

River Avich Hydro Community Benefit Fund

**Year 5 Fund Report
April 2025 - March 2026**

About the River Avich Hydro Community Benefit Fund

The River Avich Hydro Community Benefit Fund is provided by Awesome Energy (Dalriada) Limited (AED), owner and operator of the 350 kW 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 the local community anchor body Dalavich Improvement Group (DIG), including the settlements of Inverinan, Lochavich, Dalavich, and Kilmaha.

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.

This report is the fifth annual report of the River Avich Hydro Community Benefit Fund, which is administered by Foundation Scotland under an agreement with Awesome Energy (Dalriada) Limited (AED). Foundation Scotland is an independent charity with grant-making expertise and a track record in supporting the establishment and delivery of community benefit funds in Scotland. The Fund is distributed using a programme of sub-funds, and more details can be found in the report below.

Fund Highlights

- The Fund distributed £143,041.21 in its fifth year compared to £79,413.38 in year four
- The Fund invested £64,175.89 in asset management and repairs over the year
- The Fund granted three awards towards the purchase of two capital assets for the area (41 Dalavich and land and a building from Forest and Land Scotland), totalling £45,000

Fund Activity

Following the 2025 AED AGM's approval of a £150,000 community benefit donation, and after deduction of the annual contribution to Foundation Scotland, the Dalavich Improvement Group (DIG) Board agreed that the Year 5 donation for award-making would be split across the four sub-funds.

Fund Statement

Statement Period: Year 5 – 1st April 2025 to 31st March 2026

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 and summary balances for this year are highlighted below.

Opening balance across all sub-funds	£132,817.97
---	--------------------

Income		
Year 5- Awesome Energy (Dalriada) Limited	17/06/2025	£150,000.00
	Sub Total	£282,817.97

Expenditure		
Year 5 Foundation Scotland	17/06/2025	£15,000
River Avich DIG Strategic Grants sub-fund	17/06/2025	£112,250
River Avich Open Grants sub-fund	17/06/2025	£13,500
River Avich Micro Grants sub-fund	17/06/2025	£2,500
River Avich Education & Training sub-fund	17/06/2025	£6,750
	Sub Total	£150,000.00

Available balances of sub-funds at 31/03/2026	
River Avich DIG Strategic Grants sub-fund	£33,769.55
River Avich Open Grants sub-fund	£13,638.25
River Avich Micro Grants sub-fund	£2,500.00
River Avich Education & Training sub-fund	£6,205.50
Total available at 31/03/2026	£56,113.30

Awards for all activity throughout the four sub-funds must deliver on the strategic themes and associated priorities set out in the Dalavich Improvement Group Community Action Plan and the Fund Strategy.

The strategic themes are as follows:

- Housing Development (affordable housing, property purchase, new builds)
- Community Assets (forestry shed and land, options on other land, other facilities)
- Young People
- Arts and Heritage
- Transport Solutions (community transport, road improvements)
- Environmental Projects (woodland management, path networks)
- Economic Initiatives (business development, training opportunities)
- Health and Wellbeing Services (emergency response, activities)

Open Grants Programme

This provides awards of between £501 and £10,000 to constituted organisations for activity that delivers on the strategic themes and associated priorities set out in the Community Action Plan and Fund Strategy.

For more information, visit <https://www.foundationscotland.org.uk/apply-for-funding/funding-available/river-avich-hydro-community-benefit-fund>

At the beginning of the year, the funds available to distribute were £16,357.54. The year 5 donation of £13,500 was made to the programme on the 17th of June 2025.

Awards in 2025 to 2026 were:

Oban Mountain Rescue Team: £5,500

To contribute to the cost of a new command vehicle for mountain rescue, enhancing life-saving capabilities and community resilience.

Dalavich Improvement Group: £10,000

To contribute to the cost of purchasing a house in Dalavich for affordable housing, supporting community growth and addressing local housing needs.

Education and 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.

Award Purpose	Amount Awarded
To support course fees & associated expenses enabling the study of Rewind Technique training.	£602.00
To contribute to the cost of driving lessons, increasing access to education and employment opportunities.	£551.50
Total	£1,153.50

The general population of the area is ageing, with families and younger people tending to move away due to the remoteness of the area, lack of facilities and limited employment.

Of the approximately 152 population within the area, around 12–15 children and young people currently live in the village. The purpose of the education and training grants is to provide opportunities for individuals to increase their skills and hopefully stay locally by securing employment or developing self-employment initiatives.

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 activities 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.

During this year, £2,500 has been awarded to Dalavich Improvement Group for distribution as microgrants to local organisations. This amount is currently allocated for the microgrant programme and will be released to DIG after the submission of the final report for the year 2024 to 2025.

DIG Strategic Grant

DIG is the sole community anchor organisation for the fund area. The River Avich Hydro Community Benefit Fund has a Fund Strategy which sets out the relationships and processes regarding this component of the River Avich Community Fund, which provides for the ringfencing of funds to DIG that can be deployed as a strategic grant programme towards activities it prioritises. A detailed breakdown of all awards can be found in Appendix 2.

In the year 2025 to 2026, DIG has drawn down 11 grants to enable it to deliver the work needed to support the community of Dalavich. This year, these 11 grants can all be allocated to one of two themes: asset management and repair, and asset acquisition.

The amount allocated to asset management and repair was £79,218.32 and covered costs that included decking and ramp repair at the community centre, emergency tree and brash management following storms, road repair of the back road next to the loch, and installation of a wood stove at 41 Dalavich, which is the property that DIG have bought to offer as affordable housing locally.

It was an important year for DIG as it undertook the purchase of two new assets to benefit the area, in line with the Community Action Plan and the Fund Strategy.

These were the purchase and refurbishment of 41 Dalavich, which is being made available for affordable long-term rental. This project addresses the need to tackle the lack of affordable housing in the area, and the purchase of a shed and land that were surplus to the requirements of Forest and Land Scotland and were put up for sale in the summer of 2025. By securing this asset, DIG will be able to provide a facility and resource that can be used as a workshop and venue for practical activities as identified in the Community Action Plan.

More information about the activities that DIG undertakes or supports can be found on the DIG Facebook page: <https://www.facebook.com/DIGHYDRO/>

The Fund continues to make a difference in the area, and this can be illustrated by the examples below.

Dalavich Improvement Group (DIG) – Back Road Upgrade

Amount awarded: £49,950.40

The back road (that is owned by DIG on behalf of the community) running through Dalavich had deteriorated to the point where resurfacing was needed on safety grounds. Potholes, an uneven surface and poor drainage had been a concern for some time, and the Dalavich Improvement Group board had committed to addressing it as a priority.

With funding from the River Avich Hydro Community Benefit Fund, DIG was able to move the project forward. Three contractors were approached for quotes, and following board approval, DA MacDonald Contractors Ltd was selected to carry out the works. The project covered 271 linear metres of tarmac at three metres wide, and included eight parking bays, a turning area, and speed humps.

The work was completed in September 2025. The upgraded road provides a more durable surface, better drainage and improved safety for both pedestrians and vehicles, while also reducing the risk of damage caused by potholes. The funding allowed DIG to deliver a practical infrastructure improvement that directly benefits residents who use the road every day.

Below are before and after pictures.



Dalavich Improvement Group – Affordable Housing

Amount awarded: £20,160 (two payments - £17,550 and £2,660)

Affordable housing has been a priority for the Dalavich community since 2016, when it first appeared in DIG's Community Action Plan. With an ageing demographic, ongoing depopulation, and 59% of residents unable to afford market prices, the action case was clear. Only 2% of local housing was social rented — well below the national 15% target — while properties continued to be lost to second homes and holiday lets.

In 2024, DIG began work to purchase a three-bedroom house (41 Dalavich) in the village, converting it from a second home into permanent, affordable accommodation. The total project cost came to £194,113.00, drawn from a range of sources including the River Avich Hydro Community Benefit Fund, the An Suidhe Community Fund, the Scottish Government Rural Housing Fund, and Argyll and Bute Council.

The purchase was completed in September 2025, with the property being prepared for a working-aged family. DIG plans to secure tenants during 2026 and will develop a Local Letting Initiative to ensure fair allocation.



Because the property is community-owned, it will remain affordable in the long term, rather than returning to the open market.

The project offers a practical model for community-led housing in rural areas where traditional providers are unlikely to operate due to the location of the village and the lack of services and resources.

Dalavich Improvement Group – Community Development Officer Year Two

Total amount awarded for two years: £82,205.00

In year two, DIG's part-time Community Development Officer has continued to make progress across a busy and varied workload. She has built solid working relationships with local groups, TSIs and community support organisations, including SCVO and DTAS, and is well regarded within the community.

The year has not been without challenges that have had a knock-on effect on progress, including delaying a formal performance review. Despite this, the role has delivered meaningfully across several areas. New community groups established include a Community Woodlands Group, Book Club, Walking Group and the Awesome Gang, alongside a range of seasonal activities. Significant staff time has also been invested in the community-led housing project, CAP development, and practical matters such as the back road upgrade and repairs to community facilities.

Hours have increased from 21 to 28 per week, with a structured mix of fixed and flexible days to provide consistency while accommodating the unpredictable nature of community development work. The role continues to be a practical asset to DIG and the wider Dalavich community.

Looking Forward

The Fund is now five years old, and AED and Foundation Scotland signed a new Fund Agreement in March 2025, which will run for a further five years.

The Fund Review and Fund Strategy were undertaken, and the recommendations for the next five years are:

- To increase and strengthen the communication and storytelling of the Fund's achievements
- Support the development of a resilience plan for the area and consider supporting the creation of emergency response resources
- Review local procurement requirements and increase flexibility on what is a 'local supplier'
- Streamline application processes where possible, explore the possibility of using a small grants form for the Open Grants programme
- Strengthen and support DIG in the application of the strategic grant programme
- Contribute to the strengthening of community capacity and organisational development
- Enhance the impact of the education and training programme
- Explore collaborative funding opportunities
- Focus on young people and population retention
- Plan for the long-term sustainability of the impact of the Fund

As a result of this review, Foundation Scotland will work with AED and DIG to implement the recommendations of the review over the next five years.

The Fund Review and updated Strategy take into consideration the context and impact of national strategies, the possibility of more renewable projects within Argyll and Bute, the impact of rising costs and the potential of increased demands on the Fund to meet funding gaps that groups are experiencing.

The forward-thinking approach of AED to provide long-term funding for the area of Dalavich and its surrounds will be essential in continuing to develop resilience and build community capacity for the area.

As national and global challenges continue to impact rural areas and the communities that live there, the funding provided by AED makes all the difference to the community and allows DIG and other local organisations to secure additional resources to enable the area to thrive and meet the needs of the community, those who live locally and visitors.

Appendix 1. About Foundation Scotland

Foundation Scotland helps communities create positive change and deliver lasting impact. We support philanthropists to help their personal giving make the most difference. We work with donors to invest in community action that enables people and places to flourish. We work in partnership with communities to maximise opportunities from place-based funds. And we offer social investment opportunities to enable social enterprises, community organisations and charities to grow and deliver positive social impact.

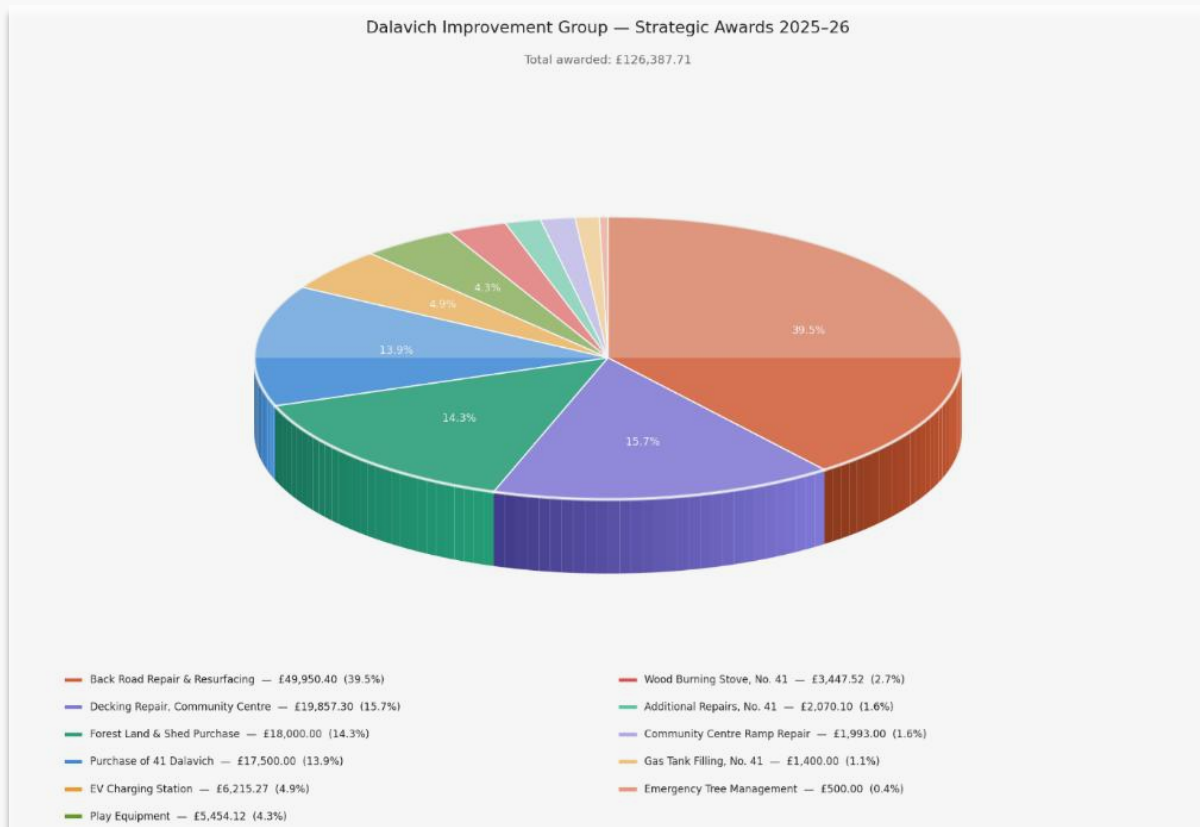
We have distributed more than £220 million to grassroots organisations across the country since the Foundation launched in 1996. Foundation Scotland is an independent Scottish charity (SC022910), one of 47 community foundations in the UK and part of a global network of over 1800 foundations worldwide.

For more information about Foundation Scotland, please visit:

www.foundationscotland.org.uk/

Appendix 2. DIG Strategic Awards

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.



Award Purpose	Amount Awarded
To provide funding to repair the decking outside the community centre and associated works to ensure that it is safe for use by the public.	£19,857.30
To contribute to the cost of buying and letting Number 41 Dalavich to increase the availability of long term rentals in the area.	£17,500.00
To fund the purchase and installation of play equipment to increase opportunities for safe play and social interaction in the village of Dalavich	£5,454.12
To provide funding for the repair and resurfacing of the road adjacent to the Loch in Dalavich (the 'back road')	£49,950.40
To contribute to the cost of buying Forestry Land and Shed in Dalavich village centre next to 45 Dalavich	£18,000.00
To fund the costs of emergency tree management and felling in Dalavich to protect assets and people in the village	£500.00
To contribute to the cost of filling the gas tank of Number 41 Dalavich to ensure the building is warm enough for repairs and renovations to be carried out.	£1,400.00
To contribute to additional costs for completing essential repairs to ensure the safety of future tenants of No 41 Dalavich.	£2,070.10
To contribute to the costs of infrastructure works for the installation of the EV charging station and fees to SSE.	£6,215.27
To contribute to the costs of installing a wood-burning stove in 41 Dalavich to ensure that the property is fit for purpose as a rental property.	£3,447.52
To provide funding for the repair to the Dalavich Community Centre ramp to ensure accessibility for all users.	£1,993.00
Total	£126,387.71

Contact

Debbie Herron - Community Fund Adviser

E-mail: debbie@foundationscotland.org.uk

Foundation Scotland: www.foundationscotland.org.uk

