financial year, the funds will be transferred to a financial investment product, but which may be used in subsequent years for future applications.

Anyone wishing to apply for funding should contact the office for an application form or download a form from the Trust website. Trust staff will be available to assist in the completion of application forms.

The Trust staff will contact the applicant to confirm that the application has been received. Each application will be given a unique reference number and any correspondence regarding the application should contain it.

The PEG will meet two weeks before the funding meeting to discuss and assess each application against an approved scoring matrix. Dates for these meetings will be published on the website and in the local press but applicants should be aware that the funding meeting will generally be the first Tuesday in October, January, April and July and therefore, the PEG meeting will generally be during the second last week of September, December, March and June. Applicants will be informed in writing of the success of their application. Applications to this fund are more likely to require a longer assessment process before a final Trust Board decision is made and allowances should be made for this.

Successful applicants will receive an award letter, two grant acceptance forms and a copy of the terms and conditions document which should be read carefully, both copies of the grant acceptance form should be signed and one copy returned to the Trust office. Only once the signed acceptance form has been received will funding be paid.

There will be monitoring on the use of funds and the applicant will be informed of the level of monitoring required in the award letter. If the project runs over several years, there will be yearly reporting required from the applicant. WDT will provide the required paperwork for this.

Applicants should be aware that if successful, their name or the name of the organisation, the name of the event and the amount of grant will be made public by means of the WDT website and in the local press and may be used to promote the work of the Trust. This information will also be published in the Annual Report of the company.