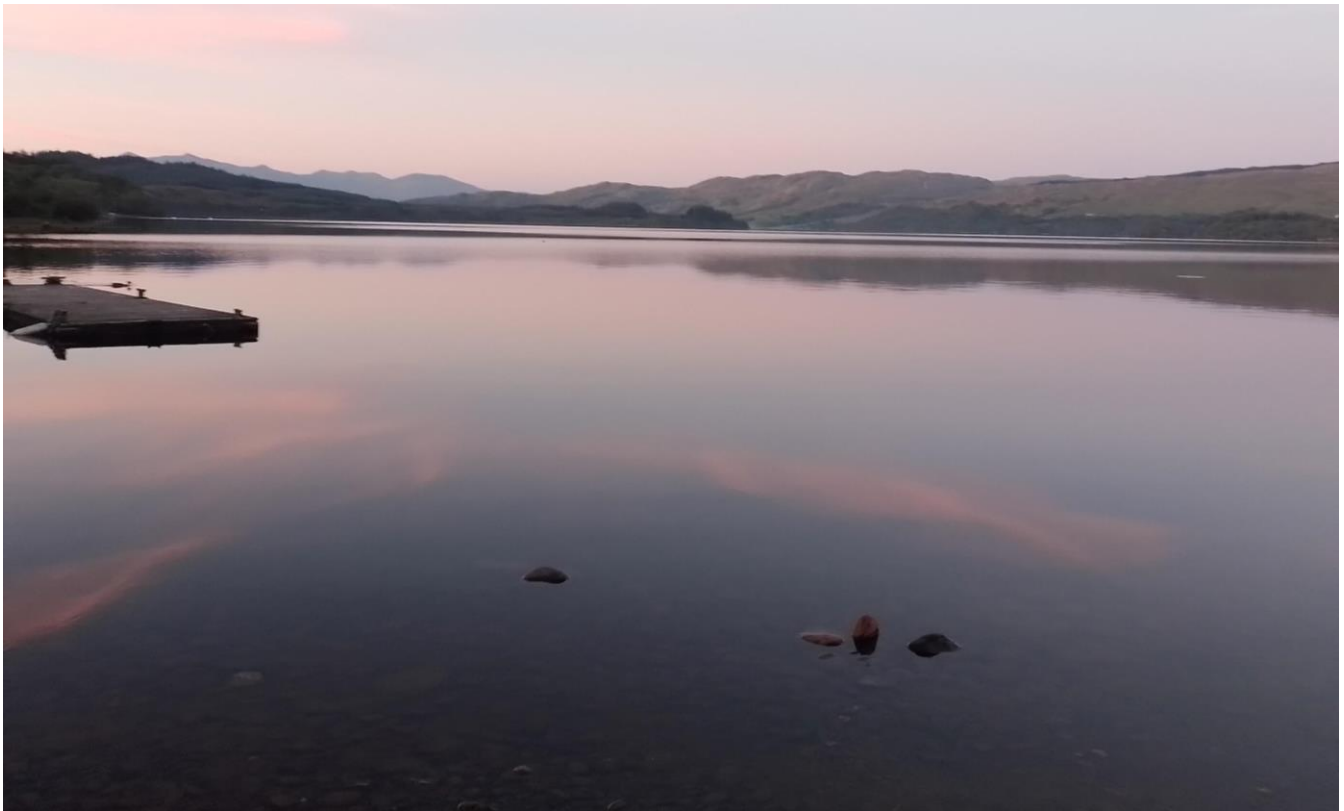


Fund report



River Avich Hydro Community Benefit Fund

Year 3: 1st April 2023 to 31st March 2024



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Highlights

- Fund distributed £23,514 in its third year compared to £7,844 in Year two.
- Five education and training grants were awarded totalling £5,694
- The first capacity building grant was awarded to DIG through the DIG Strategic Grants arrangement.



River Avich Hydro Scheme September 2023

This report is the third annual report of the River Avich Hydro Community Benefit Fund which is delivered by Foundation Scotland under an agreement with Awesome Energy (Dalriada) Ltd (AED).

Fund Activity

Following the 2023 AED AGM's approval of a £100,000 community benefit donation and after deduction of the annual contribution to Foundation Scotland, the DIG Board agreed that the Year 3 donation for award making would be split across the four sub-funds as follows:

Sub Fund	Year 3 amount
Open grants programme	£6,800
Education & Training Fund	£4,600
Micro-Grants	£1,200
DIG Strategic Grant	£76,200
Total	£88,800

Open Grants Programme:

This strand of funding is open to applications for charitable activity that delivers on the strategic themes and associated priorities set out in the Dalavich Improvement Group Community Action Plan (2016 -2021).

The strategic themes are as follows:

The Community Centre; infrastructure and services; communication/ community spirit; The local environment; tourism and facilities (activities); children and young people, and; employment and opportunity.

At the beginning of the year the funds available to distribute were £17,850.35 (taking account of the previous year end balance and the additional £,6800 allocated from the Year 3 donation). This remains the balance at the year-end as there have been

no awards made through the open grants programme because no applications have been received.

There are potentially several reasons for this situation:

- The area of benefit is small and cohort of organisations operating in the area and who are eligible to apply is very small.
- The fund is an open fund and can be applied to at any time, this may mean that potential applicants do not schedule in applying as there is not a deadline to work to.
- Other community benefit funds in the area may be more applicable to applicants as the maximum amount that can be applied for is higher (for example, An Suidhe has a maximum amount of £9,000 in comparison to the River Avich Open Grant Fund that has a maximum amount of £3,000) and they can fund their project with one application rather than several.

Education & Training Fund:

This Fund has distributed five grants over the year that have supported residents to improve their skills and opportunities for employment. This has included driving courses, continued professional development for counselling and an introduction to study course through the Open University, the benefit of providing this opportunity for residents of the area can be illustrated by the following comment from one recipient:

“The grant helped me to access some CPD which was useful in focusing me back to my initial training and gave me confidence in starting up again. I would have struggled without the grant.”

Micro-grants:

During this year, 7 microgrants were awarded by the subcommittee and these totalled £2,120.

The grants supported the community by providing funds to buy small equipment for Kilchrenan Village Hall that replaced old/work equipment etc , framing a picture that will be displayed in the Foyer of the Community Centre, a Christmas party for the village children that was attended by 11 children, ensuring they have a dedicated festive celebration, producing posters about the risks of Lyme Disease and which have been prominently displayed around the village, the purchase and installation of a bench for the village green and to support a community bonfire and fireworks event that was enjoyed by 50 residents and visitors.

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. This is an important component of the Fund and which seeks to recognise the strategic value of DIG as the anchor organisation for the community whilst

also ensuring that funds provided to DIG will benefit the community within the fund area and the awards will be administered in line with the Fund Agreement signed in 2021.

Following discussions between DIG and Foundation Scotland in the Autumn, DIG was awarded £13,000 to enable it to begin a programme of community capacity building work as the foundation for its development over the next five years.

As DIG own a number of assets on behalf of the community including fields, woodlands, the Community Centre, foreshore and roads, during the past year it became necessary to commission land management surveys to enable DIG to create a tree management plan, undertake essential maintenance on the community centre and social club building and provide a programme of social activities with the aim of reducing social isolation and loneliness in the area to continue to develop the assets and activities that DIG is responsible for.

More information about the activities that DIG undertakes or supports can be found on the DIG Facebook page.

<https://www.facebook.com/DIGHYDRO/>

At the 2023 AGM, the Board agreed to the proposal for DIG to appoint a Development Officer to help realise community ambition and reduce the burden of work being carried by volunteers. In particular the new role 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.

There has been a delay in progressing arrangements for a Development Officer due to the capacity of the community to action this point, as there have been other matters that have taken precedence due to the need to address essential health and safety actions that have arisen around the assets that DIG own.

Nevertheless some helpful activity has ensued. Following a visit from the Foundation Scotland Fund Adviser in September 2023, a report was produced and circulated to support DIG in its preparation towards recruiting..

During discussions with different community members several themes were identified as important to the community:

- **Tourism** as an important source of income to the area
- **Public transport, travel and access to services** as access to public transport is limited, which impacts on how people can attend appointments and access services
- **The water supply** is managed by a private factoring company and there is concerns about potential costs rising in the future
- **Managing current assets and infrastructure** and supporting DIG to develop sustainable management methods for the community owned

assets and creating wealth for the area.

- **Asset acquisition** – what is the best structure for securing additional assets, what would be the purpose and who would benefit?
- **Natural capital** - managing natural assets and protecting them for the future.
- **Horticulture** – growing food locally and managing the landscape
- **Caring for older members** of the community and **wider service provision** to help people thrive
- **Social activities** to reduce social isolation
- **Communication** – find ways of working together, promoting activities and strengthening informal and formal arrangements
- Social / affordable **housing provision**
- **Increase employment** opportunities
- Community **Action Planning** to include actions to address the cost of living rise and climate change

A role description has been drafted linked with this menu of need and opportunity and the agreement of the recruitment process to begin by the end of April 2024.

Once recruited, the first task of the Development Officer will be to undertake research, engage with the community and write a new community action plan as the previous plan ended in 2021.

As part of this process, it is important that the DIG Board has training to understand their responsibilities as trustees of a charity and directors of a company limited by guarantee to ensure they are in a robust and strong position to become an employer..

Fund promotion:

During the past year, there has been interest in and applications to the Employment and Training Fund, this has been mostly due to promotion through word of mouth. Foundation Scotland is keen to understand in more detail as to why the Open Grants programme has not been applied to and has begun conversations with a DIG/AED director to explore how changes can be made to increase the reach and impact of the funds. More detail of the potential direction can be found in the appendix 3 with a copy of the September visit findings.



Fund Statement

Statement Period: Year 3 - 01 April 2023 to 31 March 2024

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 **£57,760.35**

Income

Year 3 - Awesome Energy (Dalriada) Ltd	05/06/2023	£100,000.00
	Sub Total	£157,760.35

Expenditure

Year 3 Foundation Scotland	05/06/2023	£11,200.00
River Avich DIG Strategic Grants sub-fund	10/10/2023	£76,200.00
River Avich Open Grants sub-fund	10/10/2023	£6,800.00
River Avich Micro Grants sub-fund	10/10/2023	£1,200.00
River Avich Education & Training sub-fund	10/10/2023	£4,600.00
	Sub Total	£100,000.00

Available Balances of sub-funds at 31/03/2024

River Avich DIG Strategic Grants sub-fund	(Appendix 1)	£101,822.00
River Avich Open Grants sub-fund	(Appendix 2)	£17,850.35
River Avich Micro Grants sub-fund	(Appendix 3)	£ 1,200.00
River Avich Education & Training sub-fund	(Appendix 4)	£ 2,559.00

Total available at 31/03/2024 **£123,431.3**

Looking Forward

Although already in its third year, the Fund is still very much bedding in as a community asset and resource for the community's development. 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 for example through the number of employment and training grants that were distributed this last year. Appointment of the Development Officer and progressing the community Action Plan should be the priority for the year ahead and as part of this, discussions with the key stakeholders (DIG/ AED) in the coming months will enable the Fund Management Strategy to be updated to meet the needs of the community it serves.

Appendix 1 Grant Making Activity 2023/4

Education & Training Fund

Award Purpose	Amount Awarded
To contribute towards course fees for an online training programme	£200
To contribute towards fees for completing a Excavator 360 Above 10T course.	£900
To contribute towards course fees for a Counselling Training Programme	£1650
To fund course fees and contribute to the cost of a laptop	£1650
To fund course fees and contribute to expenses towards an Online Counselling Diploma.	£1294

Main Grant Programme

There have been no awards through this programme in the year 2023 to 2024.

DIG Strategic Award

Award Purpose	Amount Awarded
To contribute to the costs of capacity building work for Dalavich Improvement Group including social events, surveys, land management issues and building maintenance and security to improve the sustainability and resilience of the community owned assets	£13,000

Appendix 2

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), 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.

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

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>

Micro-grants: This scheme supports activity undertaken by individuals or groups. Awards of up to £500 are available. The scheme is administered by 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.

Appendix 3 – September Visit Summary

Introduction

As part of Foundation Scotland's support to Awesome Energy (Dalriada) Ltd and the River Avich Community Benefit Fund and to enable the new Foundation Scotland Community Fund Adviser Debbie Herron to meet the community and understand further the needs of the area a visit was undertaken between the 4th and 6th September 2023.

During this time Debbie met with 18 representatives from the village that were introduced by Carol Thomas a director of Dalavich Improvement Group or signposted by Rachel Searle Head of Communities and Impact at Foundation Scotland and with whom this short report is being shared. Thank you to everyone who gave their time to share their experience and knowledge about the area.

Debbie also took the opportunity to visit the River Avich Hydro Scheme and also various assets owned by Dalavich Improvement Group. What follows is a summary of the interviews with the community members and a short options appraisal of the potential next steps that may be helpful to inform future planning by DIG and the wider community.

Main Themes Raised During the Engagement Sessions.

Common areas of interest that matter to residents came to light during discussions and it is clear that **people care about the village and surrounding area** and they want to achieve the necessary **sustainability and resilience** for individuals, community organisations and small businesses to enable Dalavich to thrive now and in the future.

The main themes common to the conversations in no particular order were:

- **Tourism-** Dalavich has much to offer visitors to the area and it is an important source of income and employment to the village
- **Public transport, travel and access to services** – The public bus service is very limited and is mainly the school bus service and this is early in the morning to Oban and returns after school at around 5.00 p.m. Out of term time this does change. Would a car share service or offering lifts work out with these times for hospital appointments etc?
- **The water supply** – Currently the water supply is managed by a private factoring company Hacking and Paterson and generally people were concerned about the level of charges, the lack of transparency and the potential for large bills in the future and the issues of who is responsible for the upkeep of the system and future maintenance and replacement of the system and the costs involved
- **Managing current assets and infrastructure**– Dalavich Improvement Group own a number of assets on behalf of the community and there is concern that these assets need to be sustainable and create wealth for the area to benefit the village overall. All assets cost money to maintain and some need significant investment to bring up to

standard. It is essential that a plan is drawn up as soon as possible and implemented to negate significant costs and impacts in the future for the community

- **Asset acquisition**– there is the potential to acquire assets from Forestry and Land Scotland (previously the Forestry Commission) and the Church of Scotland. What is the best structure for this process and what would be the purpose and who would it benefit?
- **Natural Capital** – caring for the environment and managing natural assets to benefit the community and protect it for the future (including Loch Awe, the forests, land management and farming) and creating opportunities for employment
- **Horticulture and growing** – developing the opportunities for growing food and creating gardens and managing the landscape, farmers markets, food sharing
- **Caring for the older members of the community** – providing employment and services for the older residents that could include gardening, cleaning and personal support included supported accommodation for residents and staff if possible
- **Social activities** – bringing back and developing opportunities for the community to come together, including education opportunities, coffee mornings, social events and gatherings to reduce social isolation and increase community cohesion
- **Service provision** – create a mending shed where people can borrow tools, repair things, come together and learn from each other. Provide gardening and landscaping, cleaning and maintenance for older people and those that need support
- **Communication**- find ways of working together, developing partnerships, communicating ideas (promotion via social media, newsletters etc) and agreeing a way forward to benefit the area, clarifying, updating and understanding the informal and formal arrangements and agreements (governance, organisation structures, leases etc) that have been in place up until now
- **Social/ Affordable housing** – provide affordable housing for the young people and families to encourage them to stay in the area
- **Employment** – create opportunities for employment through apprenticeships, skills training, developing new projects and small businesses or social enterprises, diversifying what is on offer locally
- **Community Action Planning**- update the existing action plan and invest in employing development staff and resources to deliver the plan over the next 5 to 10 years, through working together to include and integrate individual perspectives and priorities to benefit the area following on from the pandemic and the cost-of-living rises
- **Cost of living rises** – the impact on individuals with the cost of fuel and food and the rising cost of maintenance and management of buildings, assets and resources for the community. (This theme relates back the cost of the water management, assets owned by DIG, travel and other themes raised previously)
- **Climate Change**- there was general recognition that many of the properties in the village could do with improved insulation and installation of energy efficiency measures to mitigate the impact of climate change, waste management and the increased costs people are experiencing. This theme is one that can be integrated into actions relating to the other themes raised in due course as it relevant across the board and there are additional resources available via the Scottish Government to support this action.

Conflict within the community

During all conversations however, it was highlighted that there is **a great deal of tension and division in the village** as people are deeply **concerned about historic activity, previous decisions** made by groups and individuals and the impact that is having on the delivery of services, the wellbeing of individuals and community cohesion generally.

The impact of the pandemic, the cost-of-living rise and the level of work and support people have contributed to support the development of community facilities, assets and the hydro scheme on the fabric of community life is apparent and it was noticeable during the course of the different conversations, how often people referenced the breakdown in communication between different groups and individuals over the past few years.

It is likely that people are exhausted and burnt out and now is a good time to look at what has been achieved, what needs to be reviewed and learnt from and plan for the future.

To take stock now is important, as there are opportunities coming into focus as Forestry and Land Scotland wish to release more assets, the community owned hydro scheme is generating income for the area (along with wind farm community benefit funds) and there is the potential of more developments coming on stream in the next ten years or so.

If the underlying conflict or lack of harmony between individuals and groups are not addressed, opportunities could be lost and there could be further conflict in the e community. Updating and refreshing the Community Action Plan and employing a Development Officer may enable the community to come together and try and resolve some of the conflicts, improve communication and put in place an action plan that will benefit all.

Potential Options and Actions to be discussed and agreed.

As can be seen in the list above there is a great deal of potential and opportunities for the area to benefit from and build resilience and sustainability. There are also challenges, as it can be difficult to know where to start and how to prioritise the work needed and communication between different groups and individuals is variable now. In addition, the capacity of the community can be a factor in managing the delivery of the programme as volunteers tend to offer their support out with their everyday commitments to work and family.

Below is a summary options appraisal to help inform the conversation and actions going forward. It has not been ranked or ordered in regard to priority as that is for the community to decide in due course, although they have been grouped under three headings as a place to start.

Community Resilience			
Theme	Action/Task	Resources Needed	Draft Timescale
Development staff employment	Draw up purpose of role and decide if one employee or a package of provision is needed including external specialists for key tasks	Time to discuss, plan and draw up programme and budget	Immediate advertising and appointment.
Community Action Plan	Collate and prepare existing information to be able to design community engagement for next plan	Community meetings to discuss, plan and draw up approach	Winter 2023 Spring 2024
Current Asset Management	To clarify the costs and liabilities and current value of assets, leases and projected maintenance. Engage with DTAS and COSS to develop a clear way forward for DIG. Appoint independent valuers and review of leases to be fit for purpose.	Independent valuation and advice on asset management and leases of assets. Clarify risks and liabilities and identify who is responsible. Clarify what is needed to operate the management of the assets and services for the area?	Complete by Spring 2024 to contribute to new Community Action Plan
Facilities management e.g. Water system	Explore the potential of the village taking on facilities management of water system	Time to discuss and clarify existing process and understand what would be needed if the community take it on.	Mid 2024
Horticulture and Growing	Identify and classify assets (fields, land and foreshore), survey, plan	Professional advice and survey as needed, development staff and	Winter 2023 onwards

	use and schedule development	management of assets	
Wider Community themes to inform the Community Action Plan and strategic direction	Key information to gather to inform planning	Information on transport and travel, community education needs, impact of the cost of living rise, existing community systems and structures	Winter 2023 Spring 2024
Communication	Facilitated sessions to improve communication, community focus and the roles and responsibilities of charity trustees/board	Independent facilitators to support addressing the communication situation and host sessions to support reconciliation.	Winter 2023 Spring 2024
Economic Potential			
Theme	Action/Task	Resources Needed	Draft Timescale to start
Natural Capital	Identify and record all natural assets owned by the community and those potentially coming on stream	Time and expertise to catalogue the assets and the potential worth (not just financially but well-being and environmentally)	Spring 2024
Social Housing	Understand the level of need locally, discuss with local Housing Association and if a priority begin the development of the project	Development Staff	Mid 2024
Asset acquisition and development	Continue discussions with Forestry and Land Scotland, identify purpose of acquisition and	Staff, Time, money for surveys and land purchase	Autumn 2023 onwards

	undertake purchase in due course		
Employment and training	Understand the needs of the community and provide opportunities for training	Community survey and promote access to training funds via Community Benefit Funds and Skills Development Scotland	Spring 2024
Addressing Climate Change	Include the impact of climate change in the Community Action Plan and any discussions going forward	Information and access to support through the Argyll and Bute Climate Action Network/Hub	Ongoing
Tourism	Clarify the potential of the benefits and costs of tourism to the area	Clarify the context of tourism in the area and what is needed for the future and developing sustainable tourism	Summer 2024

Social Capital Development			
Theme	Action/Task	Resources Needed	Draft Timescale
Caring for Community members	Survey for level of need and what support is needed, create workplan and delivery	Survey, identify resources and delivery of work plan	Spring 2024 onwards
Reducing social isolation and growing community cohesion	Survey what is needed/wanted, create and deliver pilot activity plan and monitor impact	Funding for materials, tutors, room rental and volunteers to help set up and deliver	Autumn 2023 onwards
Service provision	Survey what is needed/wanted, create and deliver pilot activity plan and monitor impact	Survey, create delivery plan and source funding for materials, tutors, location (e.g. mending shed) and volunteers to help set up and deliver	Winter 2023 onwards

Conclusions and Next Steps.

As stated earlier the area has a great deal of potential and opportunity for development to benefit the community for the short and long term. There is however very apparent conflict and lack of communication between different groups and individuals that is impacting on the potential for growth and development.

During the conversations with community members, it became clear that there is a great deal of frustration and feeling disempowered for some and a wish to find a way through the current impasse for many.

The Dalavich village and surrounds are an area that has many opportunities and assets that can be utilised to support and benefit the communities that live here. Previous activity and asset acquisition provides a strong foundation to build on and develop for the future.

The following recommendations are proposed as a place to begin:

1. The Board of DIG to have training to understand their responsibilities as trustees of a charity and directors of a company limited by guarantee to clarify the changes in legislation and understand best practice and governance that need to be incorporated going forward. DTAS have offered to undertake this training and are available in November/December/January to do so.
2. Foundation Scotland to work with DIG and the community to appoint the Development Officer with the support of Development Trust Association Scotland as needed. This was proposed at the AED AGM earlier in the year and needs to now progress at pace.
3. The Development Officer to initially review the most recent CAP and work with the community on the development of the new CAP up till 2030 to include mapping the resources that offer support and development available to the area and the opportunities that are presented

Through engagement with the community and using this document as a starting point for improving communication between the different groups and individuals, opportunities present themselves to improve the resilience of the area, increase communication and potentially reduce the challenges facing the area.