

# **Empowering Communities Programme**

## **Investing in Communities Fund (ICF)**

**1 April 2023 – 31 March 2026**

### **Guidance note for applicants**

**Please read this note and the supplementary guidance before completing your application form.**

## Overview

This guidance will help applicants prepare and submit applications to the Investing in Communities Fund (ICF), which is a three year fund being delivered over the period from 1 April 2023 to 31 March 2026 providing grants of up to £350,000 in total over this funding period. The ICF is a revenue fund, also with availability of a small amount of capital funding of up to £20,000 per application for small scale capital costs, where this is directly linked to the revenue project. The value of the fund is expected to be approximately £10 million each year.

The application process is being delivered through a web based online portal. The link to set up a user account, access the online portal and complete and submit your application for ICF R2 funding will be accessible on Scottish Government's [Empowering Communities Programme webpage](#) on the day the fund opens. The portal also includes guidance to help you complete the application and details of who you should contact if system support is required.

The fund will open for applications at 2pm on Tuesday 31 May 2022.

The fund will close to applications at 2pm on Tuesday 28 June 2022. We recommend that you submit your application as soon as you are able to do so before this deadline.

If you require the ICF application form or other supporting documents in an alternative format for accessibility reasons, please email the [ICF mailbox](#) so that we can explore alternative options with you. Please do not wait until after the fund opens for applications to contact us about this.

This document provides further information on:

- the strategic context
- aims and objectives of the ICF
- application and assessment process
- eligible applicant organisations
- types of eligible proposals
- obligations and legal requirements
- submitting an application
- eligible and ineligible project costs
- the assessment process
- assessment criteria

## Strategic context

In response to the challenges of the global pandemic and climate crisis, Scotland has set its course for our economic recovery to be a green and fair recovery that supports the wellbeing of all the people of Scotland.

The Programme for Government 2021-22 sets out our vision, priorities and investment that will support our recovery and renewal providing opportunities for new work and sustainable growth, creating a fair and equal society, tackling poverty and discrimination, and action we will take for Scotland to become a net zero nation.

Our recovery will have at its heart the principles for social renewal of empowering communities, of shared systems that focus on prevention, and of equitable partnerships.

Projects supported by the ICF will contribute to a broad range of Scottish Government policies that work to deliver the National Outcomes set out in our [National Performance Framework](#).

Successful projects will deliver activity that reflects the following strategic areas of priority and core principles:

- [Child Poverty Delivery Plan](#)
- [Climate Change Plan 2018–2032 update](#)
- [The Place Principle](#)
- [The Regeneration Strategy](#)
- [Public Health Scotland's Strategic Plan](#)

## **Aims and objectives**

The ICF is a community focussed fund supporting organisations based in the places they serve delivering activity across all four of the following areas for action, that reflect the strategic context above:

- tackling poverty and inequality, including child poverty
- developing and sustaining place based approaches
- community-led regeneration
- ensuring a just transition to net zero.

The funding prioritises those places where support is needed most, for our disadvantaged, rural and fragile communities across Scotland. All successful projects will deliver work that achieves the following outcomes:

### **Reducing poverty and inequality**

Fewer people experience poverty and inequality, with a focus on ending child poverty; with improved life chances and opportunities; and living healthier lives. Your proposal should evidence how it will support people in a holistic person-centred way to help address multiple and complex challenges of disadvantage that people can often experience.

### **Developing and sustaining place based approaches**

Communities are more resilient, equal and work in partnership to achieve shared ambitions for their place. This means no-one is left behind by including and involving **all** sections of the community in an inclusive way and by also working collaboratively with local statutory bodies and other organisations. Doing so demonstrates an understanding of the local community, its needs and connection to other services and priorities.

## **Community-led regeneration**

Communities are more sustainable and able to shape their own futures by strengthening the role and offering of locally controlled community (anchor) organisations, where local people are enabled to identify for themselves the challenges and priorities for their areas and to also make decisions on what solutions are needed; empowering local people and building on the skills and resources within that community.

## **Ensuring a just transition to net zero**

Communities are more climate aware, are better equipped to support behaviour change and are able to contribute positively to taking action on climate change. Just transition is how we get to a net zero and climate resilient economy in a way that delivers fairness and tackles inequality and injustice. Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.

The ICF complements the new Place Based Investment Programme which aims to link and align all place-based funding initiatives to maximise the impact of investment, supporting sustained longer term renewal, promoting the resilience, health and wellbeing of communities across Scotland.

The overarching intent is to better co-ordinate what happens in each place in order to collectively improve the circumstance of peoples' lives - improving the rights, equalities, and wellbeing of all communities.

The Place Based Investment Programme is backed with £325 million of capital investment over 5 years including support for repurposing of land and buildings, creating new space for local enterprises, facilities and services.

Taking a place based approach, underpinned by the Place Principle, helps to support translating these strategic priorities into delivery and action on the ground and to accelerate our ambitions for community-led regeneration, Town Centre Action, Community Wealth Building and 20 Minute Neighbourhoods.

As part of our commitment for Scotland to be a fair and equal society, the ICF asks all organisations involved in the projects to commit to the Fair Work First criteria, as proportionate to their organisation, but as a minimum, to payment of the real Living Wage and gender equal pay for all paid staff posts the fund will support. Further information can be found in [The Fair Work Framework](#).

## How to apply

The application process is supported by an Independent Panel. We will initially review and assess all eligible applications. Local Authority community teams and Third Sector Interfaces may contribute local knowledge on alignment with wider plans which will also be considered by the Independent Panel. We may also share this information with Scottish Government colleagues and other agencies including other grant making bodies.

The Independent Panel will agree recommendations on which project proposals should receive an offer of grant, which will be informed to Scottish Ministers. As this ensures a fair and transparent process, the Independent Panel will not revisit any of its recommendations after they have been made.

For potential projects to be successful your application should identify how your organisation will address all four areas for action and the fund's outcomes.

Applications are invited that:

- demonstrate the ways in which your proposal will tackle poverty and inequality by addressing issues of local socio-economic or rural disadvantage using holistic person-centered approaches in the place in which your community is based
- have been identified and developed with the involvement and support of people living in the community, also reflecting the diversity of the community, and working in partnership with other community/third sector organisations as well as the public sector as appropriate
- align with local priorities supporting recovery through community-led local developments that enhance community resilience and sustainability by, for example creating jobs, helping sustain employment and contributing to the local economy
- contribute appropriately and proportionately to a fair and just transition to net zero

If your project proposal is designed to support communities in more than one local authority area we recommend that you complete separate applications for each of the relevant communities within each local authority area. This will help ensure that you have the opportunity to fully describe how the project will be delivered in each area.

All applications will be separately assessed with reference to the assessment process and criteria.

Successful applications will be expected to commence activity on or as soon as possible after 1 April 2023, and no later than 30 September 2023.

Supported projects will be required to demonstrate good progress with the project during the funding period to claim their eligible ICF grant. You should therefore consider the activities and outcomes that will enable you to best monitor, track, report on and evidence your project's progress. This includes the activities your organisation will commit to and progress in relation to the Fair Work Framework criteria.

All supported projects must be delivered in line with any current or emerging Scottish Government Coronavirus (COVID-19) guidelines and, where appropriate, have delivery models that can adjust to changing circumstances.

## Eligible applicant organisations

Eligible applicant organisations that will be considered for support from the ICF are:

- community/voluntary organisation
- registered charity
- housing association/housing co-operative/registered social landlord (RSL)
- Community Council
- social enterprise/community benefit society/Community Interest Company (CIC)

### And, must also be:

- incorporated i.e. the organisation holds legal status with corporate liability for finances and assets evidenced through registration with a regulatory body such as a Scottish Charitable Incorporated Organisation (SCIO) with the Office of the Scottish Charity Regulator (OSCR) or a charity based in Scotland that is **also either** registered with Companies House (as a company limited by guarantee) or is regulated by the Financial Conduct Authority (FCA); or
- a Community Benefit Society regulated by the Financial Conduct Authority (FCA); or
- a Community Council that has an agreed Scheme of Establishment with the Local Authority and a written constitution; or
- a Community Interest Company (CIC) where the organisation continues to meet the Regulator of Community Interest Companies' community interest test and asset lock provisions;

### and

- has a registered office in the UK with an official operating base in Scotland that is rooted in the community or communities they serve and operates on a not-for-profit basis for the benefit of the community;
- openly involves and engages with all sections of their community or communities, consistent with the [National Standards for Community Engagement](#);
- has a governing body such as a board or committee and a governing document that has been formally adopted and involves local people and community representatives in their decision making structures;
- is solvent, holds a UK bank account, with annual accounts that have been approved by their management committee or board, or current projected annual accounts, and control over all project income and expenditure.

As part of the online application process, the portal will prompt you to provide documentary evidence from one of the above regulatory bodies to confirm your eligibility to apply for ICF funding.

If your organisation does not meet the eligibility criteria then we will be unable to consider an application from you. However, you may instead wish to consider working in partnership with an eligible organisation to access support from the fund, which may have the additional benefit of strengthening the proposal and service for your community.

If forming a partnership application all parties involved need to be fully sighted on the application. If you don't have one it may be helpful to develop a partnership agreement or memorandum of understanding so that all partners understand their role and what is expected of them. This will not be a requirement of the funding application but may help avoid any issues later on.

As our communication/engagement regarding project proposals will be with the eligible applicant organisation we are unable to accept applications that are prepared or submitted by a third party on the applicant's behalf (for example, by an agency). We are also unable to support projects that are managed by a third party on the applicant organisation's behalf.

## **Eligible proposal types**

The fund supports the revenue costs associated with community consultations, feasibility work, and the design and/or delivery of local community-identified and community-led projects and services that will address local challenges, priorities and needs. Possible examples might include:

- providing holistic person-centred services and access to resources supporting low income households and families, child poverty priority family groups and individuals such as affordable/flexible childcare, income maximisation/financial capability, dignified food provision, and health and wellbeing support
- supporting people towards employment and better economic prospects
- participatory budgeting (PB)
- the fund will also consider requests to support a programme of phased activity during the ICF grant funding period - for example, some initial feasibility work to inform the most effective way to deliver a new local service. Where this is the case a single application form should be submitted addressing all phases of the proposal. However, you should note that funding for future phases of work will be dependent on the outcome(s) of the feasibility study
- small-scale capital costs up to a maximum of £20,000 per application, where these capital costs are directly related to the wider project/service delivery which is the main focus of the proposal. Where applicable, we will need written confirmation that appropriate permissions and consents are in place to carry out any capital works (for example, building warrant or planning permission)

In delivering an eligible project we will ask you to tell us about the ways in which the project and/or your organisation can contribute to climate change ambitions and a just transition to net zero. This may include considering how your organisation operates, the space or resources you use, how the project will be delivered, how people access your services, and/or opportunities to promote climate conscious behaviours (for example, by promoting active travel).

More information with examples of good projects and case studies are available in the two information fact sheets on our webpages, including suggestions for how to include positive [climate action](#) as part of your project.

## **Obligations and legal requirements**

- publicity - if your application is successful, you must ensure that any marketing or publicity about your project/service acknowledges Scottish Government funding and any other match funders in all associated project materials

- project proposals are invited on the basis that successful applicants will comply with all necessary obligations and legal requirements and the conditions contained in the ICF offer of grant, including compliance with UK Data Protection Laws (UK GDPR and DPA 2018)
- all projects will need to comply with all relevant legislation relating to the implementation of projects, including:

### **Data Protection, Freedom of Information and the Environmental Information Regulations**

Applicants to the ICF should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004, and current Data Protection laws. Therefore, please note that information provided, including personal information, will be held, published and disclosed in accordance with this legislation. When submitting an application, please let us know if there are any parts of it that would prejudice your commercial or other interests if they were made public. However, given our obligations, please note we cannot guarantee confidentiality.

### **Equality Legislation**

All organisations submitting an application to the ICF must satisfy themselves that they are compliant with relevant equalities legislation, including the Fairer Scotland Duty (as part of the Equality Act 2010). Further information can be obtained from the [Equalities and Human Rights Commission](#)

In addition, the following may also apply to your project:

- Subsidy Control (previously European Commission (EC) State Aid Rules)
  - Environmental Assessment (Scotland) Act 2005
  - Public Procurement
  - Planning Permission
  - and any other legal requirements that are specific to individual projects
- we may require proof from you that you have considered your obligations as required under legislation

## Submitting your application

- the fund will open on Tuesday 31 May 2022 at 2pm.
- the fund will close on Tuesday 28 June 2022 at 2pm.
- application forms must be submitted by eligible organisations.
- please ensure that the completed online application is submitted by or on behalf of an authorised person for your organisation.
- please contact the ICF Team as soon as possible if you need the application form or any of the supporting documents in alternative formats for accessibility reasons. You do not need to wait until the fund opens to request this.
- please note there are character/word limits to some questions. These are a guide and the maximum limits do not need to be met. Be specific, ensure your application is clear and to the point about what you are doing/plan to do.
- if you are unable to answer a question in the application form please clearly explain why. However, please bear in mind that if the application is materially incomplete – meaning that a significant amount of the application contains little or no information in answer to the questions – then we will be unable to progress the application to assessment stage.
- please review the information in your application form and the project budget template prior to submitting it for assessment to ensure that all the information asked for is provided and accurate. We will not accept replacement application forms or project budget templates for consideration should you subsequently identify that the information provided was incomplete or incorrect.
- we will only be able to consider information that you provide in the application form, the project budget template and where the online application funding portal prompts you to upload other documents that are specifically requested. Please do not include any supplementary attachments or hyperlinks as these will not form part of the assessment of your application.
- we are unable to comment on draft applications.
- when you submit your application you will immediately receive an automated email acknowledgment confirming receipt. This will contain a unique application reference number which you must quote in all correspondence with us regarding the project.

## Eligible Costs/Expenditure

- the total fund value each year is expected to be approximately £10 million subject to confirmation of budgets following the outcome of annual spending reviews.
- ICF grant funding is provided in financial years running from 1 April in one year to 31 March in the following year.
- funding is available to cover revenue costs incurred and activity undertaken during the period from 1 April 2023 to 31 March 2026, where directly related to the project/service. This includes staff posts, a proportionate contribution to core running costs, proportionate/reasonable costs related to evaluation of the project, and small items of equipment (e.g. laptops, office furniture, stationery, training materials and tools) that are required to enable delivery of the project and/or service.
- small-scale capital costs up to a maximum of £20,000 per application, where these capital costs are directly related to the wider project/service delivery which is the main focus of the proposal. Examples might include small-scale works to help reconfigure an asset/facility owned or managed by the applicant organisation from which the project/service will be delivered. We will need written confirmation that appropriate permissions and consents are in place to carry out any capital works (for example, building warrant or planning permission).
- management costs of up to 10% of the total requested ICF grant contribution will be considered where a clear justification for them can be evidenced.
- there is limited funding available, so this means we are asking applicants to be realistic and reasonable about the amount of grant that they are requesting.
- the **minimum** you can apply for is £5,000 over one financial year (for example, to undertake a feasibility study), however, we encourage you to consider the funding that would be required to deliver future phases of the project should the feasibility study be supportive. We will work with you to consider funding for future phases but please be aware that we may not be able to fund costs if significantly different to projected costs.
- the **maximum** you can apply for over the three consecutive financial years is £350,000, including any small-scale capital costs (up to the maximum of £20,000 per application). Please note: Only in exceptional cases will applications requesting more than the maximum be considered, and only where there is a clear justification of need, evidence of cost-effective delivery and positive impact from the project.
- if applying for less than 3 years' funding the maximum you can apply for in a single financial year is £150,000.
- please complete the project budget template in full, including the provision of clear information detailing the estimated breakdown of costs by individual cost category that the requested grant will be used for i.e. all eligible expenditure.
- please ensure expenditure figures are consistent with the start and end dates of the project and are also profiled to be incurred during the relevant financial years

running from 1 April in one year to 31 March in the following year (i.e. 2023/24, 2024/25 and 2025/26). ICF is unable to fund costs incurred before 1 April 2023 or after 31 March 2026.

- project proposals can request 100% ICF grant to cover all eligible project costs, however, securing additional funding from partnerships and other funders is welcomed as this can indicate stronger support and collaboration.
- for successful projects we will be unable to commit to future increases in the grant funding available for the project during the ICF funding period, including for costs that you might have forgotten to include in the application.
- for successful projects awarded grant over multiple financial years, the year two (2024/25) and year three (2025/26) funding will depend on the applicant organisation demonstrating achievement of agreed annual project activities and outcomes, and also on the outcome of annual spending reviews.

### **Project costs not eligible for ICF grant funding**

- costs which someone else is paying for, whether in cash or in kind
- items or services that only benefit an individual
- the repayment of loans or payments of debt
- trips abroad or activities promoting a religion or political party
- costs that do not directly support and enable delivery of the project/services or project outcomes such as: general improvements to public areas; notional costs contingency costs; and staff redundancy costs
- a budget to be used as a subsidiary fund for other organisations to bid/apply into - with the sole exception of participatory budgeting activity
- applications solely for capital projects
- capital costs in excess of £20,000, for example, towards the purchase of buildings or other community assets
- costs incurred prior to 1 April 2023 or after 31 March 2026

## Assessment process

- all applications will first be reviewed against the basic eligibility criteria for applicant organisations
- ineligible and/or materially incomplete applications and project budget templates will be rejected and will therefore not be assessed
- eligible applications will be assessed against the aims and objectives of ICF and within the broader context of strategic priorities and anticipated outcomes from the project. See the assessment criteria
- we may share information from your application with the relevant Third Sector Interface and Local Authority Community Team to help us understand the fit of your project within the community and against wider locality priorities. We may also share this information with Scottish Government colleagues and other agencies including other grant making bodies
- all eligible applications will be considered by the Independent Panel – currently expected to meet in November or December 2022
- as an open challenge fund, with a finite budget, we will be looking for proposals that demonstrate clear positive impact for their community that best fit with the fund's purpose, aims (areas for action), and outcomes
- we will assess if your project budget demonstrates value for money relative to the project's outcomes / impact. Please be aware that we may not offer an award at the full amount requested, this may be if we consider any of the costs ineligible or do not provide best value
- while dependent on the volume, quality and geographical location of applications, consideration will be given to the spread of investment across local authorities areas
- the Independent Panel's decision will be final and the panel will not revisit decisions. There is no appeals process
- we expect to advise all applicants of the outcome of their applications by the end of December 2022
- feedback will be provided for applicants of unsuccessful project proposals
- applications recommended for support may require financial and/or technical checks to be completed prior to the issue of a formal offer of grant. Details of the grant claims process and other relevant information will also be provided at this time
- we anticipate that formal offers of grant for all successful applications will be issued no later than March 2023

## **Assessment criteria**

We will review applications to ensure they are fully completed and meet the fund's criteria and eligibility requirements. Materially incomplete applications or those that do not meet the fund's criteria and eligibility will not be assessed further.

Applications will then be assessed against the criteria as outlined below. Applications may be shared with the relevant Local Authority Community Team and Third Sector Interface (TSI) for the area the application is covering. These partners will not be scoring the proposal but will instead contribute local area knowledge to provide a more complete picture of local circumstances, need and current provision. We may also share this information with Scottish Government colleagues, other agencies or grant making bodies if we consider this appropriate. An independent assessment panel will make decisions on projects to be funded. The panel will include representatives from stakeholder organisations, which is expected to include national community sector organisations with knowledge in community development, COSLA, Scottish Government and government agencies. All panel decisions are final. There is no appeal process.

If your application successfully meets the assessment criteria, you may still be asked to provide further information or clarification and/or financial information to support your proposal. Successful projects will then receive an offer of grant detailing the conditions of funding. Further details will be provided if additional information is needed.

Applications to ICF must demonstrate and evidence how they will deliver against all 4 areas for action, which are the aims and objectives of the fund. This includes how the proposal will demonstrate that it will have a positive impact, lasting benefit and offer best value to achieve its stated outcomes. The assessment criteria are set out below together with the weighting for each:

- tackling poverty and inequality, including child poverty: 2
- developing and sustaining place based approaches: 1.5
- community-led regeneration: 1.5
- ensuring a just transition to net zero: 1

### **Tackling poverty and inequality, including child poverty**

Your application will be assessed on how strongly it evidences how it will have a positive impact within your community to address poverty, inequality and/or rural disadvantage. In particular:

- how will it support individuals, households and families, including the child poverty priority family groups, out of poverty?
- how will your proposal support people in a holistic person-centred way to address the multiple and complex challenges associated with poverty and inequality that people can experience?
- has your proposal been influenced by the COVID-19 pandemic? This may be either in the way you work or in the challenges you are responding to. If so, you should also explain this in your application form.

## **Developing and sustaining place based approaches**

Your application will be assessed on how strongly it evidences a place-based and person-centred approach, involving all sections of the local community. For example:

- how your proposal will contribute towards collaboration and partnership working, both between the members of the local community, and also with and between local statutory bodies and other organisations
- how your proposal complements and adds value to current local provision
- how your proposal demonstrates an understanding of the local community, its needs and connection with other services

## **Community-led regeneration**

Your application will be assessed on how effectively it evidences that it will enable all sections of the community to participate in all stages of the development, design and delivery of the project/service. For example:

- how your proposal will promote active inclusion, this includes how you will ensure the principles of equality, diversity, dignity, fairness and respect are built into processes and project/service delivery
- how you will ensure that your project/service will reach and be accessible to those most in need and support the engagement of groups or individuals who face barriers to engagement and participation
- how your proposal will empower individuals and local people in your community including how they have been involved in making decisions regarding the need for the project/service and its design, development and delivery
- how your proposal builds on the skills and experience within the community

## **Ensuring a just transition to net zero**

Your application will be assessed on how well it considers opportunities that support and contribute towards the statutory targets for The Scottish Government's [Just Transition to Net Zero](#) - A Fairer, Greener Scotland Vision Document which sets out how Scotland will transition to a carbon neutral economy. For example:

- how will you engage your community in how they can take action on climate change, as part of a just transition? This could include education and behavioural change, waste reduction or re-use, promoting active travel and/or reducing the carbon footprint
- how will you deliver your project in an environmentally friendly way? This could include considering energy use in your buildings or those that you use, where services can be delivered online, using local suppliers/seasonal food if running events or delivering services, avoiding single use items like plastic cups