



# Orkney Local Action Group (LAG)

## Community Led Local Development (CLLD) 2023/24

### Scheme Guidelines

#### Introduction

The Orkney Local Action Group has received an allocation of £139,897.28 revenue plus £25,000 capital from the Scottish Government in the financial year 2023/24 for the Community Led Local Development Fund and is now inviting applications. Of the total allocation, £80,000 revenue and £25,000 capital is available for CLLD grant applications in this round.

The Community Led Local Development Fund can support capital and revenue costs.

Due to the limited size of the funding allocation, it will only be Orkney based social enterprises, community development companies and constituted not for profit voluntary organisations that will be eligible to apply.

Applications will not be considered from individuals, sole traders, organisations outwith Orkney, religious or political organisations, or private business.

Projects that will be prioritised for support will be ones that contribute to the priorities of transforming the economy to deliver net zero and creating sustainable public services.

Projects **must** be able to demonstrate that they can **spend and draw down the grant** in full by the **middle of March 2024**.

The Scottish Government priorities for the Community Led Local Development Programme are:

- Helping families and services through the cost of living crisis
- Eradicating child poverty
- Transforming the economy to deliver net zero
- Creating sustainable public services

To avoid duplication with Orkney Money Matters and other services supporting families through the cost of living crisis, the Orkney Local Action Group will focus on supporting net zero and extending services.

If planning permission is required for any element of the project, this must be in place prior to an application for CLLD funding being submitted. This is due to the tight project timescales.

## **Eligibility**

Applications can be made by any of the following organisations:

- Registered Charities in Scotland.
- Formally constituted community and voluntary groups such as Community Councils, Development Trusts, Community Associations, SCIO and Heritage Societies.
- Local Authority departments for non-statutory projects.
- Other public sector bodies for non-statutory projects.
- Collective community interest groups/sector wide bodies.
- Religious groups will not be ordinarily eligible, unless broad community benefit can be demonstrated.

Applications not considered from:

- Individuals.
  - Informal groups.
  - Sole traders.
  - Organisations out with Orkney (unless the full project delivery and benefits would be achieved in Orkney).
  - Religious or political organisations.
  - Private business unless part of a community collective or industry wide initiative.
- will not be considered.

## **What Can it Fund?**

The scheme can consider revenue and capital costs. Funds from this scheme can be used to pay costs including:

- Buildings (this may include construction costs, upgrades and associated professional fees)
- Professional fees.
- Consents, permissions.
- Non recoverable VAT.
- New equipment
  
- Participatory budgeting.
- Salary Costs.
- Project overheads.
- Volunteer expenses.
- Core running costs in special circumstances showing new, additional or innovative offer.
- Continuation of ongoing revenue projects in special circumstances showing new, additional, or innovative offer.

All costs must be essential for the project to be successfully delivered. All project costs must be additional to core organizational costs (unless in special circumstances) which would be incurred even if the project did not go ahead. Applicants must demonstrate that project costs are value for money and provide evidence to support this. Grants are paid out only on submission of evidence of actual expenditure. In exceptional circumstances there can be the opportunity to receive up front grant payments to ensure a positive cash flow is maintained throughout the project. However, there would need to be a clear justification for this request, and it would need to be identified during the application stage so the request can be considered as part of the overall application.

This scheme will not consider the following:

- Purchase of land or buildings.
- Projects which result in displacement of existing activity or may otherwise be to the detriment of existing project(s)/organization(s) or businesses.
- Political or religious activities will not be ordinarily eligible, unless broad community benefit can be demonstrated.
- Loan repayments, service charges arising on finance leases, hire purchase, credit arrangements, fines, financial penalties and expenses of litigation.
- In-kind costs and contributions.
- Services that are the responsibility of central or local government.
- Project costs that have already been committed to or spent prior to the project start date.
- Project costs incurred or invoiced after the project end date.
- Costs involved in winding up a company or organization.
- Payments not supported by invoices and/or documents proving expenditure.
- Onward distribution of funds (unless for an approved Participatory Budgeting event in line with the guidelines).
- Consumables – unless directly related to delivery of the project.
- Repair and maintenance costs deemed as unplanned, reactive works as part of routine works for buildings, plant, equipment or any other items.
- Applications made for speculative projects.
- Items that only benefit an individual i.e., prizes, gifts, awards, and alcohol.
- Any other costs deemed ineligible.

## **How Much Can You Apply For?**

The scheme can support projects as follows:

- **Creating sustainable public services**
  - Grants from £2,000 up to £7,000 for projects which support sustainable public services, such as enabling mainland based third sector groups to provide outreach services and to deliver their services or activities to rural areas and the isles. Applications may also be considered from isles based groups wishing to participate in existing collaborative projects on a trial basis.

- Grants can cover up to 100% of eligible revenue costs.
  - Capital costs can be covered up to a maximum of £5,000.
- **Transforming the economy to deliver net zero**
    - Grants from £2,000 up to £7,000 for projects designed to support net zero, such as increased recycling, upcycling, waste reduction and community growing projects.
    - Feasibility studies and pre-project activity may also be eligible.
    - Grants can cover up to 100% of eligible revenue costs.
    - Capital costs can be covered up to a maximum of £5,000.

Applications that are a strong fit with the priorities and deliver on the outcomes will be prioritised for funding.

The Council has an obligation to ensure that the level of grant awarded to an applicant is in line with the UK's international obligations on subsidy control.

## **Match Funding**

All match funding secured from other sources for the project activity must be transparently declared in the grant applications and any changes to this funding package notified to the Council.

## **Application Process/Technical Assessment/State Aid and De Minimis Regulations**

The scheme requires completion of the full application form. Applications will be required to include a range of supporting documents as indicated in the list below.

Applicants are required to supply the following:

- Governance document such as Constitution, Memorandum and Articles of Association, Partnership Agreement.
- List of Directors/trustees/committee with relevant experience.
- Organisational Policies where relevant (e.g., equal opportunities, health and safety, Protection of Vulnerable Groups, environmental).
- Evidence of Ownership of property or long-term lease/landowner permission (if applicable for capital project).
- VAT registration number if applicable.
- Evidence of need and/or community support, eg community questionnaire/ letters of support.
- Permissions and statutory consents confirmed where applicable (e.g., planning permission, building warrant).
- Confirmation of match funding where applicable (or submission of application and likely date of outcome).
- Project cash flow (essential request for any up-front payment request from an applicant).

- Photographs, plans, drawings as appropriate to project.
- Quotes or tenders for project costs.
- Most recent 3 years audited/certified annual accounts.
- Most recent bank statement covering a period of 3 months.
- Amount of public funding in the last 3 financial years.
- Relevant insurance policy certificates.
- Job profile and person specification (if applicable for revenue project).
- Letters of support.
- Any other appropriate information as requested.

The Subsidy Control rules came into effect at 11pm 31 December 2020 and largely replace EU state aid law in the United Kingdom. The new rules provide greater opportunities to award public funding provided the relevant legal requirements are correctly satisfied. Pursuant to Article 3.2.4 of the EU Trade and Co-operation Agreement, any economic actor may receive up to Euro 325,000 Special Drawing Rights (approximately £315,000) of subsidy in a three year period and this will qualify under the 'small amounts of financial assistance' provision which is broadly similar to de minimis aid under the EU regime. For the purposes of the financial assistance provision, we need to know if you have received any public 'de minimis aid' or 'small amounts of financial assistance' in the current financial year, or previous 2 financial years.

## Decision Process

Administration of the fund will be co-ordinated by Council staff in Community Led Local Development.

Project applications will be assessed by the Orkney Local Action Group. A letter will then be sent to all applicants to inform them whether they are successful, if further work is required or they are unsuccessful.

## Assessment Criteria

The following Criteria will be taken in account when determining funding awards:

1. **Strategic Fit** – To what extent does the project align with at least one of each of the priorities for the CLLD Funding
2. **Proportionality/ Need for Grant** – Does the project contribute to the aims of the CLLD Fund proportionate to the funding being requested? Is the grant requested the minimum amount required for the project to proceed and have other sources of match funding been adequately explored?
3. **Project Need/Demand and Community Engagement** – Does the project meet an identified community need or opportunity, has this been evidenced sufficiently and is there sufficient community engagement?
4. **Capacity to Deliver** – Does the organisation have capacity to deliver (financial and staff/volunteers) as set out and on time?
5. **Legacy and Sustainability** – Will the project deliver a lasting legacy beyond its lifetime and be sustainable once grant funding has ended?

## When to apply

Expression of interest forms will be available to complete from Monday 17<sup>th</sup> July, and must be returned by email to [CLLD@orkney.gov.uk](mailto:CLLD@orkney.gov.uk) by 5pm on Monday 31<sup>st</sup> July. If your project is suitable for CLLD funding, you will then be invited to complete an application form, which must be returned by email to [CLLD@orkney.gov.uk](mailto:CLLD@orkney.gov.uk) by Monday 28<sup>th</sup> August.

The LAG meeting to assess applications is likely to be held on 13<sup>th</sup> September 2023 with decisions likely to be sent to applicants by 18<sup>th</sup> September 2023.

**Projects cannot start work until the applicant has received and accepted the grant award letter.**

## Guidelines for Best Value

Applicants to the CLLD Fund must be able to justify actions taken and demonstrate best value for public funds as part of its stage Two grant application. To that end, please refer to the following thresholds in the Table below.

<b>Goods, works and services.</b>	<b>Best Value requirements.</b>
Under £1,000.	One quote required, although value for money must be demonstrated.
Between £1,001 and £10,000.	Minimum of two quotes sought*.

\*In the event the required number of quotes/tenders are not received by the applicant, the applicant is expected to demonstrate the process undertaken. This could include providing copies of invitations to quote or tender for the project, an explanation that quotes/tenders were not readily obtainable for more than one supplier or contractor, or it can be demonstrated that no equivalent is available otherwise for technical reasons or other reasons. It may be that there is only one provider who has the necessary skills or equipment to undertake the work.

Quotes from a supplier of the product or service need to be sent to the applicant and contain the company name and address, date, name of the individual within the company supplying the quote, company registration number (if they are a limited company), VAT number if applicable, a detailed itemized breakdown of costs with a price which is either inclusive or exclusive of VAT depending on VAT registration. Quotes that do not meet the requirements will be rejected.

## Recruitment of Funded Posts

Applicants to the Community Led Local Development Fund seeking to employ staff as part of their project must ensure and demonstrate they have undertaken an open recruitment process for funded posts.

This should include the following:

- Post advertised.

- Job profile and personal specification prepared.
- Shortlisting and interviews conducted.
- Appropriate level of pay (evidence benchmarking with similar posts).

In exceptional circumstances existing staff will be considered if there is sufficient evolution, additionality, innovation, best value and transparency

## **Travel and Subsistence**

Travel and subsistence are granted and paid in line with Orkney Islands Council rates. These must be evidence by original receipt, a staff/volunteer claim form detailing the amount and reason for the claim relating to the project which is then signed by a staff/committee member, evidence of payment by the organization.

## **Data Protection Act 2018 / Freedom of Information (Scotland) Act 2002**

The information provided by you is processed in accordance with the Data Protection Act 2018 to allow us to effectively manage the Council's Grant Aid Schemes. The Data protection Act 2018 gives you the right to know how we will use your data. Further information about how we use your personal data is available from the Council's website.

Please note that your information, should you be successful, will be stored by the Council for 5 years plus current year before being destroyed. The information for unsuccessful applications will be stored for 1 year plus current year before being destroyed.

Please note the Freedom of Information (Scotland) Act 2002 gives any person the right to request certain information we hold. The Council regularly releases information about grant awards and information regarding your application may be made available to the public. Any personal information provided will be processed in accordance with the Data Protection Act 2018.

## **Claim**

Claims for the project costs must be made to the Council's CLLD staff in a timely manner. Costs will be paid out retrospectively on evidenced expenditure incurred by the organization up to the maximum contractually agreed amount. Special allowance will be made on a case by case basis, on bank statement/cash flow evidence, to those organisations that can demonstrate the need for upfront payment to assist with their cash flow. This requirement must be captured at the application stage and if approved, payment of grant at the agreed intervention level, can be released on evidence of invoices, enabling the applicant to make project payments to the supplier/contractor once funds from the CLLD Fund have been transferred into the claimant's account.

An on site inspection of the project will take place by one of the CLLD team before the final claim is paid to the applicant and completion of the project. Other visits may also be required in the duration of the project.

## **Monitoring/Assessing Impacts and Evaluation**

Recipients of CLLD funding will be required to monitor delivery, measure the impact of their project and provide evidence of the improvement to agreed outcomes. This could

include providing regular performance information, and/or project evaluations and case studies as appropriate.

The Council's CLLD staff will have to report the monitoring of the project to the LAG and to the Scottish Government. This report will include information about the projects funded, the impact of projects against outcomes and case studies.

Projects in receipt of CLLD funding will be required to provide an end of project report and possibly a further project evaluation one year after completion of project to demonstrate outcomes achieved.

Outcomes in this case are the things that result from the project. An outcome is not the provision of a service or the delivery of a project, but the tangible difference it makes to the lives of service users or the community through being provided or delivered. Improving outcomes means making things better for people living in Orkney. Below are some examples of Key Outputs and Outcomes but the CLLD Staff will assist in finding those most appropriate, which may differ from below, depending on the project:

- Key Outputs
  - New and existing community facilities/ services developed and improved.
  - Improve issues of inequality, reduce poverty and disadvantage in community terms.
  - Improve the transformational delivery of net zero for community facilities/services.
  - Improve community resilience in food supply, connectivity and energy.
- Key Outcomes
  - Increased community skills and capacity, groups become more sustainable.
  - Breadth of communities supported across Orkney.
  - More intergenerational and inclusive activity.
  - Net zero measure for community facilities is more widely adopted.
  - Additional funding leverage for Orkney.
  - Partnerships are strengthened, benefitting communities.

## **Longer Term Outcomes**

Increased population and broader age profile in fragile communities.

Community organization's sustainability is strengthened and increased.

## **Publicity/Logos**

The CLLD Fund is wholly funded by Scottish Minister's and administered by the Orkney Islands Council with the Local Action Group. If the project is a revenue project for staff resources their email signature should acknowledge the funding with the appropriate logos and a poster should be displayed in the office. If the project is a capital one, then a plaque with the relevant logos should be publicly displayed. Projects successfully awarded funding require to ensure that there is appropriate acknowledgement for the funding in press/media releases, website and or project publications and publicity material. The Council's CLLD staff will provide successful applicants with the relevant logos.